

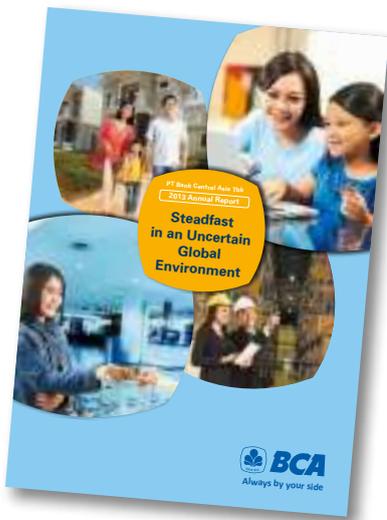
Trust Through Quality



BCA

Always by your side

Theme Continuity

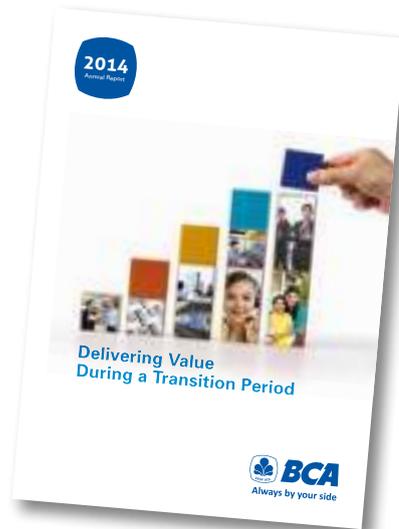


● 2013

Steadfast in an Uncertain Global Environment

2013 was a challenging year for the Indonesian economy. In an environment of global economic uncertainty and slowing domestic economic growth, BCA leveraged off its solid financial position to support the financial needs of its customers and maintain its position as a leading transaction bank in Indonesia.

Customer satisfaction is at the heart of BCA's business strategy. The Bank understands the importance of standing by its customers especially during volatile economic periods. Lending prudence and understanding the needs of its customers were key to remaining steadfast in an uncertain global environment.



● 2014

Delivering Value During a Transition Period

2014 was a year of both political and economic transition for Indonesia marked by high volatility in the foreign exchange and capital markets and continuing pressure on commodity prices.

The solid foundation laid by the previous government provides a sound basis for facing the macro economic issues now impacting the Indonesian economy. The new administration is taking steps to address these issues, including the reallocation of a large part of the fuel subsidy budget to other strategic areas, that should pave the way for future sustainable economic development.

New challenges for the Indonesian banking industry surfaced in 2014 as the result of a slowing economy and tightening liquidity which both limited the capacity for loan growth and led to higher sector NPL's. BCA successfully maintained its solid performance and delivered value to its stakeholders throughout this transition year by boosting liquidity and maintaining prudential lending guidelines.



● 2015

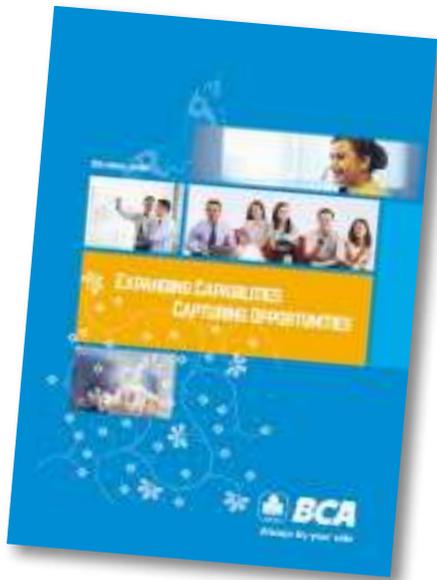
Maintaining a Solid Position

Navigating Challenges, Capturing Opportunities

The Indonesian economy continued to be negatively impacted by a weak global economy and a variety of domestic macro-economic challenges. The relative slowdown in the domestic economy was reflected in the Indonesian banking industry with deterioration in loan quality and slower loan and third party funds growth.

BCA successfully maintained its solid position in 2015 by consistently implementing prudent policies focused on maintaining loan quality, a strong capital and a healthy liquidity position.

BCA's solid financial position allows the Bank to support its customers through all economic conditions while providing a strong base to capture business opportunities for future growth.



● 2016

Expanding Capabilities Capturing Opportunities

Ongoing improvements ensure the Bank to provide the best possible services to customers; fulfill the evolving financial needs of the Bank's customers and remain at the cutting edge of technological developments. BCA remains committed to invest in both transaction banking franchise and lending capabilities while supporting development of the Bank's subsidiaries.

The challenging environment faced by the Bank in 2016 served as a test of the resilience of BCA's business model. Throughout the year, BCA focused on exploring and optimizing various business opportunities while remaining prudent at all times. The Bank's solid business model allowed BCA to deliver another year of sound financial performance.



2017

Trust Through Quality

2017 provided both challenges and opportunities for the banking industry in Indonesia, and BCA specifically. Throughout the year, BCA invested in infrastructure and resources to strengthen its core transaction banking and lending business.

BCA continues to adapt, embracing technological advances and capturing business opportunities, while maintaining a prudent approach to business. The Bank always prioritizes the comfort of its customers by providing convenient, secure and reliable services at all times.

With the loyal support of its customers, BCA successfully delivered a year of strong financial performance and maintained its position as the bank of choice in Indonesia.

Contents



Main Highlights

- 12 **Financial Highlights**
- 16 **Stock and Bond Highlights**

Management Report

- 22 **Report of The Board of Directors**
- 32 **Board of Commissioners' Supervisory Report**

Corporate Profile

- 42 **Company General Information**
- 43 **Line of Business**
- 44 **Milestones**
- 46 **Event Highlights 2017**
- 50 **Corporate Culture**
- 52 **Products and Services**
- 54 **Organization Structure**
- 56 **Board of Directors and Board of Commissioners Profiles**
- 70 **Board of Commissioners Committee Members and Corporate Secretary Profiles**
- 80 **Senior Officers**

- 82 **Number of Employees and Competence Development**
Number of Employees by Organization Level, Seniority, Age, Education Level and Status
Employee Competence Development
- 84 **Shareholder Composition**
BCA Ultimate Shareholder
Details of 20 Largest Shareholders
Details of Shareholders with More than 5% Share Ownership
Public Shareholders with Less than 5% Share Ownership
Share Ownership Percentage of Commissioners and Directors
- 86 **BCA Group Structure and Subsidiaries Ownership**
- 87 **Record of BCA Share and Other Securities Listing**
- 88 **Information on Subsidiaries**
- 90 **Capital Market Supporting Institution**
- 91 **Awards and Certifications**
- 98 **Branches**
- 101 **Data Access and Corporate Information**
- 101 **Information on Corporate Website**
- 101 **Training and/or Education for the Board of Commissioners, the Board of Directors, Committees, Corporate Secretary and Internal Audit Unit**

04 Management Discussion and Analysis

- 103 **Business Review**
- 104 Transaction Banking
- 112 Corporate Banking
- 118 Commercial and SME Banking
- 124 Individual Banking
- 130 Treasury and International Banking

136	Business Support
136	Risk Management
220	Human Resources
226	Network and Operation
230	Information Technology
234	Financial Review
235	Overview of Indonesia's Macro Economy 2017
236	Indonesian Banking Sector Performance Overview 2017
237	BCA Financial Performance Overview 2017
238	• Financial Position
238	- Assets
244	- Liabilities
248	- Equity
248	• Profit or Loss Statements
248	- Net Interest Income
251	- Operating Income other than Interest
252	- Operating Expenses
253	- Allowance for Impairment Losses on Financial Assets
254	- Income Before Tax
255	- Net Income
255	- Statements of Comprehensive Income
256	• Cash Flow
258	• Financial Ratios
260	Target Achievements in 2017
260	Capital Structure and Management Policy
260	• Capital Policy
260	• Capital Adequacy and Dividend Policy
261	• Capital Requirement of Subsidiaries
261	• BCA Capital Position
261	Material Information about Investment, Expansion, Divestment and Acquisition
262	Information on Material Transactions with Conflicts of Interest
262	Group-Wide Funding Commitments and Other Facilities to Single Outside Debtor
262	Impact of Changes in Laws and Regulations
263	Changes in Accounting Policies
263	Prime Lending Rate
264	Material Commitments for Capital Expenditures
264	Capital Expenditure Realized in 2016 and 2017
265	Material Information and Facts that Occurred after the Date of Accountants' Report
265	Business Segment Performance Overview
267	Marketing
268	Subsidiary Performance Overview
270	Prospects and Strategic Priorities in 2018
270	• Indonesian Economy and Banking Sector Prospects in 2018
271	• BCA Business Prospects and Strategic Priorities in 2018
272	• Financial Projections in the 2018 Business Plan
272	Business Continuity

05 Corporate Governance

281	Introduction
295	General Meeting of Shareholders
309	Major Shareholder/Controller Information
309	Board of Commissioners
323	Board of Directors
337	Meeting of Board of Commissioners, Board of Directors and Joint Meetings
343	Affiliated Relationship
344	Diversity in The Composition of the Boards of Commissioners and Directors
345	Remuneration Policy
356	Committees Under Board of Commissioners
371	Executive Committees of Board of Directors
398	Corporate Secretary
404	Internal Audit
408	Public Accountant Firm (External Auditor)
409	Compliance Function
411	Implementation of Risk Management
417	Internal Control System
419	Corruption Prevention
424	Affiliated Transactions & Transactions with Conflict of Interest
427	Legal Cases, Significant Cases and Administrative Saction
428	Access to Information and Corporate Data
443	Code of Conduct
445	Corporate Culture
446	Stock Option Plan
446	Related Party And Large Exposure
446	Strategic Plan
448	Transparency of Financial and Non-Financial Conditions Undisclosed in other Reports
449	Shares Buy Back
450	Provision of Funds for Social Activities
450	Provision of Funds for Political Activities
450	Implementation of Integrated Governance

06 Corporate Social Responsibility

470	Corporate Social Responsibility
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07 Consolidated Financial Statements

493	Consolidated Financial Statements
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TRUST THROUGH QUALITY

2017 provided both challenges and opportunities for the banking industry in Indonesia, and BCA specifically. Throughout the year, BCA invested in infrastructure and resources to strengthen its core transaction banking and lending business.

BCA continues to adapt, embracing technological advances and capturing business opportunities, while maintaining a prudent approach to business. The Bank always prioritizes the comfort of its customers by providing convenient, secure and reliable services at all times.

With the loyal support of its customers, BCA successfully delivered a year of strong financial performance and maintained its position as the bank of choice in Indonesia.





Adapting to Customer Preferences

Leveraging on technology advancement, BCA consistently refines its banking products and services to fit customer needs. Adoption of the latest technology supports automation in every business line, enhancing operational efficiency.

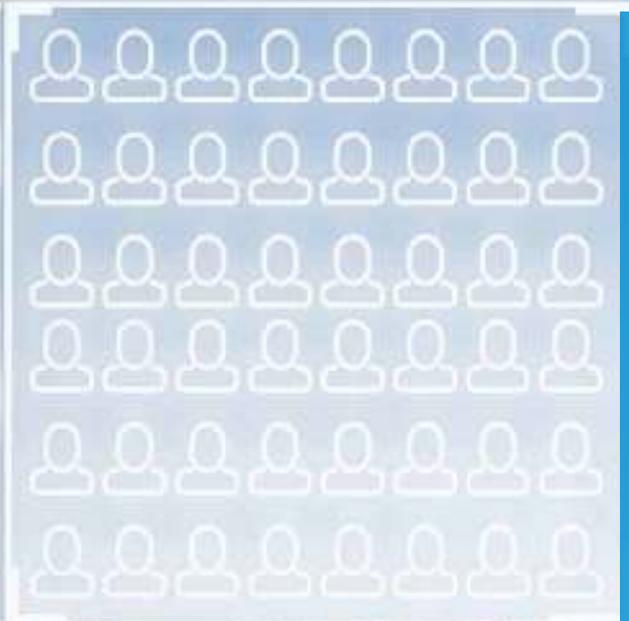




Improving the Quality of Our People

The collective contribution of employees at all levels of the organization is key to maintaining customer trust and providing quality service to customers. BCA thus remains committed to the development of employee competences and skills throughout the head office, regions and branches. In the past couple of years we have emphasized nurturing innovation and the ability to build strong relationships with customers.





Recruitment

People regeneration to maintain and further develop BCA's competitive advantages

Development

Enhancing the capabilities of our people to enable continuous innovation and promptly adapt to changes

Appreciation

Competitive remuneration and appreciation for high-performing employees

Work Environment

Conducive work environment with emphasis on work-life balance toward higher employee productivity

Maintaining Sustainable Performance

Upholding professionalism in providing banking services has built customer trust. In that regard, the Bank's transaction payment services and intermediary function continue to grow, enabling it to achieve solid financial performance.





Loan Portfolio

12.4%

Growth in 2017

BCA continuously develops its intermediary function, promoting quality loan growth by exploring business opportunities and utilizing capacities

Third Party Funds

9.6%

Growth in 2017

The development of payment settlement services plays an important role in strengthening BCA's funding position

Net Income

13.1%

Growth in 2017

The effort to enhance efficiency and healthy loan quality sustains BCA's profitability

Financial Highlights

Financial Highlights in the last 5 years (Audited, Consolidated, as of or for the year ended December 31)

(in billion Rupiah)	2017	2016	2015	2014	2013
Financial Position					
Total Assets	750,320	676,739	594,373	553,156	496,849
Total Earning Assets	672,235	604,049	527,407	483,945	435,309
Loans - gross	467,509	415,896	387,643	346,563	312,290
Loans - net	454,265	403,391	378,616	339,859	306,679
Securities (including Securities Purchased Under Agreements to Resell)	140,873	112,135	52,521	98,589	90,211
Placements with Bank Indonesia and Other Banks	18,969	35,364	56,259	12,020	12,254
Total Liabilities¹	618,918	564,024	504,748	477,430	434,517
Third Party Funds ²	581,115	530,134	473,666	447,906	409,486
CASA	443,666	408,205	360,261	336,412	322,895
Current Accounts	151,250	137,853	115,653	107,419	103,157
Savings Accounts	292,416	270,352	244,608	228,993	219,738
Time Deposits	137,449	121,929	113,405	111,494	86,591
Borrowings and Deposits from Other Banks	8,799	7,690	5,899	6,835	3,802
Debt Securities Issued ³	610	2,332	2,821	2,504	3,133
Total Equity	131,402	112,715	89,625	75,726	62,332
Comprehensive Income					
Operating Income	56,982	53,779	47,876	41,373	34,622
Net Interest Income	41,827	40,079	35,869	32,027	26,425
Operating Income other than Interest	15,155	13,700	12,007	9,346	8,197
Impairment Losses on Financial Assets	(2,633)	(4,561)	(3,505)	(2,239)	(2,016)
Operating Expenses	(25,190)	(23,379)	(21,714)	(18,393)	(14,790)
Income Before Tax	29,159	25,839	22,657	20,741	17,816
Net Income	23,321	20,632	18,036	16,512	14,256
Other Comprehensive Income (Expenses)	755	6,772	(344)	(147)	(777)
Total Comprehensive Income	24,076	27,404	17,692	16,365	13,479
Net Income Attributable to:					
Equity Holders of Parent Entity	23,310	20,606	18,019	16,486	14,254
Non-Controlling Interest	11	26	17	26	2
Comprehensive Income Attributable to:					
Equity Holders of Parent Entity	24,064	27,378	17,674	16,339	13,477
Non-Controlling Interest	12	26	18	26	2
Earnings per Share (in Rupiah, full amount)	945	836	731	669	579

All numbers in this document use English notation, unless otherwise stated.

1. Including temporary syirkah funds amounting to Rp 3,978 billion in 2017, Rp 3,467 billion in 2016, Rp 2,802 billion in 2015, Rp 1,952 billion in 2014 and Rp 1,444 billion in 2013.

2. Third party funds excluding deposits from other banks.

3. The debt securities issued represent bonds and medium-term notes issued by BCA Finance, a subsidiary of the Bank that is engaged in 4-wheeler financing.

	2017	2016	2015	2014	2013
Financial Ratios⁴					
Capital					
Capital Adequacy Ratio (CAR) ⁵	23.1%	21.9%	18.7%	16.9%	15.7%
CAR Tier 1	22.1%	21.0%	17.8%	16.0%	14.8%
CAR Tier 2	1.0%	0.9%	0.9%	0.9%	0.9%
Fixed Assets to Capital	19.8%	22.4%	18.6%	21.2%	21.8%
Assets Quality					
Non Performing Earning Assets and Non Earning Assets to Total Earning Assets and Non Earning Assets	0.9%	0.8%	0.6%	0.5%	0.4%
Non Performing Earning Assets to Total Earning Assets	1.1%	1.1%	0.7%	0.6%	0.5%
Allowance Provision on Earning Assets to Total Earning Assets	2.1%	2.3%	2.0%	1.6%	1.5%
Non Performing Loans (NPL) - gross ⁶	1.5%	1.3%	0.7%	0.6%	0.4%
Non Performing Loans (NPL) - net	0.4%	0.3%	0.2%	0.2%	0.2%
Rentability					
Return on Assets (ROA) ⁷	3.9%	4.0%	3.8%	3.9%	3.8%
Return on Equity (ROE) ⁸	19.2%	20.5%	21.9%	25.5%	28.2%
Net Interest Margin (NIM) ⁹	6.2%	6.8%	6.7%	6.5%	6.2%
Cost Efficiency Ratio (CER)	44.4%	43.9%	46.5%	44.2%	42.9%
Operating Expenses to Operating Revenues (BOPO)	58.6%	60.4%	63.2%	62.4%	61.5%
Liquidity					
Loan to Funding Ratio (LFR) ¹⁰	78.2%	77.1%	81.1%	76.8%	75.4%
Current Accounts & Savings Accounts (CASA) Ratio	76.3%	77.0%	76.1%	75.1%	78.9%
Liabilities to Equity Ratio	479.3%	507.5%	570.4%	635.8%	701.2%
Liabilities to Assets Ratio	82.7%	83.5%	85.1%	86.4%	87.5%
Liquidity Coverage Ratio (LCR) ¹¹	353.0%	391.3%	363.3%	na	na
Compliance					
Percentage Violation of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage Lending in Excess of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Minimum Reserve Requirement					
a. Primary Reserve Requirement - Rupiah	7.0%	7.3%	7.5%	8.4%	8.3%
b. Reserve Requirement - Foreign Currency	8.5%	8.5%	9.1%	8.6%	8.5%
Net Open Position (NOP)	0.5%	0.2%	0.4%	0.6%	0.2%
Other Key Indicators					
Number of Accounts (in thousands)	17,048	15,583	14,129	13,370	12,486
Number of Branches ¹²	1,235	1,211	1,182	1,111	1,062
Number of ATMs	17,658	17,207	17,081	16,694	14,048
Number of ATM Cards (in thousands)	15,767	14,402	13,090	12,429	11,639
Number of Credit Cards (in thousands)	3,296	2,983	2,748	2,583	2,458

4. Parent company only, financial ratios have been presented based on Circular Letter of Indonesia Financial Services Authority No.43/SEOJK.03/2016 dated September 28, 2016 regarding Transparency and Publication of Commercial Bank.

5. CAR is calculated with credit risk, operational risk and market risk based on Circular Letter of Bank Indonesia No.11/3/DPNP dated January 27, 2009 which was later changed into Circular Letter of Indonesia's Financial Services Authority No. 24/SEOJK.03/2016 dated July 14, 2016 regarding the Risk Weighted Assets Calculation for Operational Risk using the Basic Indicator Approach; and calculated based on Indonesia's Financial Services Authority Regulation No. 11 /POJK.03/2016 dated January 29, 2016, regarding Capital Adequacy Ratio (CAR) for Commercial Banks.

6. Calculated from total non performing loans (substandard, doubtful, loss) divided by total loans.

7. Calculated from income (loss) before tax divided by average total assets.

8. Calculated from net income (loss) divided by average Tier 1 Capital.

9. Calculated from net interest income (expense) divided by average of earning assets.

10. Calculated from total loan portfolio to third party divided by total third party funds and securities that met certain criterias and issued by the Bank for funding purposes.

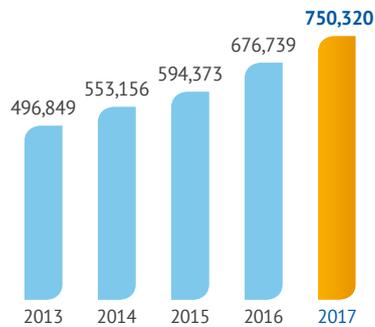
11. Calculated from total High Quality Liquid Asset (HQLA) divided by total net cash flow based on Indonesia Financial Services Authority Regulation No 42/POJK.03/2015 regarding Liquidity Coverage Ratio for Commercial Bank.

12. Including cash offices.

Financial Highlights - Continued

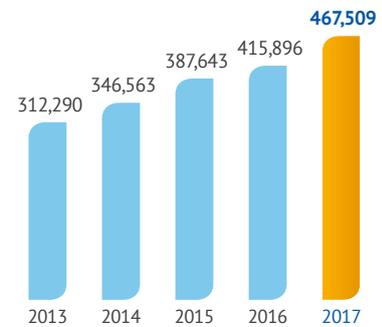
Total Assets

(in billion Rupiah)



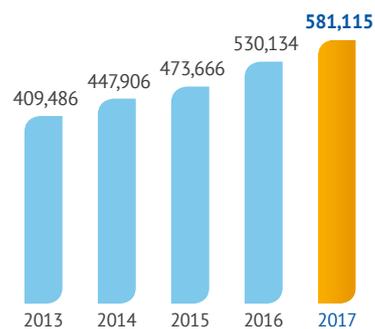
Loans - gross

(in billion Rupiah)



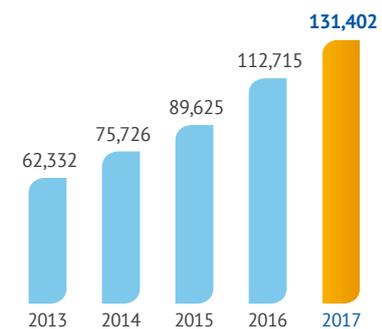
Third Party Funds

(in billion Rupiah)



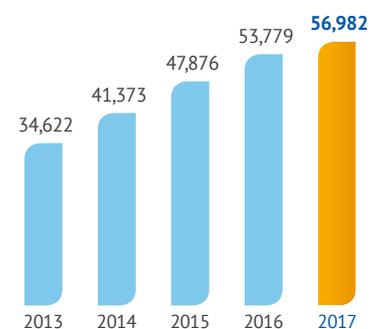
Total Equity

(in billion Rupiah)



Operating Income

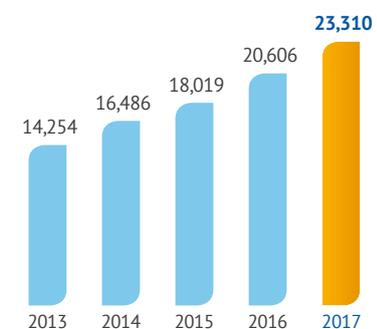
(in billion Rupiah)



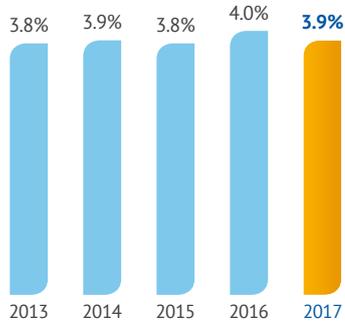
Net Income

Attributable to Equity Holders of Parent Entity

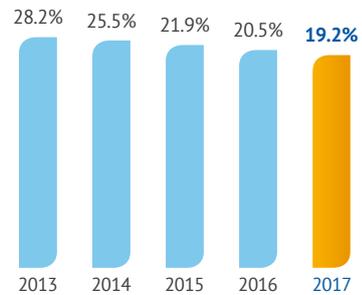
(in billion Rupiah)



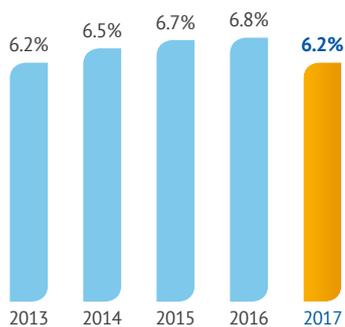
Return on Assets (ROA)



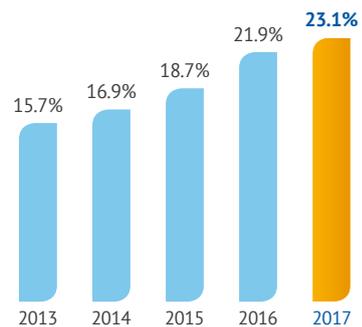
Return on Equity (ROE)



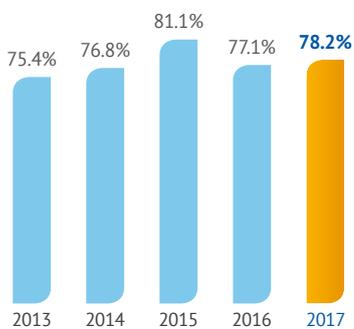
Net Interest Margin (NIM)



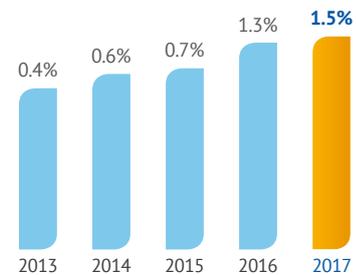
Capital Adequacy Ratio (CAR)



Loan to Funding Ratio (LFR)



Non-Performing Loans (NPL) - gross



Stock and Bond Highlights

BCA Share Performance in 2013 – 2017



Source: Bloomberg

	2017	2016	2015	2014	2013
Highest Price (in Rupiah)	22,750	16,200	15,600	13,575	12,500
Lowest Price (in Rupiah)	14,950	12,625	11,000	9,250	8,450
Closing Price (in Rupiah)	21,900	15,500	13,300	13,125	9,600
Market Capitalization (in billion Rupiah)	539,945	382,153	327,912	323,597	236,688
Earnings per Share (in Rupiah)	945	836	731	669	579
Book Value per Share (in Rupiah)	5,326	4,560	3,625	3,151	2,592
P/E (x)	23.2	18.5	18.2	19.6	16.6
P/BV (x)	4.1	3.4	3.7	4.2	3.7

Source: Bloomberg

BCA Share Price, Volume & Market Capitalization in 2013 – 2017

Year	Quarter	Price			Transaction Volume (in thousand)	Market Capitalization (in billion Rupiah)
		Highest (in Rupiah)	Lowest (in Rupiah)	Closing (in Rupiah)		
2017	I	17,000	14,950	16,550	919,042	408,040
	II	18,550	16,575	18,150	1,360,255	447,488
	III	20,375	18,075	20,300	824,300	500,497
	IV	22,750	20,050	21,900	968,402	539,945
2016	I	13,925	12,750	13,300	1,179,220	327,912
	II	13,450	12,625	13,325	992,972	328,528
	III	16,000	13,200	15,700	1,410,037	387,084
	IV	16,200	13,950	15,500	1,158,886	382,153
2015	I	14,825	12,800	14,825	771,201	365,511
	II	15,600	12,900	13,500	977,269	332,843
	III	13,900	11,000	12,275	850,501	302,640
	IV	13,800	11,875	13,300	891,297	327,912
2014	I	11,125	9,250	10,600	1,009,917	261,343
	II	11,525	10,425	11,000	816,759	271,205
	III	13,125	10,875	13,075	780,993	322,364
	IV	13,575	12,050	13,125	734,021	323,597
2013	I	11,400	8,850	11,400	695,468	281,067
	II	11,250	8,900	10,000	964,072	246,550
	III	12,500	8,450	10,000	762,881	246,550
	IV	10,800	9,250	9,600	606,268	236,688

Source: Bloomberg

BCA Capital Structure in 2013 – 2017

	2017	2016	2015	2014	2013
Authorized Capital					
Number of Shares	88,000,000,000	88,000,000,000	88,000,000,000	88,000,000,000	88,000,000,000
Total par Value (in Rupiah)	5,500,000,000,000	5,500,000,000,000	5,500,000,000,000	5,500,000,000,000	5,500,000,000,000
Unissued					
Number of Shares	63,344,990,000	63,344,990,000	63,344,990,000	63,344,990,000	63,344,990,000
Total par Value (in Rupiah)	3,959,061,875,000	3,959,061,875,000	3,959,061,875,000	3,959,061,875,000	3,959,061,875,000
Issued and Fully Paid Up Capital					
Number of Shares	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000
Total par Value (in Rupiah)	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000
Outstanding Shares					
Number of Shares	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000
Total par Value (in Rupiah)	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000

BCA Cash Dividends in 2013 – 2017

	2017	2016	2015	2014	2013
Earnings per Share (in Rupiah)	945	836	731	669	579
Cash Dividends per Share (in Rupiah)	na	200.0	160.0	148.0	120.0
Cash Dividends Amount (in Rupiah)	na	4,931,002,000,000	3,944,801,600,000	3,648,941,480,000	2,958,601,200,000
Interim Dividend (in Rupiah)	80.0	70.0	55.0	50.0	45.0
Cum Dividend for Trading in:					
Regular and Negotiated Market	28 Nov 2017	30 Nov 2016	12 Nov 2015	4 Dec 2014	28 Nov 2013
Cash Market	4 Dec 2017	5 Dec 2016	17 Nov 2015	9 Dec 2014	3 Dec 2013
Final Dividend (in Rupiah)	na	130.0	105.0	98.0	75.0
Cum Dividend for Trading in:					
Regular and Negotiated Market	na	13 Apr 2017	14 Apr 2016	16 Apr 2015	29 Apr 2014
Cash Market	na	20 Apr 2017	19 Apr 2016	21 Apr 2015	5 May 2014
Dividend Payout Ratio	na	23.9%	21.9%	22.1%	20.8%

BCA Dividends History*

Description	Amount per Share	Declared	Cum-Dividend	Recording Date	Payment Date
2017 Interim	Rp 80.0	23 Nov 2017	Regular and Negotiation Market Cash Market 28 Nov 2017 4 Dec 2017	4 Dec 2017	20 Dec 2017
2016 Final	Rp 130.0	10 April 2017	Regular and Negotiation Market Cash Market 13 Apr 2017 20 Apr 2017	20 Apr 2017	28 Apr 2017
2016 Interim	Rp 70.0	25 Nov 2016	Regular and Negotiation Market Cash Market 30 Nov 2016 5 Dec 2016	5 Dec 2016	22 Dec 2016
2015 Final	Rp 105.0	11 Apr 2016	Regular and Negotiation Market Cash Market 14 Apr 2016 19 Apr 2016	19 Apr 2016	29 Apr 2016
2015 Interim	Rp 55.0	9 Nov 2015	Regular and Negotiation Market Cash Market 12 Nov 2015 17 Nov 2015	17 Nov 2015	9 Dec 2015
2014 Final	Rp 98.0	13 Apr 2015	Regular and Negotiation Market Cash Market 16 Apr 2015 21 Apr 2015	21 Apr 2015	13 May 2015
2014 Interim	Rp 50.0	17 Nov 2014	Regular and Negotiation Market Cash Market 4 Dec 2014 9 Dec 2014	9 Dec 2014	23 Dec 2014
2013 Final	Rp 75.0	10 Apr 2014	Regular and Negotiation Market Cash Market 29 Apr 2014 5 May 2014	5 May 2014	20 May 2014
2013 Interim	Rp 45.0	11 Nov 2013	Regular and Negotiation Market Cash Market 28 Nov 2013 3 Dec 2013	3 Dec 2013	17 Dec 2013
2012 Final	Rp 71.0	8 May 2013	Regular and Negotiation Market Cash Market 28 May 2013 31 May 2013	31 May 2013	17 Jun 2013
2012 Interim	Rp 43.5	12 Nov 2012	Regular and Negotiation Market Cash Market 3 Dec 2012 6 Dec 2012	6 Dec 2012	20 Dec 2012
2011 Final	Rp 70.0	22 May 2012	Regular and Negotiation Market Cash Market 8 Jun 2012 13 Jun 2012	13 Jun 2012	27 Jun 2012
2011 Interim	Rp 43.5	17 Nov 2011	Regular and Negotiation Market Cash Market 6 Dec 2011 9 Dec 2011	9 Dec 2011	23 Dec 2011
2010 Final	Rp 70.0	16 May 2011	Regular and Negotiation Market Cash Market 6 Jun 2011 9 Jun 2011	9 Jun 2011	23 Jun 2011
2010 Interim	Rp 42.5	1 Nov 2010	Regular and Negotiation Market Cash Market 19 Nov 2010 24 Nov 2010	24 Nov 2010	9 Dec 2010
2009 Final	Rp 70.0	7 May 2010	Regular and Negotiation Market Cash Market 31 May 2010 3 Jun 2010	3 Jun 2010	17 Jun 2010
2009 Interim	Rp 40.0	26 Oct 2009	Regular and Negotiation Market Cash Market 12 Nov 2009 17 Nov 2009	17 Nov 2009	2 Dec 2009
2008 Final	Rp 65.0	20 May 2009	Regular and Negotiation Market Cash Market 9 Jun 2009 12 Jun 2009	12 Jun 2009	26 Jun 2009
2008 Interim	Rp 35.0	22 Dec 2008	Regular and Negotiation Market Cash Market 15 Jan 2009 20 Jan 2009	20 Jan 2009	30 Jan 2009

Description	Amount per Share	Declared	Cum-Dividend	Recording Date	Payment Date
2007 Final	Rp 63.5	26 May 2008	Regular and Negotiation Market Cash Market	12 Jun 2008 17 Jun 2008	17 Jun 2008 1 Jul 2008
2007 Interim	Rp 55.0	12 Nov 2007	Regular and Negotiation Market Cash Market	29 Nov 2007 4 Dec 2007	4 Dec 2007 18 Dec 2007
2006 Final	Rp 115.0	21 May 2007	Regular and Negotiation Market Cash Market	8 Jun 2007 13 Jun 2007	13 Jun 2007 27 Jun 2007
2006 Interim	Rp 55.0	21 Sep 2006	Regular and Negotiation Market Cash Market	10 Oct 2006 13 Oct 2006	13 Oct 2006 3 Nov 2006
2005 Final	Rp 90.0	17 May 2006	Regular and Negotiation Market Cash Market	6 Jun 2006 9 Jun 2006	9 Jun 2006 23 Jun 2006
2005 Interim	Rp 50.0	15 Sep 2005	Regular and Negotiation Market Cash Market	6 Oct 2005 11 Oct 2005	11 Oct 2005 25 Oct 2005
2004 Final	Rp 80.0	28 Jun 2005	Regular and Negotiation Market Cash Market	19 Jul 2005 22 Jul 2005	22 Jul 2005 5 Aug 2005
2004 Interim	Rp 50.0	27 Oct 2004	Regular and Negotiation Market Cash Market	22 Nov 2004 25 Nov 2004	25 Nov 2004 8 Dec 2004
2003 Final	Rp 112.5	8 Jun 2004	Regular and Negotiation Market Cash Market	30 Jun 2004 6 Jul 2004	6 Jul 2004 20 Jul 2004
2002 Final	Rp 225.0	7 Nov 2003	Regular and Negotiation Market Cash Market	3 Dec 2003 8 Dec 2003	8 Dec 2003 19 Dec 2003
2001 Final	Rp 140.0	10 Oct 2002	Regular and Negotiation Market Cash Market	29 Oct 2002 1 Nov 2002	1 Nov 2002 15 Nov 2002
2001 Interim	Rp 85.0	29 Oct 2001	Regular and Negotiation Market Cash Market	14 Nov 2001 20 Nov 2001	20 Nov 2001 4 Dec 2001

* BCA conducted a 2 for 1 stock split, one share was split into two shares, effective on May 15, 2001, June 8, 2004 and January 31, 2008

No bonds or securities were issued by the Bank in 2017. However, on a consolidated basis, the Bank possesses obligations in the form of bonds issued by the subsidiary BCA Finance, which per December 31, 2017 was recorded at Rp 610 billion. Information on bonds issued by BCA Finance can be found in the audited Consolidated Financial Statements on pages 591–594.





BCA management has successfully led the Bank and applied appropriate measures to adapt and capture opportunities arising in many areas of business and maintaining a focus on building relationships with customers.

Management Report

Report of The Board of Directors



Jahja Setiaatmadja
President Director

“BCA’s success in maintaining its business results was owed to our customer trust. BCA closely examines the changing needs of its customers and provides suitable banking solutions.”

Respected Shareholders and Stakeholders,

We are pleased to report that BCA successfully recorded a positive performance in 2017 by capturing a number of business opportunities amid moderate economic growth in Indonesia. Customer trust in the quality of BCA's products and services was the key principle of this solid performance.

BCA consistently provides high quality services, supported by measured investment in strengthening its core transaction banking business and intermediating function. The Bank's strategy is to fulfill the evolving financial needs of customers, in line with the recent trend in technological developments.

Review of the Indonesian Economy and Banking Industry in 2017

The growth of the Indonesian economy cannot be separated from the influence of the global economy, which saw positive improvements, although the recovery has been slower than expected. The Indonesian economy grew 5.1% in 2017, supported by improved export performance and investment activity. The ongoing development and completion of infrastructure projects across the country supported the economy. Indonesia's economic growth experienced a bottoming out in the last 12 months. The government and regulators implemented a number of efforts and policies to stimulate national economic recovery and maintain stability in the macroeconomic and financial systems.

Indonesia received rating upgrade from the world's leading rating agencies in 2017, recognizing the improvement in its economy. Standard & Poor's upgraded Indonesia's sovereign debt to investment grade, while Fitch Ratings upgraded its debt rating from BBB- to BBB. The outlook of Indonesia's investment grade was improved to positive from stable by Moody's.

Bank Indonesia (BI) continued to implement relaxation policies pursued in previous years to further stimulate GDP growth, with stable macroeconomic conditions where inflation and exchange rates were sustained at a manageable level. BI lowered the 7-day reverse repo rate by 50 basis points, leading to a rate of 4.25% at the end of 2017.

The Indonesian banking industry experienced a slowdown in loan and third party funds growth in recent years, with the moderation of the economy. Soft loan demand resulted from the internal consolidation and efficiency strategy adopted by business. As a result, the banking industry experienced moderate loan growth of 8.2% to Rp 4,738 trillion in 2017. Third party funds grew higher than loans at 9.3% to Rp 5,289 trillion, partly due to the success of the Government's tax amnesty program.

The banking industry also experienced pressure on its Net Interest Margin (NIM), in line with decreasing interest rates and moderate loan demand in 2017. The sector's NIM fell 30 basis points to 5.3% in 2017, from 5.6% in 2016. However, the decreased pressure on non-performing loans resulted in a declining expense for loan loss reserve compared to previous years. This supported positive growth of the banking industry's profitability in 2017, despite moderate loan growth and pressure on the NIM. The banking system remained stable, with recovering profitability and healthy levels of capital and liquidity. The sector's CAR ratio was 23.2%, and an LDR ratio of 90.0% at the end of 2017.

BCA Performance Analysis

BCA and its subsidiaries consistently maintained positive growth in their consolidated financial performance, with Net Income growth of 13.1% to Rp 23.3 trillion in 2017. Total Operating Income (Net Interest Income and Operating Income other than Interest) was Rp 57.0 trillion, growth of 6.0%. The Bank's profitability was in line with well-maintained loan quality, as the provision for non-performing loans was higher in the previous year. BCA booked loan provision expenses of Rp 1.8 trillion, with the ratio of reserves to total NPL at 190.7%. NPL ratio stood at a tolerable level of 1.5%.

BCA optimized opportunities relating to both assets and liabilities in the midst of banking sector recovery and declining interest rates. Growth in loans and third party funds was 12.4% and 9.6% to Rp 467.5 trillion and Rp 581.1 trillion respectively at the end of 2017.

BCA posted credit growth in all segments. In 2017, the Bank saw increased demand for corporate loans, particularly working capital loans. BCA launched various initiatives to explore growth opportunities in the commercial and SME segments amid tight competition. It offered a number of promotional events and competitive lending rates to stimulate consumer loan growth,

especially in mortgages. Current Accounts and Savings Accounts (CASA) remained the main contributor on the funding side, accounting for 76.3% of total third party funds at the end of 2017. CASA grew 8.7% to Rp 443.7 trillion while time deposits experienced significant growth of 12.7% to Rp 137.4 trillion. Growth of third party funds was also supported by an influx of funds from the tax amnesty program.

BCA implemented reliable and up-to-date technology to support the growth of its transaction banking business and improve operational efficiency. Over 90% of its banking transactions were facilitated by digital or electronic banking channels in 2017. In addition to providing convenience, security and flexibility to customers in conducting their banking activities, the utilization of technology supported the increase in operational efficiency. Operational expenses were recorded at Rp 25.2 trillion, an increase of 7.7%, which was relatively low compared to 5 years average growth.

BCA's solid financial performance in 2017 is reflected in its key financial ratios, with a Return on Assets (ROA) of 3.9% and a Return on Equity (ROE) of 19.2%. These profitability ratios were relatively well maintained compared to the previous year and higher than

BCA Financial Highlights (in billion Rupiah)

	2017	2016	Δ %
Total Assets	750,320	676,739	10.9%
Loans	467,509	415,896	12.4%
Third Party Funds	581,115	530,134	9.6%
Net Interest Income	41,827	40,079	4.4%
Operating Income other than Interest	15,155	13,700	10.6%
Operating Expenses	(25,190)	(23,379)	7.7%
Income Before Tax	29,159	25,839	12.8%
Net Income attributable to equity holders of parent entity	23,310	20,606	13.1%
EPS (in Rupiah)	945	836	13.1%

Key Financial Ratios (non consolidated)

	2017	2016	Δ bps
ROA	3.9%	4.0%	(10)
ROE	19.2%	20.5%	(130)
NIM	6.2%	6.8%	(60)
LFR	78.2%	77.1%	110
NPL	1.5%	1.3%	20
Cost Efficiency Ratio (CER)	44.4%	43.9%	50
CAR (credit, market and operational risk)	23.1%	21.9%	120

the banking sector average. BCA continuously monitored the adequacy of its liquidity and capital in managing lending and investment activities. Its capital and liquidity position remained solid, with a Capital Adequacy Ratio (CAR) of 23.1% and a Loan to Funding Ratio (LFR) of 78.2%.

Implementation of Strategic Policy

BCA carefully observes economic conditions and banking sector developments to anticipate challenges and capture opportunities.

Sustaining the balance between business objectives and prudent risk management is an important part of the management of the Bank's lines of business, for its core business in payment settlement services, lending activities, and the development of subsidiaries.

Strengthening Payment Settlement Services

To maintain the Bank's preeminence in transaction banking, the development of payment settlement services plays an important role in strengthening the CASA funding position. BCA connects customers through an extensive and integrated multi-channel network. Security, convenience and reliability of transactions are top priorities for BCA in providing quality services to customers and strengthening its franchise value, so measured investment in transaction banking infrastructure is a constant area of focus.

BCA observes closely the evolving needs of customers and works to provide solutions in line with developing trends. With the ongoing advancement in digital technology, BCA has seen a significant shift in customer transaction preferences in recent years. The frequency of digital transactions continues to increase, while the frequency of transactions through branch offices decreases. The frequency of transactions through digital channels contributed 97.0% to the Bank's overall transactions in 2017, up from 96.2% in 2016. This growth was driven mainly by increased use of internet and mobile banking. BCA saw the number of transactions through BCA internet banking exceeded ATM transactions in 2017.

BCA capitalizes on latest technological developments to improve customer experience and operational efficiency. It continues to improve the use of internet and mobile banking services, which serve as more efficient platforms than ATMs and branches. BCA socializes to customers that internet and mobile banking services are more convenient and easier to use, with unrestricted accessibility, 24 hours a day, seven days a week. BCA also continues to enrich the functionality and increase the transaction capacity of internet and mobile banking platforms.

Branches remain effective channels to strengthen customer relationships and facilitate large amount transactions. Although transactions through branch offices contribute less than 3% to total frequency, they account for 57% of total transaction value. BCA continues to selectively develop new branches and ATM networks to facilitate the ongoing need for large cash transactions. Branch expansion focuses on compact formats, such as cash offices and kiosks. BCA has enhanced branch automation through the installation of deposit/withdrawal machines at the tellers, and by developing the e-branch app to support branch banking services.

Investment in ATM networks is focused on the conversion from conventional ATMs and Cash Deposit Machines (CDM) to Cash Recycling Machines (CRM). While conventional ATMs only allow for cash withdrawals and CDMs only allow customers to deposit cash, CRMs combine both functions into a single machine, reusing deposited cash for later withdrawals. Most CDMs and hundreds of conventional ATMs were upgraded to CRMs by the end of 2017. Investment in CRMs is to increase efficiency by reducing regular cash refill maintenance visits.

The Bank continues to enhance its working methods and increase information technology capacity and capability to become more agile and innovative, to support development of the latest digital products and services. BCA constantly introduces new products and monitors digital development trends. It introduced a card-less cash withdrawal facility at its ATMs in 2017 through the use of BCA Mobile, in addition to the e-wallet app Sakuku, and launched VIRA virtual assistant using an the online chat banking system. The Bank also closely cooperates with a number of e-commerce players and enriches payment products and services on online platforms.

Prudent Lending Activities

BCA continues to capture opportunities, despite modest loan demand. It recorded relatively high loan growth both in the consumer and corporate segments in 2017, through offering competitive interest rates in both segments and attractive consumer loan promotional programs. It facilitates the credit needs of well-known corporations in line with prevailing market interest rates, supported by its liquid balance sheet, which is one of the largest in Indonesia. BCA's loan portfolio was Rp 467.5 trillion, growth of 12.4% in 2017.

Board of Directors



Armand Wahyudi Hartono
Deputy President Director

Jahja Setiaatmadja
President Director

Subur Tan
Director

Henry Koenafi
Director

Suwignyo Budiman
Director

Eugene Keith Galbraith
Deputy President Director



Erwan Yuris Ang
Independent Director

Rudy Susanto
Director

Santoso
Director

Inawaty Handoyo
Director

Lianawaty Suwono
Director

Growth in consumer loans was mainly driven by the increase in the mortgage portfolio. BCA launched an attractive mortgage program at its 2017 birthday celebration with a competitive five-year Fix & Cap arrangement, offering a fixed rate at 6% for the first two years and a 6.88% cap for the following three years. This offer received a positive response from customers. Further, BCA offered other attractive mortgage products, such as mortgages with low initial installments, in line with customer needs. Strong mortgage growth increased BCA market share and supported the overall growth of consumer loans.

BCA cooperates with its subsidiaries, PT BCA Finance and PT Central Santosa Finance, to disburse vehicle financing. It took part in a series of autoshow events and offered its popular vehicle financing product, the Fix & Cap program, which offers competitive interest rates to encourage vehicle financing growth. BCA prioritizes service quality, offers fast application processing and provides reliable marketing personnel to ensure the best experience for its customers. BCA collaborates in the credit card segment with renowned partners and conducts numerous promotional programs. It continues to enhance the preeminence of its proprietary BCA Card by expanding collaborations and offering attractive programs in line with customer needs.

For the corporate segment, BCA continuously capitalizes on opportunities in every seasonal peak in loan demand. Corporate lending is targeted on reputable corporations with proven track records. BCA sought to increase its penetration of the commercial and SME segments, which were experiencing fierce competition. To expand SME lending, BCA initiated a pilot project of Micro, Small and Medium-sized Enterprises (MSME) centers at several branches. BCA also adjusted the limit on the commercial and SME segments in 2017 to expand its target market and its exposure towards these markets. It lowered lending rates across all segments, in line with interest rate trends, resulting in a decline in loan yield of 80 basis points at the end of 2017 compared to 2016.

BCA continues to enhance its loan infrastructure, including improving the quality and quantity of its account officers and relationship managers, developing loan products, refining lending policies and strengthening regional business development infrastructure.

BCA's lending activities are balanced with carefully maintained quality. BCA constantly applies prudent lending practices to sustain lending quality and carefully monitors economic conditions. It also consistently monitors the quality of its loan portfolio and proactively takes preventive measures when customers encounter loan repayment difficulties, including initiating loan restructuring for quality customers showing long-term business solidity but facing temporary financial difficulties. Lending is diversified across a number of potential sectors to mitigate concentration risks.

Developing Subsidiaries

BCA continues to support the business development of its subsidiaries, which includes businesses in vehicle financing, remittances, Sharia banking, securities, general and life insurance and venture capital, in order to provide comprehensive financial solutions for customers. The Bank's large customer base provides opportunities for the development of these subsidiaries, and it is expected they will in turn strengthen BCA's transaction banking business.

BCA established PT Central Capital Ventura (CCV), a new venture capital subsidiary, in 2017. The development of internet and telecommunications technology brings opportunities for start-up companies to create innovations in digital financial services. BCA, through CCV, intends to invest in and collaborate with fintech companies and support companies in the financial industry that enhance the overall financial service ecosystem of BCA and its subsidiaries, while delivering added value to stakeholders.

BCA increased its share ownership of PT Central Santosa Finance (CS Finance), a motorcycle financing subsidiary, in 2017. BCA now has 100% ownership of CS Finance (directly and indirectly), from previously 70%.

PT Asuransi Jiwa BCA (BCA Life), a subsidiary previously owned indirectly through the Bank's subsidiaries; PT BCA Sekuritas; and PT Asuransi Umum BCA (BCA Insurance) became directly owned by BCA in 2017. The Bank also raised its effective ownership in BCA Life and BCA Sekuritas, from 75% to 90% in each company, with no remaining ownership belonging to affiliated parties. Increasing ownership in these subsidiaries further supports integration, enhance cooperation and strengthen alignment between the strategic direction of the subsidiaries and the Bank.

Targets, Challenges and Achievements in 2017

• Targets and Achievements in 2017

BCA's performance in 2017 exceeded its initial targets. CASA funds grew 8.7% to Rp 443.7 trillion, higher than the 5%–7% target. BCA recorded loan portfolio growth of 12.4% to Rp 467.5 trillion, exceeding the 8%–10% target.

Net profit was Rp 23.3 trillion in 2017, growth of 13.1%. Return on Assets (ROA) and Return on Equity (ROE) were 3.9% and 19.2% respectively, better than the year's targets.

• Challenges and Solutions

Bank Indonesia's falling benchmark interest rate, and adequate national banking sector liquidity, reduced interest rates across the market in 2017. BCA gradually lowered interest rates on both its loans and third party funds. However, amidst recovering business conditions, the decline in BCA's interest rates did not boost its loans. Demand is more influenced by national business conditions, as reflected by moderate economic growth. Under this condition, the Bank's net interest margin declined in 2017, putting pressure on operating income.

BCA works to improve efficiency and increase fee-based income. The highest operational expense is transaction banking. The Bank optimized operational efficiency through technology and automation. BCA's preeminence in payment settlement services supported the collection of fee-based income. Collaborations with subsidiaries were continuously developed. In 2017, BCA saw an increased non-interest income contribution from BCA Insurance and BCA Sekuritas.

Furthermore, to increase bancassurance fees, BCA and PT AIA Financial signed an amendment of the bancassurance partnership agreement in the first semester of 2017 to expand its scope for 10 years. The strategic partnership is expected to provide long-term benefits for both parties, and facilitate increasingly diverse customer needs.

BCA made several adjustments to its source of funds' interest rates, considering the relatively stable and adequate liquidity

conditions. The Bank reduced its maximum savings interest rate by 10 basis points in October 2017. Since June 2017, BCA also gradually lowered time deposits rate. The maximum rate for its one-month time deposit decreased 275 basis points from 6.75% at the end of 2016 to 4.0% at the end of 2017. With these strategies, BCA reduced cost of funds particularly in the second half of 2017. The decline in time deposits interest rates minimized pressure on NIM in 2017.

Another important factor affecting BCA's performance is asset quality. Well-maintained loan quality also supported its net profit growth, despite its relatively minimal growth in profit before tax and provision. Net profit was driven by a fall in the expense of allowance for impairment losses on financial assets by 42.5% to Rp 2.6 trillion 2017, in line with the healthy level of non-performing loans. BCA applied prudent lending policies across all segments amidst moderate turnover from business activities.

Business Prospects and Strategy for 2018

The national economy in 2018 will improve from 2017, but will remain at a moderate level as it continues to recover. Infrastructure development will progressively have a positive impact in the coming years as various projects reach completion. Ongoing improvement of global economic conditions is expected to support an increase in Indonesian exports.

BCA is optimistic that Indonesian economic development will continue, and long term economic growth will remain prospective as one of the pillars of the ASEAN region's economy, even though 2018 is a political year, with regional head elections in some main provinces, and the early stages of the legislative and presidential elections.

We expect moderate growth in the banking sector, in line with Indonesia's ongoing economic recovery. Declining interest rates led the Net Interest Margin (NIM) to a relatively low level, which has left minimal downside in the coming year, resulting in a positive effect on BCA's performance. The Bank will continue to monitor interest rate trends in 2018, the dynamic policies of the world's central banks, and domestic monetary policies.

Target vs Achievement 2017

	Target	Achievement
Loan growth	8% - 10%	12.4%
CASA growth	5% - 7%	8.7%
ROA	≥ 3.5%	3.9%
ROE	18%-20%	19.2%

Going forward, BCA and national banking players face the impact of rapid technological development disrupting the banking business in its current form. Investments in the near future will be in development and innovation in technology to support sustainable growth in the banking business and improve efficiency.

BCA faces rapid technological developments, characterized by widespread financial technology products, emerging e-commerce businesses and the entrance of global e-commerce and payment players. Increasingly dynamic technological developments and shortening technological platform cycles will be a challenge in the coming years.

To maintain solid performance, strategic measures and efforts in 2017 will continue to be implemented in 2018. The use of technology, both to adapt to digital trends and improve efficiency, will be important, especially in payment settlement services. BCA will continue to develop its payment settlement services to strengthen CASA funding, which remains its main source of funds. Investments in transaction banking multi-channel infrastructure and digital technology will continually be conducted to enhance customer experience, thus allowing BCA to make its transaction banking platform more convenient, while not forgoing security and reliability. The Bank is constantly adapting to the development of online payment settlement methods utilized by e-commerce businesses.

Lending capability will constantly be enhanced to support BCA's intermediating function. Investment in improvements in loan infrastructure, loan processing enhancement and continuous assessment of credit policies in line with economic developments will remain a priority. BCA targets positive growth in all loan segments – corporate, commercial and SME, and consumer – in 2018. The Bank will actively review its competitive interest rates and develop new programs to optimize loan growth, while maintaining prudent banking principles.

BCA will seek further opportunities to increase fee-based income by exploring opportunities arising from its competitive capabilities in payment settlements and lending, and by collaborating with its subsidiaries. The subsidiaries are expected to make more contributions through various cooperations with BCA, as well as increased collaboration between subsidiaries.

Improving Corporate Governance

Stakeholder trust in BCA is a reflection of the Bank's commitment to good corporate governance (GCG). All members of BCA - the Board of Commissioners, Board of Directors, and all management and employees - always apply the principles of transparency, accountability, responsibility, independence and fairness.

BCA follows relevant national and international policies, such as regulations issued by the Financial Services Authority (OJK), Bank Indonesia, the ASEAN Corporate Governance Scorecard and best practices in the banking industry to improve the quality of corporate governance. The Bank also maintains active communication with customers, regulators and the capital market community to support transparency with stakeholders.

BCA recognizes the importance of GCG to strengthen banking infrastructure and corporate culture to sustain business performance and minimize risks. The Bank applies a system of checks and balances and a good internal control system while ensuring division of duties and responsibilities between work units. In 2017, BCA appointed a new external auditor, Tanudiredja, Wibisana, Rintis & Rekan (a member company of the global PwC network), replacing Siddharta, Widjaja & Rekan (a member company of KPMG International) that audited BCA for five years.

BCA conducts self-assessment on GCG and achieved a composite rank of 'Very Good' in 2017, individually and with subsidiaries. In recognition of its good corporate governance, BCA received awards or recognition from leading institutions, including The Most Trusted Companies of Indonesia from the Institute for Corporate Governance (IICG) and SWA Magazine, and Best Disclosure and Transparency from the Indonesia Institute for Corporate Directorship (IICD).

Strategies for Human Resources' Development

BCA is committed to develop its human resources as part of its strategic direction and goal of providing high quality services to its customers, due to the importance of human resources as an essential asset for business sustainability.

BCA provides career development opportunities and a clear career path for employees. Leadership regeneration and succession processes are priorities to ensure solid organizational sustainability. BCA provides training for employees at every level to enhance their skills and ability to adapt to changes, to ensure the availability of quality human resources.

In line with technological developments, we implement automation to support more efficient branch operations. Accordingly, the frontliners in the branch can be further directed to introduce and market BCA products and services, and strengthen relationships with customers.

BCA strives to be an employer of choice to attract qualified workers to join its workforce and retain qualified employees to contribute to business growth.

Corporate Social Responsibility

BCA actively participates in various social activities, aimed at the welfare of Indonesian society, through its corporate social responsibility (CSR) programs. Social activities are directed at education and culture preservation; health and sport; and community empowerment. BCA collaborates with experienced and competent institutions leading their fields, including WWF, UNICEF, Indonesian Red Cross, and several leading universities in Indonesia.

The educational aspect remains a priority of BCA's CSR activities and plays an important role in improving the quality and competitiveness of Indonesian society for the future. The Bakti BCA internship program provides work experience in the banking industry. The Bank offers accounting and information technology educational programs with on the job trainings in BCA.

BCA plays an active role in the preservation and development of national culture, especially wayang (Indonesia's puppetry culture), by conducting a series of 'Wayang for Students' events. To support health and sports, the Bank conducted various activities, including badminton.

BCA collaborates with local communities to support tourism village development programs, which improve productivity and provide employment opportunities, as part of its community empowerment work. The Bank inaugurated Desa Wisata Kampung Batik Gemah Sumilir (Gemah Sumilir Batik Village), a community developed by BCA to promote Pekalongan as the World Batik Center for domestic and foreign tourists in 2017.

Performance of Committees

The Board of Directors appreciates the role of executive committees the Assets and Liabilities Committee (ALCO); the Credit Policy Committee; the Credit Committee; the Risk Management Committee; the Integrated Risk Management Committee; the Information Technology Steering Committee; and the Personal Case Advisory Committee, for the service and support given to the board in managing the Bank.

The Board of Directors determined that the committees performed in accordance with their duties and responsibilities in 2017, providing useful advice supporting the duties of the Board of Directors. The committees periodically discuss their work programs in accordance with the progress of BCA's performance, the economy and prevailing regulations. The Board of Directors expresses appreciation for the support and commitment of the committees.

Changes to the Board of Directors

In 2017 there was no change to the composition of BCA's Board of Directors. The Board's profile can be seen in the Company Profile section, on pages 56–65. The 11 members of the Board of Directors reflects its diversity in terms of education, work experience and expertise, and the competencies required to support the improvement of the Bank's performance. Each member has tasks and responsibilities that support the achievement of BCA's business strategy, in line with its vision and mission, adhering to the company's core values.

Appreciation for All Stakeholders

We acknowledge that BCA's success in maintaining its business performance is due to the trust of our customers, trust that motivates all BCA employees to work hard to provide the best quality products and services.

The Board of Directors appreciates the role of the Board of Commissioners in carrying out its oversight function and providing strategic advice, thus allowing BCA to sustain its positive performance in 2017. We appreciate active measures from the Financial Services Authority and Bank Indonesia in supervising the banking system as a whole and in maintaining the stability of Indonesia's financial system.

Finally, on behalf of the Board of Directors and the management of BCA, we would like to thank all stakeholders for the support and trust they have given throughout the year, enabling us to look ahead with optimism.

Jakarta, March 2018

On behalf of the Board of Directors,



Jahja Setiaatmadja
President Director

Board of Commissioners' Supervisory Report



Djohan Emir Setijoso
President Commissioner

“BCA has applied appropriate measures to adapt to increasingly tight competition in the banking sector and changing business trends, improving its capability for continuous growth.”

Valued Shareholders and Stakeholders,

We are pleased to report that BCA successfully maintained its positive performance and adapted to changes in the business environment in 2017. The Bank closed the year with a solid balance sheet and a 13.1% increase in net profit of Rp 23.3 trillion, despite moderate economic growth.

For an aligned view of the Bank's business strategy, the Board of Commissioners and the Board of Directors continuously communicate. The Board of Commissioners assessed that the Board of Directors successfully guided BCA in maintaining business continuity by prioritizing strategic objectives. The Board of Directors implemented prudent strategies in managing the Bank and capitalized on opportunities throughout the year. Adequate liquidity, capital position and loan quality were priorities in the Bank's 2017 business plan. BCA improved operational efficiency and strengthened the capabilities of its business line and subsidiaries through a number of initiatives and work programs.

The Board of Commissioners acknowledges the Bank's solid business performance was due to customer trust, which is the foundation of BCA's business development. As such, we constantly work to improve the quality of our services and provide financial solutions to accommodate customer needs.

Review of Indonesian Economy and Banking Industry in 2017

Indonesia's economic growth rate has been in a modest pace since 2014, in line with stagnant domestic consumption and the ongoing recovery of export performance. Indonesia posted economic growth of 5.1% in 2017, a slight growth from 5.0% in 2016, one of the highest among G-20 countries.

With the implementation of strategic policies in 2017, we saw Government and regulator efforts to stimulate national economic recovery and maintain macroeconomic and financial system stability. The development of infrastructure projects continues to

be a Government focus, aiming for the acceleration of Indonesia's economy, especially once key infrastructure projects have been completed. Investment flows improved and contributed to a number of business activities. National export performance grew, in line with the improvement of Indonesia's key commodity prices.

Indonesia's economic growth was influenced by positive improvement in the global economy, although the recovery is slower than expected. Growth of the US economy, which showed progressive signs, including domestic consumption growth and a declining unemployment rate, was a positive. This influenced the US Federal Reserve (FED) to increase its interest rate several times, and it will likely do so again in the foreseeable future. The Chinese economy is moving toward a new equilibrium with lower economic growth of 6.7%-6.9%, accompanied by the risk of high Chinese corporate debt. The slowdown in China's economy has affected the global economy, especially its trading partners, including Indonesia. However, China's rebalancing and deleveraging processes have been well managed and its economy is heading for a soft landing. The European improved and is now one of the pillars of global economic growth.

Targeted domestic macroeconomic policies successfully supported a number of key macro parameters, despite moderate national economic growth. The Rupiah exchange rate against the US Dollar (USD) was relatively stable in 2017, although it experienced pressure at the second semester, closing 2017 at Rp 13,555 per 1 USD, from Rp 13,473 at the end of 2016. Inflation also remained within the Government's target range, at 3.6% by the end of the year, compared to 3.0% at the end of 2016.

Indonesia's economy saw a number of achievements, providing foundations for long-term economic growth in 2017. The tax amnesty program, which began in July 2016 and was applied gradually to the end of March 2017, recorded a redemption payment equivalent to 1.1% of Gross Domestic Product (GDP), and total

Board of Commissioners



Sumantri Slamet
Independent Commissioner

Cyrellus Harinowo
Independent Commissioner

Tonny Kusnadi
Commissioner

Djohan Emir Setijoso
President Commissioner

Raden Pardede
Independent Commissioner

assets declared equal to 39.3% of GDP. The amnesty was the most successful in the world, with the highest ratio of redemption levy to total GDP compared to other countries that have implemented such a program. Standard & Poor's upgraded Indonesia's debt ratings to investment grade in 2017, due to fiscal and monetary conditions, while Fitch Ratings increased Indonesia's debt rating from BBB- to BBB. The outlook of Indonesia's investment grade was improved to positive from stable by Moody's.

Bank Indonesia loosened several monetary policies, including adjusting interest rates, to stimulate economic growth. In second semester 2017, Bank Indonesia lowered its seven-day reverse repo rate in August and September by 25 basis points each, standing at 4.25% at the end of year, in response to stable inflation, Rupiah exchange rates and investment flow. Interest rates in Indonesia were relatively low compared to long-term historical data. However, national banks need to pay attention to the direction of global interest rates, especially the impact of the increased FED rate in the US and the European Central Bank's (ECB) plan to reduce its stimulus plan in the Eurozone. The normalization of the FED rate, both in terms of magnitude and implementation schedule, will have an impact on emerging countries, including Indonesia. The rate of reduction of the ECB's monetary stimulus program will depend on economic recovery in European countries. The prevailing macroeconomic conditions in many countries will affect the monetary policies of the world's major central banks and impact global capital flow.

The banking sector experienced moderate loan growth of 8.2% in 2017, in line with the ongoing recovery of the economy. Third party funds grew by 9.3%, and the sector's Non-Performing Loans (NPL) ratio was relatively stable at 2.6% at the end of 2017, from 2.9% at the end of 2016. Net income grew by 23.1%, consistent with the easing pressure on NPLs. The banking industry saw a drop in its Net Interest Margin (NIM) to 5.3% in 2017 from 5.6% in 2016, in line with declining domestic interest rates in 2017. Financial system stability was well maintained, with a solid banking sector capital position (Capital Adequacy Ratio – CAR per December 2017 of 23.2%) and liquidity position (Loan to Deposit Ratio – LDR at the end of December 2017 of 90.0%).

Performance of the Board of Directors and Bases of Assessment

The Board of Commissioners assessed the Board of Directors' performance in 2017 based on the annual business plan submitted by the Directors and approved by the Commissioners. In its supervisory capacity, the Board of Commissioners decided that, overall, the Board of Directors successfully managed BCA in 2017 amid Indonesia's moderate economic conditions.

The Board of Commissioners and the Board of Directors are committed to creating a transparent, accountable, responsible, fair and independent organization. The implementation of good corporate governance, sound risk management and internal auditing serves as foundations for sustainable business performance, and creating added value for the Bank's stakeholders. BCA and its corporate governance systems have been properly managed by the Board of Directors.

We report that in 2017, BCA maintained a healthy business performance, posting a 13.1% increase in net income to Rp 23.3 trillion. The loan portfolio grew 12.4% to Rp 467.5 trillion, and third party funds grew 9.6% to Rp 581.1 trillion. Return on Assets (ROA) and Return on Equity (ROE) exceeded pre-defined targets. BCA also maintained strong capital and liquidity positions, reflected in the CAR, Loan to Funding Ratio (LFR) and Liquidity Coverage Ratio (LCR). BCA's solid performance was partly due to prudent risk management, particularly in the management of credit, market and operational risk. The Bank's loan quality was well maintained, with an NPL ratio of 1.5% in 2017, lower than the Indonesian banking sector average. Other risks, including operational, were adequately managed, supported by an integrated risk management framework covering strategies, organizational structure, policies and guidelines, and the infrastructure of the Bank's risk management, allowing BCA to identify, measure, control and report risks. Operational losses were well below the standard capital charge stipulated by the regulator.

The Board of Commissioners supports the Board of Directors' strategies in adapting to changes in customer needs and the latest banking trends. The Board of Directors successfully steered the Bank to take advantage of technology and enhance its digital services, despite the rapid growth in digital technology. BCA responded to growing customer preference for digital services and increased automation for operational efficiency. This resulted in improved business, in particular transaction banking, as the key driver for Current Accounts and Savings Accounts (CASA). BCA established PT Central Capital Ventura, a venture capital company as a subsidiary in response to the advancement of fintech and e-commerce start-up companies in 2017, enabling the Bank to invest in fintech companies. The subsidiary will collaborate with fintech companies and support BCA's business ecosystem and its subsidiaries, and enable it to adapt to the changing needs and demands of customers.

Supervision of BCA's Strategy

The Board of Commissioners, in its supervisory role, concludes that the Board of Directors successfully managed the Bank in accordance with its annual business plan, BCA's vision, mission, and strategic direction. We see that the Board of Directors applied appropriate measures to adapt to increasingly tight competition in the banking sector and changing business trends, improving its capability for continuous growth.

BCA continued to strengthen its core transaction banking business in 2017. A solid source of CASA funding was secured by the Bank's preeminence in transaction banking and its continuous efforts to maintain interconnection between customers and its payment system.

BCA leverages on digital technology to expand its products and services in accommodating customer needs, and improve operational efficiency. Investments are continuously made to develop internet and mobile banking, and application-based services. BCA maintains its investment in efficiency-oriented programs, including the development of Cash Recycling Machines (CRM). These efforts have shown positive results. In line with the shift of customer preferences toward digital-based services, the number of transactions conducted through internet, mobile and ATMs accounts for 97% of total customer transactions processed by BCA. The Bank still expanded its branch offices, considering the significant value of the transactions they process. BCA also implemented various automation initiatives across its branch network and developing a more compact format.

CASA funds continue to grow, despite Indonesia's ongoing economic recovery, due to the Bank's focus on the development of its transaction banking franchise. CASA funds grew 8.7% to Rp 443.7 trillion in 2017. CASA accounted for 76.3% of total third party funds of Rp 581.1 trillion at the end of 2017. The tax amnesty also contributed to the Bank's CASA turnover. In 2017, BCA supported the tax amnesty program by facilitating customers in making tax amnesty redemptions and investing repatriated funds. The Bank also provided tax amnesty education to its customers.

The Board of Commissioners assesses that the Directors appropriately lowered deposit rates gradually, helping the Bank to maintain low cost of funds, in line with the national banking system's increased liquidity in 2017.

The Board of Commissioners appreciates the Board of Director's prudent and disciplined lending risk management principles. The Bank's loan portfolio was diversified into a number of potential sectors, and continued to grow with a relatively low NPL and loan restructuring rate compared to the industry average. BCA consistently monitors debtor business conditions to proactively provide solutions for debtors experiencing financial difficulties.

The Bank's loan portfolio was Rp 467.5 trillion in 2017, growth of 12.4% compare to the previous years. BCA captured the opportunity of increasing corporate loan demand by providing lending to major debtors with proven track records. BCA implemented the consumer loan strategy of offering attractive products with low interest rates, especially on mortgages. This successfully increased mortgage growth. BCA sought to increase penetration for the commercial and SME segments, which experienced more fierce competition compared to other segments.

The Board of Commissioners endorses the strategic steps implemented by the Board of Directors in strengthening the capabilities of the Bank's subsidiaries. The role of the subsidiaries is to complement BCA's banking business in meeting the increasingly diverse needs of its customers. BCA increased its ownership and control of the BCA Life, BCA Sekuritas and CS Finance subsidiaries in 2017. We believe there is high business potential for the subsidiaries to grow in their respective fields. BCA will continue to support the growth of its subsidiaries in the coming years and enhance synergy between subsidiaries and the Bank's core business.

Implementing Good Corporate Governance

BCA believes the implementation of good corporate governance (GCG) plays an important role in maintaining stakeholder trust and the sustainability of the Bank's business. The Board of Commissioners continuously monitors the implementation of GCG principles and practices at all levels of the organization. BCA's application of GCG principles is in line with prevailing regulations, including Financial Services Authority (OJK) regulations, the Roadmap of Indonesian Corporate Governance issued by the OJK, the provisions of the ASEAN Corporate Governance Scorecard and in accordance with the Articles of Association of BCA, as well as international best practices.

BCA periodically conducts self-assessments of its GCG practices, both individually and integrated with the subsidiaries, to ensure the GCG compliance with applicable principles. The self-assessment results were a composite rating of Very Good in 2017, both individually and combined with the subsidiaries.

BCA strengthens the implementation of integrated corporate governance. BCA appointed BCA Sekuritas Independent Commissioner as a member of the Integrated Corporate Governance Committee in 2017 to improve its effectiveness. We view that BCA's Board of Directors has regularly conducted a number of meetings and sustains active communication with stakeholders to ensure GCG implementation.

Board of Commissioners' Whistleblowing Role

The Board of Commissioners believes whistleblowing plays an important role in improving the implementation of good corporate governance. The Commissioners provide guidance in the development of the whistleblowing system and supervise its implementation in BCA.

The system is part of the Bank's efforts to preserve its culture and anti-fraud awareness. BCA has a work unit that manages the effectiveness of the whistleblowing system, and is responsible to the President Director and directly communicates with and reports to the Board of Commissioners. There have been mandatory e-learning modules related to whistleblowing for all employees since 2016.

Supervisory and Advisory Role to Board of Directors

The Board of Commissioners maintained constructive communication with and actively offered advice to the Board of Directors on the Bank's policy and strategies throughout 2017. The Commissioners delivered advice and recommendations to the Directors through meetings, including the joint meetings of the Board of Commissioners and the Board of Directors. The Board of Commissioners held 49 board meetings in 2017 and 18 joint meetings with the Board of Directors. The Commissioners also held special or ad-hoc meetings as required.

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

Topic	Summary
Business Strategy and Management	<ul style="list-style-type: none"> • Reviewed the authority limits of the Board of Directors on credit approval, considering the BCA's growing capital position. • Provided advice and guidance on strategic partnerships, including the renewal of the bancassurance agreement with PT AIA Financial (AIA Indonesia). • Provided recommendations on capital investment in subsidiaries. • Provided advice regarding adaptation to business environment changes, including adjustment of human resource policies. • Advised on the formation of a work unit for managing and supporting government programs related to financial inclusion.
Risk Management	<ul style="list-style-type: none"> • Assessed credit exposure in sectors or segments with high concentration risk. • Provided a review and assessment of infrastructure loans. • Advised careful monitoring the adverse effects of high non-performing loans in other banks on the quality of BCA debtors. • Provided guidelines on the development of a recovery plan, the scope of the business continuity plan and examined crisis-handling protocols. • Supported strengthening the security and reliability of operational systems, including early detection of system errors. • Advised the Company on identifying possible risks that could impact its conglomeration.
Audit and Compliance	<ul style="list-style-type: none"> • Ensure internal control standards fulfilled in the organization of operational policies and procedures. • Exercised careful monitoring of information technology systems. • Conducted an in-depth review regarding regulator support programs. • Prepared the selection process for the appointment of the public accounting firm to conduct the 2017 audit process.

Assessment of Committees Under the Board of Commissioners

The Board of Commissioners is assisted by the Audit Committee, the Risk Oversight Committee, the Remuneration and Nomination Committee, and the Integrated Corporate Governance Committee, to enhance the effectiveness of its duties and its supervisory functions. The Board of Commissioners observes that these committees upheld good standards of competence and quality in 2017.

The Audit Committee effectively assisted the Board of Commissioners in overseeing the implementation of internal and external auditing, the implementation of corporate governance, and compliance with prevailing laws and regulations. The Audit Committee held 21 meetings in 2017, conducted 8 meetings with the Internal Audit Division and reviewed more than 150 internal audit reports.

The Board of Commissioners was effectively assisted by the Risk Oversight Committee to ensure the risk management system provided adequate protection against all risks faced by BCA. The Risk Oversight Committee organized 12 meetings in 2017 to review credit, liquidity, reputational and operational risk; crisis management and the business continuity plan; and a review of the preparation of the recovery plan.

The Remuneration and Nomination Committee provides recommendations to the Board of Commissioners on the remuneration policies of the Board of Commissioners, Board of Directors, senior officers and all of the Bank's employees. The Integrated Corporate Governance Committee assists the Board of Commissioners in exercising supervision over the integrated implementation of good corporate governance in BCA and its subsidiaries. The Remuneration and Nomination Committee and the Integrated Governance Committee each held 5 meetings in 2017.

Changes to the Board of Commissioners

There was no change to the composition of members of the Board of Commissioners in 2017. The profile of the Board of Commissioners can be seen in the Company Profile section on pages 66–69 of this Annual Report. Each Commissioner has the required competence and experience to perform their supervisory functions and provide advice to the Board of Directors in managing the Bank.

Business Prospects and Assessments of the Board of Commissioners

The Board of Commissioners, with the Board of Directors, foresee that the Indonesian economy and banking industry has a long-term positive outlook. Although achieving a 6% growth rate is not an instant process, the economy continues to recover in line with the implementation of economic growth stimuli and the positive progress of infrastructure programs that are expected to accelerate Indonesia's economic cycle.

The Board of Commissioners appreciates the Board of Director's moderate growth targets, considering the ongoing recovery of Indonesia's economy and the global economy, which still needs careful monitoring, based on the annual business plan submitted by the Board of Directors. The Board of Directors has established appropriate business plans focusing on the strengthening of payment settlement services as the key driver to CASA funds growth. This was achieved by developing various payment settlement products and features in all channels, and utilizing advance technological developments. BCA also continuously develops its intermediary function, promoting quality loan growth by exploring business opportunities and utilizing capacities.

The Board of Commissioners considers the adaptation strategies implemented by the Board of Directors in line with advancements in information technology and changes in customer behavior and preferences. BCA will make measured investments to further develop its digital products and services and information technology infrastructure, and strengthen its multi-channel networks. The provision of reliable, secure and convenient transaction services will support BCA in sustaining CASA growth.

The Board of Commissioners supports the strategic steps implemented by the Board of Directors in improving the infrastructure of BCA's lending, enabling the Bank to enhance customer services. The credit process will continuously be simplified. The Board of Directors aims to constantly capture opportunities in mortgage, vehicle, credit card, and business loans in both corporate and commercial and SME segments. BCA operates commercial and SME business centers in potential areas to improve its commercial and SME portfolio.

The Board of Commissioners is in line with the Board of Directors' efforts in strengthening the synergy between the Bank and its subsidiaries to provide comprehensive financial products and services to customers, as the needs of our customers continue to grow. The Board of Commissioners assesses that BCA's work plan has captured and considered both business opportunities and risks. The Board of Commissioners' view is well aligned with the Board of Directors in continuously prioritizing a healthy balance sheet position, solid capital and liquidity conditions, and a healthy loan quality to achieve business continuity and maintain a sustainable positive financial performance.

Appreciation of All Stakeholders

On behalf of the Board of Commissioners, we would like to express my gratitude to all shareholders, customers, business partners, employees and stakeholders of BCA. The successes and achievements in 2017 would not have been possible without continuous support from all stakeholders.

The Board of Commissioners acknowledges the hard work and the effectiveness of BCA's management, enabling the Bank to maintain stability and strong financial performance throughout 2017. The Board of Commissioners also thanks all subsidiaries for their important contribution to BCA's overall development.

We are grateful to the regulators, particularly the Financial Services Authority and Bank Indonesia, for their guidance and support to BCA and the Indonesian banking industry.

We are confident that with the continued commitment of all stakeholders, BCA will improve its performance and continue to provide value added and benefits to our customers and shareholders, and the Indonesian community.

Jakarta, March 2018

On behalf of the Board of Commissioners,



Djohan Emir Setijoso
President Commissioner



BCA Learning Institute Sentul, Bogor



Corporate Profile

Company General Information

Name

PT Bank Central Asia Tbk

Line of Business

Commercial Bank

Ownership

PT Dwimuria Investama Andalan 54.94%

Public 45.06%

Establishment

October 10, 1955

Legal Basis of Incorporation

Notary Deed No. 38 of Raden Mas Soeprapto dated 10 August 1955.

Approved by the Minister of Justice in Decision Letter

No.J.A.5/89/19 dated October 10, 1955

Authorized Capital

Rp 5,500,000,000,000

(88,000,000,000 shares)

Issued and Fully Paid Up Capital

Rp 1,540,938,125,000

(24,655,010,000 shares)

Stock Exchange

Shares of PT Bank Central Asia Tbk are listed and traded at the Indonesia Stock Exchange (IDX)

Listing Date

May 31, 2000

Share Code

BBCA

ISIN Code

ID1000109507

SWIFT Code

CENAIDJA

Total Employees

25,439

Change of Name

Effective on September 2nd 1975 the name of the Bank was changed to PT Bank Central Asia (BCA)

Headquarters:

Menara BCA, Grand Indonesia

Jl. M.H. Thamrin No. 1

Jakarta 10310

Phone (62-21) 2358 8000

Fax. (62-21) 2358 8300

Networks:

1,235 branches, 17,658 ATMs, and more than 470 thousands EDCs

(Information of branches address can be found in the Branches section on pages 98–100).

Subsidiaries:

- PT BCA Finance
- BCA Finance Limited
- PT Bank BCA Syariah
- PT BCA Sekuritas
- PT Asuransi Umum BCA
- PT Central Santosa Finance
- PT Asuransi Jiwa BCA
- PT Central Capital Ventura

(Information of subsidiaries address can be found in the Information on Subsidiaries section on pages 88–89).

Company Website:

www.bca.co.id

www.klikbca.com

Call Center:

Halo BCA 1500888

Corporate Secretary

- Public Relations
- Investor Relations

Menara BCA

Grand Indonesia, 20th Floor

Jl. M.H. Thamrin No. 1

Jakarta 10310

Phone (62 21) 2358 8000, Fax. (62 21) 2358 8300

E-mail: humas@bca.co.id

investor_relations@bca.co.id

Line of Business

In 2017, BCA carried out banking business and activities with consideration to the Bank's Articles of Association. Based on Article 3 of its Articles of Association, BCA as a Commercial Bank may engage the following business activities:

- a. To collect funds from the public in the form of deposits comprising of clearing account (*giro*), time deposit, deposit certificate (*sertifikat deposito*), savings account an/or any other form equivalent thereto;
- b. To provide credit facilities;
- c. To issue debt acknowledgment letters;
- d. To purchase, sell or guarantee, whether at its own risk or for the benefits of and at the request of its customers, the following:
 - i. Drafts, including drafts accepted by bank with a validity period not to exceed that in the normal practice for trading of such instruments;
 - ii. Debt acknowledgment letters and other commercial papers, with a validity period no to exceed that in the normal practice for trading such papers;
 - iii. State treasury notes and government guarantees;
 - iv. Certificates of Bank Indonesia (SBI)
 - v. Bonds;
 - vi. Commercial papers with a validity period in accordance with the prevailing laws and regulations;
 - vii. Other commercial papers with a validity period in accordance with the prevailing laws and regulations.
- e. To transfer funds, either for its own benefit or for the benefits of its customers;
- f. To place fund at, to borrow funds from, or to lend funds to other banks, whether by letters, telecommunication facilities, or bearer drafts, cheques or other media;
- g. To receive payments of receivables from commercial papers and make calculations with or among this parties;
- h. To provide safe deposit box for goods or valuable papers;
- i. To engage in custody activities for the benefit of any other party under a contract;
- j. To conduct a placement of fund from one customer to another customer in the form of commercial papers that are not registered on the stock exchange;
- k. To conduct factoring (*anjak piutang*), credit card and trusteeship services;
- l. To provide financing and/or conduct business activities under Sharia Law, through either the establishment of a subsidiary or formation of Sharia Business Unit in accordance with the rules and regulations stipulated by Bank Indonesia, or Indonesian Financial Services Authority or other authorized institutions;
- m. To carry out business activities in foreign currencies in accordance with the rules and regulations determines by determined by Bank Indonesia, or Indonesian Financial Services Authority or other authorized institutions;
- n. To conduct capital participation in banks or other financial companies, such as leasing companies, venture capital companies, securities companies, insurance companies, and a clearance, settlement and depository institutions, subject to rules and regulations stipulated by Bank Indonesia, or Indonesia's Financial Services Authority or other authorized institutions;
- o. To conduct temporary capital participation for the purpose of dealing with credit failure, provided that such participation must be later withdrawn, subject to the regulations stipulated by Bank Indonesia, or Indonesia's Financial Services Authority or other authorized institutions;
- p. To act as a founder (*pendiri*) or managing executive (*pengurus*) of pension funds in accordance with the existing regulations on pension funds; and
- q. To conduct other activities generally conducted by banks to the extent permitted by the prevailing laws and regulations, including among others, any measures pertaining to restructuring or credit rescue, such as buying collateral, whether partially or wholly, at an auction or by other means, in the event that a debtor fails to fulfill its obligations to the bank, provided that such collateral must be cashed immediately.

Milestones

1955

Bank Central Asia (BCA) founded as "NV Perseroan Dagang Dan Industrie Semarang Knitting Factory."

1970's

Effective on September 2nd 1975 the name of the Bank was changed to PT Bank Central Asia (BCA).

BCA strengthens its delivery channels and obtained a license to open as a Foreign Exchange Bank in 1977.

1990's

BCA develops the Automated Teller Machine (ATM) network as an alternative delivery channel.

In 1991, BCA installed 50 ATM units in various locations in Jakarta.

BCA intensively develops the ATM network and features.

BCA works with well-known institutions, such as PT Telkom and Citibank, allowing BCA's customers to pay their Telkom phone bill or Citibank credit card bill through BCA ATMs.

1957

BCA commenced operations on 21st February 1957 with Head Office located in Jakarta.

1980's

BCA aggressively expanded its branch network in line with the deregulation of the Indonesian banking sector.

BCA developed its information technology capacity, by establishing an online system for its branch office network, and launches new products and services including the Tahapan BCA savings accounts product.

1997-1998

BCA experiences a bank rush during the Indonesian economic crisis.

In 1998 BCA became a Bank Take Over (BTO) and was placed under the recapitalization and restructuring program operated by the Indonesian Bank Restructuring Agency (IBRA), a Government Institution.

1999

BCA was fully recapitalized with the Government of Indonesia, through IBRA, assuming ownership of 92.8% of BCA shares in exchange for liquidity support from Bank Indonesia and a swap of related-party loans for Government Bonds.

Corporate actions highlights in 2000-2005

2000

IBRA divested 22.5% of its BCA shares through an Initial Public Offering, reducing its ownership of BCA to 70.3%.

2001

In a Secondary Public Offering, 10% of BCA's total shares were made available to the market. IBRA's ownership of BCA decreased to 60.3%.

2002

FarIndo Investment (Mauritius) Limited acquired 51% of BCA's shares through a strategic private placement.

2004

IBRA divested a further 1.4% of its BCA shares to domestic investors through a private placement.

2005

The Government of Indonesia through PT Perusahaan Pengelola Aset (PPA), divested the remaining 5.02% of its BCA shares and no longer has share ownership in BCA.

Note: There has been dilution effect to existing shareholders as new shares were issued in accordance with the Management Stock Option Plan, in which stock options were executable in the period from November 2001 to November 2006

Business development after 2000

BCA strengthens and develops its products and services, especially in electronic banking, by launching Debit BCA, Tunai BCA, KlikBCA internet banking, m-BCA mobile banking, EDCBIZZ, etc.

BCA establishes a Disaster Recovery Center in Singapore.

BCA develops expertise in lending, including expansion into vehicle financing through its subsidiary, BCA Finance.

2010-2013

BCA entered new lines of business including Sharia banking, motorcycle financing, general insurance and the capital markets business. In 2013, BCA increased its effective ownership from 25% to 100% in its general insurance arm PT Asuransi Umum BCA (formerly PT Central Sejahtera Insurance and also known as BCA Insurance).

BCA strengthened its transaction banking through further development of innovative products and services, notably with mobile banking applications in the latest Smartphones, with payment settlement services through e-Commerce, and through a new concept of Electronic Banking Center which equips ATM Centers with additional technology-backed features.

Enhancing the reliability of its banking services, BCA completes a new Disaster Recovery Center (DRC) facility in Surabaya which functions as a disaster recovery backup data center, integrated with the current two mirroring data centers. The new DRC replaced the previous DRC in Singapore.

2016

The internet banking platform was enhanced with additional features catering to the needs of business customers. In order to provide more efficient electronic banking services, BCA continued to expand the ATM network, primarily with the addition of a significant number of Cash Recycling Machines to replace conventional ATMs.

In its role as a major gateway and perception bank, BCA participated in the successful implementation of the Government's tax amnesty program.

BCA realigned its organizational structure by establishing the Transaction Banking Directorate to strengthen integrated-platform of the Bank's wide array of transaction products and services, and by creating Human Capital Management Directorate to fulfill the Bank's ongoing human resources development and succession planning.

2007

BCA became a pioneer in introducing fixed-rate mortgage products. BCA launches its stored-value card, Flazz Card, and introduced Weekend Banking to maintain its transaction banking leadership.

2008-2009

BCA proactively manages its lending and liquidity position in the face of unprecedented global turbulence while continuing to strengthen the core transaction banking franchise.

BCA completes the setting up of a mirroring IT system to strengthen business continuity and reduce operational risk.

BCA introduces Solitaire, a new banking service for high net-worth individual customers.

2014-2015

The Electronic Banking Center concept refined and rebranded under the name MyBCA. For added convenience, BCA also expands the Cash Recycling Machines and launches 'Sakuku' app-based electronic wallet.

In an effort to develop transaction banking services, the Bank's cash management services were improved through the KlikBCA Integrated Business Solution internet banking platform.

In January 2014, BCA finalized share purchase of PT Central Santosa Finance (CS Finance), a two-wheeler financing subsidiary, increasing the Bank's effective ownership from 25% to 70%.

BCA obtained permission to provide life insurance services through PT Asuransi Jiwa BCA (BCA Life), which operates as a subsidiary of BCA Sekuritas.

2017

BCA has further developed its digital banking capabilities, enhancing Klik BCA, m-BCA and the Sakuku app. The development of cardless payment tools is also one of its strategic priorities.

BCA established PT Central Capital Ventura (CCV) to help the innovation of digital-based financial services.

BCA launched the VIRA virtual assistant, accessible through a number of popular chat apps, utilizing artificial intelligence technology.

The Micro, Small and Medium Enterprise (MSME) center pilot project was launched in several branches to increase penetration in the segment amid tight competition.

BCA and PT AIA Financial (AIA Indonesia) renewed their bancassurance agreement to expand the scope of their partnership.

BCA increased ownership in subsidiaries BCA Sekuritas, BCA Life and CS Finance. These strategic steps were to further support integration, enhance cooperation and strengthen alignment between the strategic direction of the subsidiaries and the Bank.

Event Highlights 2017

January

BCA Strengthens Digital Services Through Application Programming Interface (API)

BCA introduced the Application Programming Interface (API) service to facilitate transactions through e-commerce websites.



BCA Inaugurates BCA Learning Institute

BCA inaugurated the BCA Learning Institute and BCA Gallery at Sentul, Bogor for sustainable employee competence growth.



February

BCA Supports E-Learning ACI FMA Indonesia

BCA signed an agreement with ACI, The Financial Markets Association of Indonesia, to support the formulation and procurement of an e-learning treasury product module, to enhance professionalism among financial sector practitioners.



February

BCA Celebrates 60th Anniversary by Launching New Paspor BCA Design and VIRA Application

In celebration of its 60th Anniversary, BCA launched innovative products and new services, such as a new Paspor BCA design, e-Branch BCA, Halo BCA Chat, and VIRA (Virtual Assistant Chat Banking BCA).



March

BCA Increases Financing for Agriculture Sector to Support AKSI Pangan Program

To support the acceleration of Financial Synergy and Inclusion (AKSI) set by the government, BCA committed to increase lending for farmers and the food industry as part of the government's KUR (micro credit) program.



BCA Nurtures the Spirit of Charity Through Book for Indonesia Program

BCA invited the public to participate in the Book for Indonesia Movement as part of its commitment to foster reading habits among students. Donated books from the public were distributed to hundreds of schools in 60 different locations in Indonesia.



March

BCA Signs Syndicated Loan for Batang-Semarang Toll Project

BCA, along with other banks, arranged loan syndication in the Batang-Semarang toll road project. The total syndicated loan disbursed to PT Jasamarga Semarang-Batang was Rp 1.87 trillion, with BCA providing Rp 935 billion.



April

BCA Holds Annual General Meeting of Shareholders

At the AGMS, the shareholders agreed to distribute cash dividends of Rp 4.9 trillion or Rp 200 per share, inclusive of the interim dividend of Rp 70 per share.



BCA Flazz for Soekarno-Hatta Airport Train e-Ticketing

BCA participated in the e-ticketing through its Flazz electronic card for the operation of the Soekarno-Hatta Airport Train.



April

BCA Gives Attractive Promotions at IIMS Exhibition

BCA supported the Indonesia International Motor Show (IIMS) 2017 by offering promotions to make it easier for customers to buy the perfect vehicle.



May

BCA Develops Cardless Cash Withdrawal Transaction

BCA developed cardless cash withdrawal from ATMs with the m-BCA service. Cardless transactions at BCA ATMs are also accessible for customers using Sakuku Plus features on their cell phones.



Collaboration Between BCA and BCA Sekuritas

To improve customer engagement, information related to BCA Sekuritas is now accessible through contact center Halo BCA. Through this collaboration, Halo BCA handles questions related to BCA Sekuritas products and services.



June

BCA Supports 2017 Indonesia Open

BCA supported the Super Series Premier Indonesia Open Badminton Tournament. This annual tournament was held on 12-18 June 2017 at the Plenary Hall, Jakarta Convention Center (JCC) with total prizes of USD 1 million.



BCA Receives Best Bank in Asia Award

For two consecutive years, BCA received the Best Bank in Asia and the Best Bank in Indonesia Awards from FinanceAsia magazine in the Country Achievement Awards.



BCA Supports 2017 Teknopolis

To support the development of technology in Indonesia, BCA supported the technology exhibition 2017 Teknopolis. Teknopolis is a platform to exhibit the latest information and technology for society.



July

BCA Prioritizes Financing for Environment-Friendly Sector

BCA is committed to implementing the sustainable financing principal that integrates environment, social, and governance aspects in the Bank's daily operations by involvement in the First Movers on Sustainable Banking pilot project initiated by OJK.



BCA Receives Bank Indonesia Awards for Best Reporting Compliance

BCA continuously honors good corporate governance, and one way is by consistently maintaining our commitment to deliver reports to regulators. In appreciation of our compliance, BCA received Bank Indonesia awards as the bank with the Best Reporting Compliance in four categories.



BCA Receives Gallup Great Workplace Award

BCA was selected as the only Indonesian company to receive the Gallup Great Workplace Award. This award is given to a company establishing a positive and productive working environment to accomplish the best performance.



Event Highlights 2017 - Continued

July

BCA Press Conference on 1st Semester Performance

BCA and its subsidiaries closed the 1st semester of 2017 with a positive financial performance, with net profit increasing by 10.0% to Rp 10.5 trillion year-on-year.



August

BCA Organizes 2017 Finhacks

BCA organized a financial technology hackathon (finhacks) to capture ideas and innovations in creating digital banking applications that can accommodate the current needs of customers. The three best applications were QuickTap, Kallet (KTP e-Wallet), and SmartDocs.



October

2017 BCA Bali Run

BCA supported the Bali Run at the Bali Mandala Toll Road – connecting Benoa, Ngurah Rai International Airport, and Nusa Dua. Some 3,700 runners, both from overseas and Indonesia, participated in the event.



August

2017 BCA Royale Open Tournament

BCA supported the 2017 BCA Royale Tournament on 29 August to encourage golf in Indonesia.



BCA Launches BCA Amex Platinum Card

BCA cooperated with American Express in launching the BCA American Express Platinum Card, a premium card offering exclusive features and services.



BCA Hosts Indonesia Knowledge Forum VI

BCA Learning Service hosted the IKF VI themed Elevating Creativity and Innovation Through Digital Collaboration, presenting several competent sources to share their knowledge and experience.



BCA Expo Bandung

BCA Expo Bandung presented a series of attractive promotions for BCA and its subsidiary products and provided a one-stop service where customers explored booths from car dealers and property developers.



September

BCA Board of Directors Serves Customers at Harpelnas as Appreciation for Loyal Customers

As a form of appreciation to loyal customers, BCA's Board of Directors served customers in several branch offices in Jakarta. As part of the Hari Pelanggan Nasional (Harpelnas) event, BCA also asked some of the customers to visit contact center Halo BCA.



BCA Signs Financing Agreement for Two Toll Road Projects

BCA signed syndicated loan agreements for two toll-road projects: Pandaan Malang Toll Road at Rp 1 trillion and Manado Bitung Toll Road at Rp 652.8 billion.



October

Customers Use Flazz BCA for Toll Gate Transactions

In supporting the national cashless movement (GNNT), BCA ensured that Flazz BCA can gradually be used for transactions at all toll gates in Indonesia.



November

BCA Supports Indogrosir and Alfamart Stall Supporting Empowerment Program

To implement a more fair economy, BCA provided micro credit (KUR) capital assistance stalls coached by Indogrosir and stalls coached by Alfamart.



BCA Signs MoU to Give Loans for Lazada Sellers

BCA supported the government program to increase the distribution of micro credit to public by signing an MoU with Lazada Indonesia to give loans for the Lazada merchants. This micro credit KUR facility was given as working capital and/or investment.

November

BCA Supports Indonesia's Power Sector

BCA contributed Rp 2.5 trillion in a total syndicated loans of Rp 12 trillion to PLN. This loan will be used to finance PLN's capital expenses to increase electricity supply for the people of Indonesia.



BCA Channels Working Capital Loan to Pegadaian

BCA gave an additional term loan money market (PBMM) facility of Rp 2 trillion to PT Pegadaian. This facility is expected to help Pegadaian deliver loans or financing to the community, improving both their well-being and Indonesia's economic growth.



December

B2B Commerce Cooperation Between BCA and AirAsia

BCA served deposit fund top-ups for AirAsia travel agents through online services at KlikBCA Bisnis.



December

BCA Receives ISO 20000-1 and 22301 Certificate

BCA received ISO 20000-1 certification for Data Center Network and ISO 22301 for Data Center Operation.



Syndicated Loan for Bakauheni-Terbangi Besar Toll Road

BCA channeled a syndicated loan of Rp 1.5 trillion to PT Hutama Karya for the Trans Sumatra Bakauheni - Terbangi Besar Toll Road development.



Syndicated Loan for LRT Jabodebek Development

BCA channeled a syndicated loan of Rp 2.78 trillion to build Light Rail Transit (LRT) Jabodebek, from the total platform of Rp 19.25 trillion.



Corporate Culture

Vision

To be the bank of choice and a major pillar of the Indonesian economy

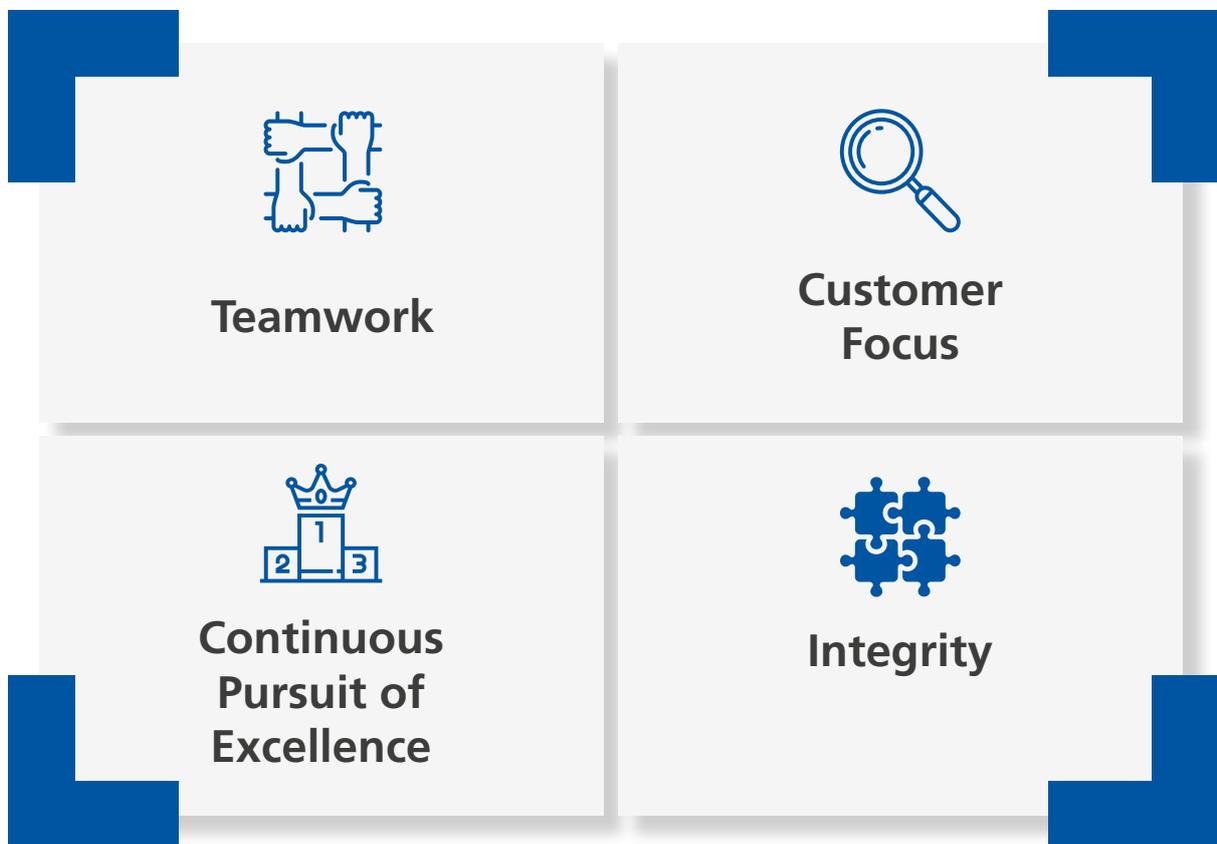


Mission

- To build centers of excellence in payment settlements and financial solutions for businesses and individuals
- To understand diverse customer needs and provide the right financial services to optimize customer satisfaction
- To enhance our corporate franchise and stakeholders value



Core Values



The vision and mission statements have been approved by the Board of Directors and the Board of Commissioners of PT Bank Central Asia Tbk through Decree No. 022/SK/DIR/2006 dated February 23, 2006, concerning Vision and Mission of PT Bank Central Asia Tbk. Meanwhile, the core values were approved through Decree No. 079/SK/DIR/2015 dated June 18, 2015, concerning core values of PT Bank Central Asia Tbk.

More detailed information of corporate culture can be found in the Corporate Governance section on pages 445.

Products and Services

As of 31 December 2017

Products and Services	Description
Deposits Accounts	
	Tahapan
	Tahapan Xpresi
	Tahapan Gold
	Tahapan Berjangka
	Tapres
	Simpanan Pelajar
	TabunganKu
	Laku
	BCA Dollar
	Deposito Berjangka
	Giro
Transaction Banking Services	
	Safe Deposit Box
	Transfer
	Remittance
	Collection and Clearing
	Bank Notes
	Travellers' Cheque
	Virtual Account
	Payment
	Auto Debit
	Payroll Services
	Cash Pick Up
	Modul Penerimaan Negara Generasi 2 (MPN G2) - tax payment with e-billing system
	Custodian Services
	Business Debit Card (BDC)
Electronic Banking	
	ATM BCA (multifunction, non cash and cash deposits)
	EDC BCA
	Debit BCA
	Tunai BCA
	Flazz
	Autoprint
	EDCBIZZ
	Internet Banking
	KlikBCA Individu - for individual customers needs
	KlikBCA Bisnis - for business needs
	KlikBCA Bisnis Integrated Solution - with a more comprehensive features than KlikBCA Bisnis, for example, to accomodate supply chain services
	Mobile Banking (m-BCA)
	BCA KlikPay
	Call Center (Halo BCA)
	Phone Banking (BCA by Phone Business and BCA by Phone Priority)
	SMS Top Up

Products and Services	Description
Electronic Banking (continued)	BCA Mobile
	SMS BCA
	Info SMS/Email
	e-Tax (Local tax payment: PPN, PPh, and others)
	Sakuku
	Duitt
	VIRA chatbot
	Video Banking
	CS Digital
	eBranch
Cash Management Services	Payable Management / Disbursement
	Receivable Management / Collection (including B2B & B2C)
	Liquidity Management
Credit Cards	
	BCA Card
	BCA Mastercard
	BCA VISA
	BCA AMEX
Bancassurance Products	
	Fire Insurance
	Property All Risks Insurance (PAR)
	Vehicle Insurance
	BCA Life Heritage Protection
	Maxi Protection
	Maxi Infinite Link Assurance
	Maxi Syariah
	Maxi Kid Investa
	Provisa Platinum Syariah
	Provisa Signature Assurance
	Provisa Max Assurance
Mutual Fund Investment Products	
	Money Market Mutual Fund
	Danareksa Gebyar Dana Likuid
	First State Indonesian Money Market Fund
	Schroder Dana Likuid
	Protected Mutual Fund
	Batavia Proteksi Gebyar I
	Batavia Proteksi Gebyar II
	Batavia Proteksi Gebyar III
	Batavia Proteksi Gebyar V
	Batavia Proteksi Gebyar VI
	Fixed Income Mutual Fund (IDR)
	Danareksa Gebyar Indonesia II
	Nikko Gebyar Indonesia Dua
	Panin Gebyar Indonesia II
	Schroder Dana Mantap Plus II
	Schroder Prestasi Gebyar Indonesia II

Products and Services	Description	
Mutual Fund Investment Products (continued)	Fixed Income Mutual Fund (USD)	
	BNP Paribas Prima USD	
	Schroder USD Bond Fund	
	Hybrid Mutual Fund	
	BNP Paribas Spektra	
	Schroder Dana Terpadu II	
	Schroder Syariah Balanced Fund	
	Equity Mutual Fund (IDR)	
	Ashmore Dana Ekuitas Nusantara	
	Ashmore Dana Progresif Nusantara	
	Batavia Dana Saham	
	Batavia Dana Saham Optimal	
	BNP Paribas Ekuitas	
	BNP Paribas Pesona	
	BNP Paribas Pesona Syariah	
	Danareksa Mawar Konsumer 10	
	First State IndoEquity Sectoral Fund	
	Schroder 90 Plus Equity Fund	
	Schroder Dana Istimewa	
	Schroder Dana Prestasi	
	Schroder Dana Prestasi Plus	
	Equity Mutual Fund (USD)	
	BNP Paribas Cakra Syariah USD	
	Schroder Global Sharia Equity Fund (USD)	
	Fixed Income Investment Products	Conventional Government Securities
		Fixed Rate (FR) Government Bond
		Indonesian Retail Bond (ORI)
		Foreign Currency Government Bond (INDON)
		Savings Bond Retail (SBR)
		Surat Berharga Syariah Negara
		Obligasi Negara Valas Syariah (INDOIS)
		Project Based Sukuk (PBS)
		Sukuk Negara Ritel (SR)
Sukuk Tabungan (ST)		
Credit Facilities		Mortgage
		Vehicle Loan
		Working Capital Loan
		Syndication Loan
		Pre-Export Financing
	Trust Receipt	
	Investment Loan	
	Distributor Financing	
	Supplier Financing	
	Dealer Financing	

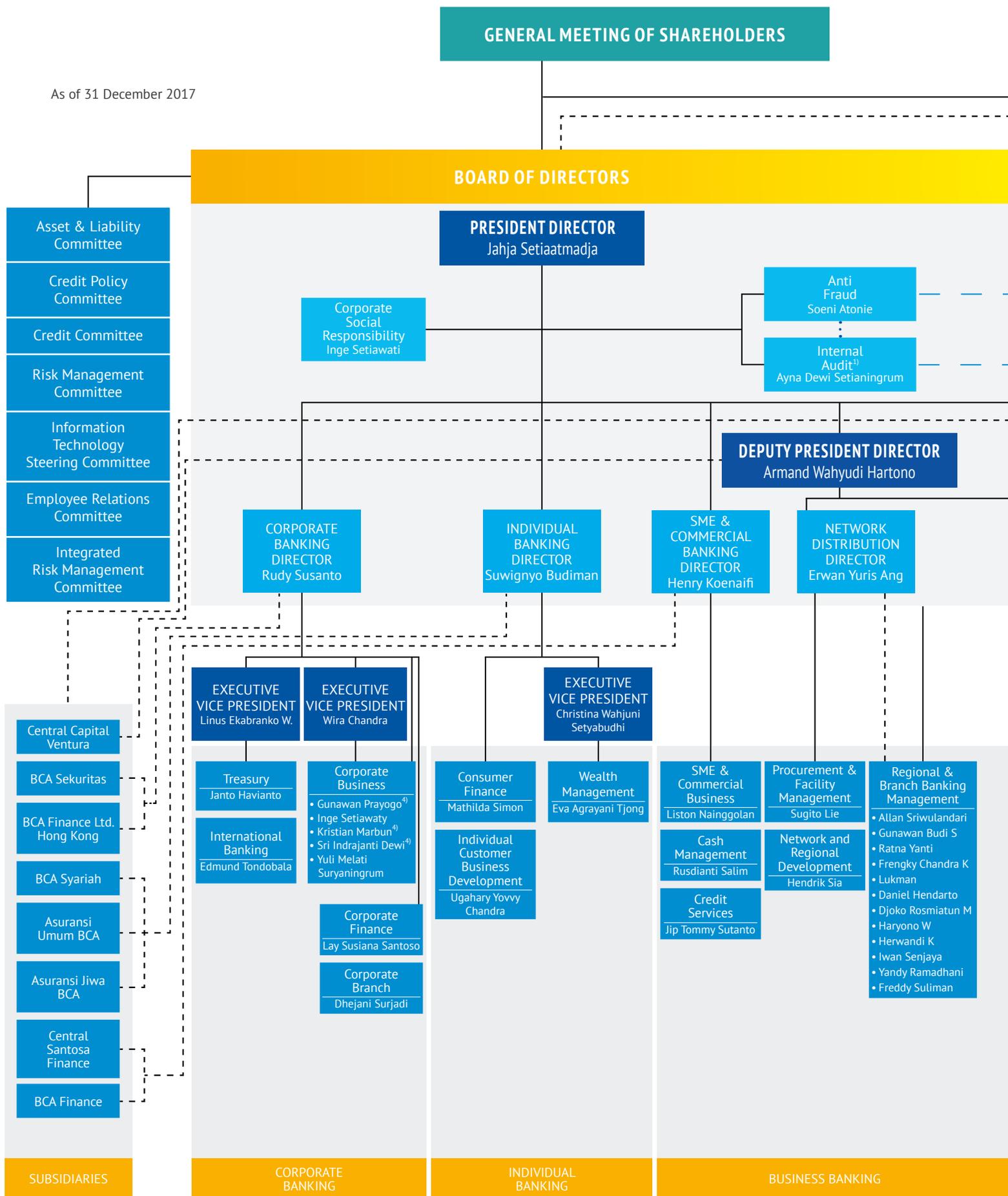


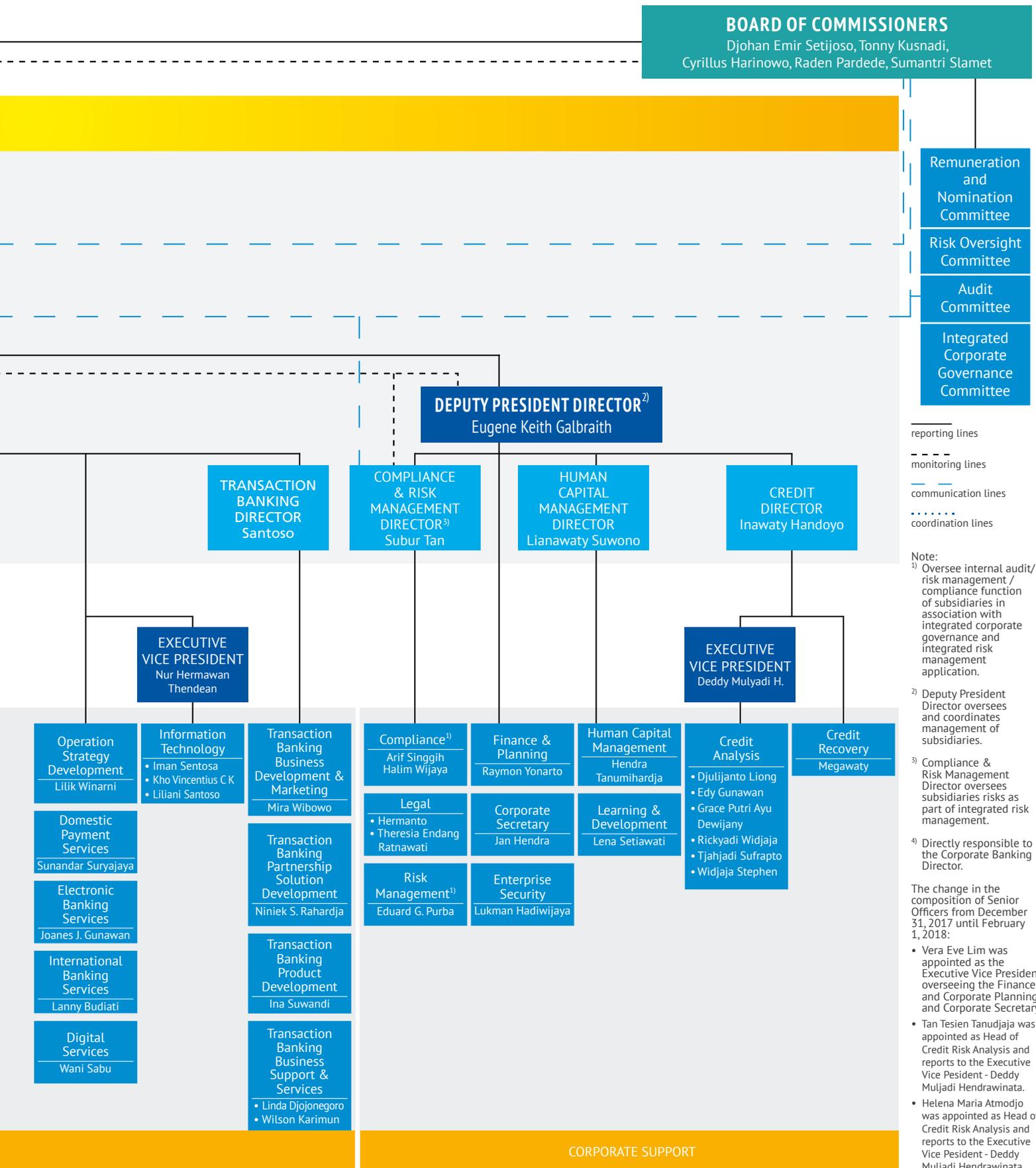
Products and Services	Description	
Credit Facilities (continued)	Warehouse Financing	
	Showroom Financing	
	Investment Financing	
	Standby LC / Bank Guarantees	Advance Payment Guarantee
		Bid Guarantee
		Counter Guarantee
		Custom Guarantee (P4BM)
		Direct Pay Guarantee
		Financial Guarantee
	Export Import Facilities (Trade Finance)	Maintenance Guarantee
Payment Guarantee		
Performance Guarantee		
Inward Documentary Collection		
LC Confirmation		
LC Discounting		
LC Forfaiting		
LC Issuance		
LC Negotiation		
Letter of Guarantee		
Outward Documentary Collection		
Pre-Export Financing (Export Loan)		
Local LC	Trust Receipt	
	Letter of Guarantee	
	SKBDN Discounting	
	SKBDN Forfaiting	
	SKBDN Issuance	
	Trust Receipt	
Foreign Exchange Facilities	Spot	
	Forward	
	Swap	
	Other Derivatives	



Organization Structure

As of 31 December 2017





Board of Directors Profile



Jahja Setiaatmadja
President Director

Indonesian citizen, aged 62. Domiciled in Indonesia. Appointed as the President Director of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on June 17, 2011. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

President Director of BCA responsible for General Coordination as well as oversight of the Internal Audit Division, the Corporate Social Responsibility Work Unit and the Anti Fraud Bureau.

Career

Jahja Setiaatmadja previously served as Deputy President Director of BCA (2005–2011), his latest responsibility being Branch Banking Business, Treasury Division, International Banking Division and Overseas Representative Offices. A Director of BCA from 1999 to 2005, he previously held a variety of managerial positions within the Bank from 1990. Prior to joining BCA, Mr. Setiaatmadja was Finance Director of Indomobil, a leading Indonesian automotive company (1989–1990), and held various managerial positions including Finance Director at one of the Indonesia's largest pharmaceutical companies, Kalbe Farma (1980–1989). Mr. Setiaatmadja started his career as an accountant at PriceWaterhouse (1979).

Educational Background and Training

Graduated with a Bachelor's degree in Accounting from Universitas Indonesia (1982).

Participated in a number of training programs, seminars and conferences in 2017, including:

- CEO Forum – Perbanas dan OJK – Jakarta
- International Monetary Conference (IMC) Meeting – IMC – London (UK)
- 8th G-20Y Summit – G-20Y Association – Evian (France)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta
- 15th JCB World Conference – JCB Co., Ltd., and JCB International Co., Ltd. – Taipei (Taiwan)

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

USA citizen, aged 65. Domiciled in Indonesia. Appointed as a Deputy President Director of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 25, 2011. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

Deputy President Director of BCA responsible for general supervision of the Compliance & Risk Management Director, Human Capital Management Director, and Credit Director, while overseeing the Finance and Planning Division, Corporate Secretary Division and Enterprise Security Work Unit, as well as supervising and coordinating management of the subsidiaries.

Career

Eugene Keith Galbraith joined BCA in 2002 as President Commissioner (2002–2011). Prior to joining BCA, Mr. Galbraith served as Vice President Commissioner of PT Bank NISP Tbk (2000–2006), Chairman of Asiawise.com (1999–2001), Managing Director of ABN AMRO Asia (1996–1998), and President Director of HG Asia Indonesia (1990–1996). He also served as an advisor to the Indonesian Ministry of Finance (1988–1990), and as economic planning advisor in East Nusa Tenggara Province, Indonesia (1984–1988).

Educational Background and Training

Graduated in Philosophy (1974), holds an M. Phil in Economic History (1978), and a PhD in Anthropology (1983) from Johns Hopkins University, USA.

Participated in a number of training programs, seminars and conferences in 2017, including:

- Indonesia All Access 2017 – Nomura – Jakarta
- Indonesia London Corporate Day – Deutsche Bank – Europe
- Indonesia Conference 2017 – UBS – Jakarta
- Indonesia Investor Conference 2017 – Citi – Jakarta
- Asia Pacific CEO-CFO Conference – JP Morgan – New York (USA)
- Best of Indonesia 2017 – Daiwa-Bahana – Tokyo (Japan)
- Asia Pacific Summit – Morgan Stanley – Singapore

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.



Eugene Keith Galbraith
Deputy President Director



Armand Wahyudi Hartono
Deputy President Director

Indonesian citizen, aged 42. Domiciled in Indonesia. Appointed as a Deputy President Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on June 21, 2016.

Roles and Responsibilities

Deputy President Director of BCA in charge of general supervision of the Network Distribution Director and the Transaction Banking Director, and responsible for Information Technology Group and operational divisions, namely Operation Strategy & Development, Domestic Payment Services, Electronic Banking Services, International Banking Services Divisions, as well as supervising PT Central Capital Ventura, a subsidiary operating in ventura capital.

Career

Previously a Director of BCA from 2009, Armand Wahyudi Hartono also served as Head of Planning and Regional Development of BCA (2004–2009). Prior to joining BCA, Mr. Hartono held various managerial positions at PT Djarum (1998–2004) including Finance Director, Deputy Purchasing Director and Head of Human Resources Department, and was an Analyst for Global Credit Research and Investment Banking at JP Morgan Singapore (1997–1998).

Educational Background and Training

A graduate of the University of California, San Diego (1996) and holds a Master of Science degree in Engineering Economic-System and Operation Research from Stanford University, USA in 1997.

Participated in a number of training programs, seminars and conferences in 2017, including:

- “Future Development of SMEs” International Banking Conference – The Centre for Islamic Banking, Finance and Management (CIBFM), Brunei Association of Banks and Autoriti Monetari Brunei Darussalam – Brunei Darussalam
- Gartner Symposium – Gartner – Barcelona (Spain)

Affiliation

Has financial and family relationships with BCA controlling shareholders, Robert Budi Hartono and Bambang Hartono, but has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, and/or fellow member of the Board of Directors.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Indonesian citizen, aged 67. Domiciled in Indonesia. Appointed as a Director of BCA at the 2002 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 13, 2002. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

Director of BCA responsible for Individual Banking, comprising the mortgages, auto loans (four-wheeler and two-wheelers), Individual Customer Business Development, and wealth management business. Also supervises the Sharia banking subsidiary, PT BCA Syariah, the general insurance subsidiary, PT Asuransi Umum BCA (BCA Insurance), and the life insurance subsidiary, PT Asuransi Jiwa BCA (BCA Life).

Career

Suwigno Budiman started his career at Bank Rakyat Indonesia (BRI) in 1975 as Systems Analyst, subsequently holding various managerial positions, including Head of the Technology Division (1992–1995), special staff to the Board of Directors (1995–1996), Head of Palembang Region (1996–1998), Head of the Operational Division (1998–2000) with his last position at BRI as Head of the Central Java Region. He was a member of the Proxy Team of the Board of Directors at BCA from May to July 1998.

Educational Background and Training

Holds a Bachelor's degree from Universitas Gadjah Mada (1974) and an MBA from the University of Arizona, USA (1986).

Participated in a number of training programs, seminars and conferences in 2017, including:

- International Intensive Wealth Management & Risk Management Refreshment Program for Executives – Universitas Gadjah Mada, Lembaga Sertifikasi Profesi Perbankan dan Ikatan Bankir Indonesia – Frankfurt (Germany) & Vienna (Austria)
- Indonesia Financial Services Authority (IFSA) International Seminar – Indonesia Financial Services Authority – Bali
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Indonesian citizen, aged 57. Domiciled in Indonesia. Appointed as a Director of BCA at the 2002 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 13, 2002. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

Director of BCA responsible for the Compliance Work Unit, Legal Group and Risk Management Work Unit.

Career

Mr. Tan's career at BCA began in 1986 and his managerial experience includes Head of Credit Department at Operational Head Office (1991–1995), Head of Legal Bureau (1995–1999), and Deputy Head of Legal Division (1999–2000). Prior to being appointed to the Board of Directors, he was Head of BCA's Internal Legal Counsel.

Educational Background and Training

Earned a Bachelor of Law degree from Universitas Sudirman (1986) and completed the Notary Program at Universitas Indonesia Faculty of Law (2002).

Participated in a number of training programs, seminars and conferences in 2017, including:

- BCA Capital Market Community Business Trip 2017 – BCA Cash Management – Munich (Germany), Salzburg and Vienna (Austria)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.



Suwigno Budiman
Director



Subur Tan
Director



Henry Koenafi
Director

Indonesian citizen, aged 58. Domiciled in Indonesia. Appointed as a Director of BCA at the 2007 Extraordinary General Meeting of Shareholders, and approved by Bank Indonesia on February 13, 2008. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

Director of BCA responsible for the SME and Commercial banking, including cash management and credit services. Mr. Koenafi also supervises wholly-owned four-wheeler financing subsidiary, PT BCA Finance, and two-wheeler financing subsidiary, PT Central Santosa Finance (CS Finance).

Career

Prior to being appointed to BCA's Board of Directors, Mr. Koenafi was the President Director of PT BCA Finance (2000–2008). He was appointed by the Indonesian Bank Restructuring Agency (IBRA) as the Head of the Management Team of PT Bank Bali Tbk and as a member of the Managing Team of Bank Jaya (1999–2000). Mr. Koenafi joined BCA in 1989 and has since held various managerial positions both at branches and at the head office. Before beginning his career in the banking industry with BCA in 1989, Mr. Koenafi was with global IT company, IBM for six years.

Educational Background and Training

Graduated with a bachelor's degree in Civil Engineering from Parahyangan Catholic University (1984), and continued his studies at the Institut Pengembangan Manajemen Indonesia (IPMI) in 2000. He holds an MBA degree from Monash University, Melbourne, Australia (2001).

Participated in a number of training programs, seminars and conferences in 2017, including:

- BCA Capital Market Community Business Trip 2017 – BCA Cash Management – Munich (Germany, Salzburg and Vienna (Austria)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Indonesian citizen, aged 58. Domiciled in Indonesia. Appointed as a Director of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 25, 2011. Later appointed as an Independent Director of BCA on April 7, 2014. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

Network Distribution Director responsible for monitoring and supervising daily regional and branch operations, and in charge of branch support divisions, namely the Procurement & Facility Management Division and the Network & Regional Development Work Unit.

Career

Previously, he served as BCA's Head of Regional Office for Jakarta, Surabaya, Medan and Malang (2000–2011), prior to which, he served as Branch Manager at BCA Bandung (1995–2000) and at BCA Pekanbaru (1989–1995), and Head of the Credit Department at BCA Pekanbaru (1987–1989). He joined BCA in 1985 as a trainee in the Medan branch.

Educational Background and Training

Holds a Bachelor of Law degree from University Satyagama (2010) and obtained a master's degree in Business Law from Trisakti University (2012).

Participated in a number of training programs, seminars and conferences in 2017, including:

- Risk Management Refreshment Program – Lembaga Pengembangan Perbankan Indonesia (LPPI), Jakarta
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.



Erwan Yuris Ang
Independent Director



Rudy Susanto
Director

Indonesian citizen, aged 55. Domiciled in Indonesia. Appointed as a Director of BCA at the 2014 Annual General Meeting of Shareholders and approved by the Financial Services Authority (OJK) on July 21, 2014. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities

Director of BCA responsible for the Corporate Banking Group, Treasury Division and International Banking Division. Also supervises wholly-owned remittance subsidiary, BCA Finance Limited, and securities subsidiary, PT BCA Sekuritas.

Career

Rudy Susanto joined BCA in 2002 and has since held several managerial positions, including Executive Vice President of the Credit Risk Analysis Group (2011–2014), Head of the Credit Risk Analysis Group (2004–2011), and Head of the Credit Division (2002–2004). Prior to joining BCA, Mr. Susanto was Head of the Loan Work Out II Division (2001–2002) and Senior Credit Officer (1999–2001) of the Indonesian Bank Restructuring Agency (IBRA). Mr. Susanto also served as Vice President of Corporate Finance (1998–1999), Senior Manager of Corporate Finance (1996–1998), Manager of Corporate Finance (1995), and Assistant Manager of Corporate Finance (1994) at PT Bank LTCB Central Asia (a joint venture between the Long-Term Credit Bank of Japan Ltd. and PT Bank Central Asia Tbk). He started his career at PT Bank Danamon Indonesia Tbk as a trainee in the Credit Marketing Program (1992).

Educational Background and Training

Graduated with a bachelor's degree in Civil Engineering from Tarumanagara University (1989), and earned an MBA in Finance from the University of Tennessee, Knoxville, USA (1992).

Participated in a number of training programs, seminars and conferences in 2017, including:

- Special Program (fast track) Advance Level Treasury Certification – ACI Financial – Jakarta
- dbAccess Conference – Deutsche Bank – Singapore
- Risk Management Refreshment Program: Deeper Understanding on IFRS 9 & Basel III Implementation – Banker Association for Risk Management – Bali
- Bali Center for Sustainable Finance – Indonesia Financial Services Authority – Bali
- Indonesia Infrastructure Finance Forum – Ministry of Finance, PT Sarana Multi Infrastruktur, PT Penjaminan Infrastruktur Indonesia dan PT Indonesia Infrastructure Finance – Jakarta
- Investors' Forum – CLSA – Hong Kong
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Indonesian citizen, aged 66. Domiciled in Indonesia. Appointed as a Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on August 8, 2016.

Roles and Responsibilities

Director of BCA responsible for Credit Analysis and Credit Recovery.

Career

Since joining BCA in 1980, Inawaty Handoyo has held various managerial positions in internal audit, including Head of Internal Audit Bureau (1985–1988), Deputy Head of Internal Audit Division (1988–1990), and Head of Internal Audit Division (1990–2008). She then served as a member of the Audit Committee (2008–2016) and the Integrated Governance Committee (2015–2016). She was an active lecturer at one university and several internal audit training institutions in Jakarta (2000–2016), while actively serving as consultant in various internal audit projects (2010–2016). Prior to joining BCA, Inawaty Handoyo served as the Head of Finance at PT Naintex, a textile company (1976–1980).

Educational Background and Training

Holds two bachelor degrees in Management (1976) and Accounting (1979) from the Economic Faculty of Parahyangan Catholic University, Bandung and a Master of Management degree from Prasetiya Mulya Business School, Jakarta (2003).

Participated in a number of training programs, seminars and conferences in 2017, including:

- ASEAN Global Leadership Program: Shaping Our Future Leaders of Innovation – UC Berkeley Executive Education and SRW & Co – Berkeley (USA)
- The 3rd ASEAN Marketing Summit – MarkPlus, Inc. & Perbanas – Jakarta
- 2017 IIA Indonesia National Conference – The Institute of Internal Auditors Indonesia – Bandung
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.



Inawaty Handoyo
Director



Santoso
Director

Indonesian citizen, aged 52. Domiciled in Indonesia. Appointed as a Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on August 8, 2016.

Roles and Responsibilities

Director of BCA responsible for Transaction Banking Business Development, Transaction Banking Partnership Solution Development, Transaction Banking Product Development, and Transaction Banking Business Support & Services.

Career

Previously, Mr. Santoso was Head of Consumer Card Business Services & Support Group (2015–2016). His career with BCA began in 1992 as Head of Supporting Administration Department. Throughout his career, he has held various managerial positions, such as Head of Marketing for Non-Jabodetabek II Area (1996–1998), Chief of Area Marketing Bureau (1998–2000), Deputy Head of Consumer Network Division, Deputy Head of Network Services Division, and Deputy Head of Network & Sales (2000–2005), Head of Small & Medium Business Division (2005–2009), Head of Credit Card Business Unit (2009–2012), Head of Merchant and Consumer Credit Card Group (2012–2014). Mr. Santoso was also active as Head of Dana Pensiun BCA, a pension fund company (2003–April 2016), and as Commissioner of PT Abacus Cash Solution, a cash management service provider (2010–April 2016).

Educational Background and Training

Graduated with a degree from the Faculty of Engineering of Trisakti University, Jakarta (1989).

Participated in a number of training programs, seminars and conferences in 2017, including:

- ASEAN Global Leadership Program: Shaping Our Future Leaders of Innovation – UC Berkeley Executive Education and SRW & Co – Berkeley (USA)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta
- Gartner Symposium – Gartner – Barcelona (Spain)
- Asia Pacific Summit – Morgan Stanley – Singapore

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Indonesian citizen, aged 51. Domiciled in Indonesia. Appointed as a Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on July 27, 2016.

Roles and Responsibilities

Director of BCA responsible for defining the strategies and policies on Human Capital Management and Learning & Development.

Career

Prior to her appointment as Director, Lianawaty Suwono was the Head of Human Capital Management Division (2006–2016) and a member of the Remuneration and Nomination Committee (2007–2016). Her career in BCA started in 1991 as a management trainee in the Bank's Management Development Program before being assigned as a Business Analyst (1992–1996) in the Information System Division, handling the Integrated Banking Systems Project, focused on Integrated Deposit Systems and Integrated Loan Systems. After pursuing a career in Information Technology, she started her career in Human Resources with the assignment to develop Human Resource Information Systems. She then held various managerial positions, such as Function Head of HR Operations Support (1996–1998), Head of HR Operation Systems & Support Bureau (1998–1999), Head of Management Development Program Bureau and Head of Career Development Bureau (1999–2000), Head of HR Resourcing & Development Bureau (2000–2002), and Deputy Head of HR Division (2002–2006). She also served as President Commissioner of PT Asuransi Jiwa BCA from 2014 to July 2016.

Educational Background and Training

Graduated with a degree in Business Information Computing Systems from San Francisco State University, California, USA (1990).

Participated in a number of training programs, seminars and conferences in 2017, including:

- Industry Partnership Program 2017 – Bina Nusantara University – South Korea
- ASEAN Global Leadership Program: Leadership in a Transformational Digital Era – Cambridge Judge Business School, University of Cambridge and SRW & Co – Cambridge (UK)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.



Lianawaty Suwono
Director

Board of Commissioners Profile



Djohan Emir Setijoso
President Commissioner

Indonesian citizen, aged 76. Domiciled in Indonesia. Appointed as the President Commissioner of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 25, 2011. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career

Djohan Emir Setijoso previously served as President Director of BCA (1999–2011) responsible by the end of that period for General Coordination, Internal Audit Division, Financial Planning & Control, and Corporate Affairs. Prior to joining BCA, Mr. Setijoso held various positions at Bank Rakyat Indonesia (1965–1998) the last position being Managing Director, and was President Commissioner of Inter Pacific Bank (1993–1998). Aside from serving as the President Commissioner of BCA, he is actively involved in various organizations.

Educational Background and Training

Graduated from the Bogor Institute of Agriculture (1964).

Participated in a number of training programs, seminars and conferences in 2017, including:

- Asia Pacific CEO-CFO Conference – JP Morgan – New York (USA)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Also serves as a member of the Remuneration and Nomination Committee of PT Bank Central Asia Tbk but holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.



Tonny Kusnadi
Commissioner

Indonesian citizen, aged 70. Domiciled in Indonesia. Appointed as a Commissioner of BCA at the 2003 Annual General Meeting of Shareholders and approved by Bank Indonesia on September 4, 2003. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career

Prior to joining BCA, Mr. Kusnadi was a Director at PT Cipta Karya Bumi Indah, a property development and construction company (2001–2002) and before that served as a Commissioner. His earlier managerial positions include President Director of PT Sarana Kencana Mulya, an electronic distributor (1999–2001), Chief Manager of Corporate Banking for PT Bank Central Asia (1992–1998), General Manager at PT Tamara Indah, an engineering and general supplier company (1988–1992) and General Manager at PT Indomobil, a leading Indonesian automotive company, in 1987.

Educational Background and Training

Holds a Bachelor's degree in Mechanical Engineering from the University of Brawijaya, Malang (1978).

Participated in a number of training programs, seminars and conferences in 2017, including:

- Digital Strategy Innovation – Innovation Enterprise – Sydney (Australia)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Concurrently serving as President Commissioner of PT Sarana Menara Nusantara Tbk.

Indonesian citizen, aged 64. Domiciled in Indonesia. Appointed as an Independent Commissioner of BCA at the 2003 Annual General Meeting of Shareholders and approved by Bank Indonesia on September 4, 2003. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career

Prior to joining BCA, Mr. Harinowo served twenty five years with Bank Indonesia as, among others, Director of the Money Market and Monetary Management Department (1994–1998). He also served as an Alternate Executive Director and Technical Assistance Advisor for the Monetary and Exchange Affairs Department, International Monetary Fund (IMF), Washington (1998–2003). He has experience as a delegation member in meetings for the Inter Governmental Group on Indonesia (IGGI), Consultative Group for Indonesia (CGI), IMF and World Bank. He has held several managerial positions in both governmental and non-governmental institutions, and was Assistant to the Minister of Trade (1988–1989). A lecturer at several major universities in Jakarta, speaker and article writer for domestic and international seminars and media, Mr. Harinowo has published books on Indonesia's public debt (2002), the IMF (2004), and the "Musim Semi Perekonomian Indonesia" (2005).

Educational Background and Training

Graduated in Accounting from Gadjah Mada University (1977), obtained a master's degree in Development Economics from the Centre for Development Economics, Williams College, Massachusetts (1981), and a PhD in Monetary and International Policy from Vanderbilt University, Nashville, Tennessee, USA (1985).

Participated in a number of training programs, seminars and conferences in 2017, including:

- Global Emerging Market Conference with TD Securities – Global Emerging Market – Germany
- Global Emerging Market Conference with TD Securities – Global Emerging Market – Milan (Italy)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Concurrently serving as Chairman of the Audit Committee of PT Bank Central Asia Tbk, and as Independent Commissioner of PT Unilever Indonesia Tbk.



Cyrillus Harinowo
Independent Commissioner



Raden Pardede
Independent Commissioner

Indonesian citizen, aged 57. Domiciled in Indonesia. Appointed as an Independent Commissioner of BCA at the 2004 Annual General Meeting of Shareholders and approved by Bank Indonesia on June 14, 2004. Since May 15, 2006, he has served as an Independent Commissioner. He was last reappointed as an Independent Commissioner at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career

Mr. Pardede was President Commissioner of State Asset Management Company PPA (2008–2009), after serving as a Vice President Director of PPA (2004–2008). He served both in governmental and non-governmental institutions, including as Vice Chairman of the National Economic Committee (2010–2014), Special Adviser to Minister of Finance (2008–2010), Chairman of Indonesia Financial Stability System Forum (2007–2009), Secretary of Financial Stability System Committee (2008–2009), Chief of Financing for Indonesian Infrastructure Development (2004–2005), Special Adviser to Coordinating Minister for Economic Affairs (2004–2005), Executive Director of PT Danareksa (2002–2004), Deputy Coordinator of the Assistance Team to the Minister of Finance Republic of Indonesia (2000–2004), Chief Economist and Division Head at PT Danareksa (1995–2002), Founder of Danareksa Research Institute in 1995, Consultant to the World Bank (1994–1995), member of planning staff in the Department of Industry Republic of Indonesia (1985–1990), and Process Engineer at PT Pupuk Kujang Fertilizer Industry in 1985. Mr. Pardede is also a guest lecturer at Bandung Institute of Technology, University of Indonesia and Prasetiya Mulya Business School.

Educational Background and Training

Graduated in Chemical Engineering from Bandung Institute of Technology (1984) and obtained a Ph.D. in Economic from Boston University, USA (1995).

Participated in a number of training programs, seminars and conferences in 2017, including:

- International Seminar “Central Bank’s Role in the Macprudential Policy”– Bank Indonesia, Jakarta
- Economic Update (Effectiveness of Policy Reform in Democracy and the Regional Autonomy Regime) – Australian National University – Canberra (Australia)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Concurrently serving as the Chairman of the Remuneration and Nomination Committee of PT Bank Central Asia Tbk, and as Independent Commissioner of PT Adaro Energy Tbk.

Indonesian citizen, aged 63. Domiciled in Indonesia. Appointed as an Independent Commissioner of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Indonesia's Financial Services Authority (OJK) on July 11, 2016.

Career

Sumantri Slamet previously served as a member of IT and Risk Management Committee of PT Bursa Efek Indonesia, Audit Committee and Remuneration & Nomination Committee at PT CIMB Niaga Tbk, and the President Commissioner of PT Danakita Investama, an investment manager company. Mr. Slamet also held various managerial positions and served as Director in several companies, including as the Head of Project Finance and Investor Relations - Strategy and Business Development at PT Medco Energy International Tbk (Medco) and at the same time as the Managing Director of several subsidiaries of Medco outside of Indonesia, namely in Singapore, USA, Oman, Yemen and France (2008-2013). Mr. Slamet had also been appointed Director of PT Surya Citra Televisi – SCTV (2005-2008) and Director at PT Surya Citra Media Tbk (2004-2008).



Sumantri Slamet
Independent Commissioner

Educational Background and Training

Completed undergraduate study at the Faculty of Mathematics and Natural Sciences, University of Indonesia in 1978 and earned his MSc and Ph.D. in Computer Science from the University of Illinois, Urbana Champaign (USA), in 1981 and 1983, respectively.

Participated in a number of training programs, seminars and conferences in 2017, including:

- Asia Pacific CEO-CFO Conference – JP Morgan – New York (USA)
- Cybersecurity Strategies Course – California Institute of Technology – California (USA)
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta

Affiliation

Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions

Concurrently serving as Chairman of the Risk Oversight Committee and the Integrated Governance Committee of PT Bank Central Asia Tbk, Independent Commissioner and Head of Audit Committee of PT Multi Bintang Indonesia Tbk, and as a member of the Board of Trustee and Chairman of the Risks Committee of Universitas Indonesia.

Audit Committee Profile



Cyrillus Harinowo
Chairman

Cyrillus Harinowo has assumed the position as Chairman of the Audit Committee of BCA since 2015. His last reappointment became effective on June 2, 2016 according to the Decree of the Board of Directors No. 078/SK/DIR/2016. He concurrently serves as an Independent Commissioner. More detailed information can be found at the Board of Commissioners Profile on page 67.



Ilham Ikhsan
Member

Indonesian citizen, aged 67. Domiciled in Indonesia. Has been a member of the Audit Committee of BCA since 2011. His last reappointment became effective on June 2, 2016 according to the Decree of the Board of Directors No. 078/SK/DIR/2016.

Career

Prior to joining BCA, Mr. Ikhsan served at Bank Indonesia for thirty years, most of which time was spent in the Banking Supervisory area, and also as Chief Representative of Bank Indonesia in Singapore (2002-2005), with his last position before retiring from Bank Indonesia was Director of Assets Recovery Special Unit (2005-2008). Following his retirement, he was appointed Finance Director of Bank Indonesia Employee Welfare Foundation or YKK-BI (2008-2010).

Educational Background

Graduated with a Bachelor's degree in Accounting from Universitas Airlangga (1978) and obtained his Master of Science degree in Economic Development and International Trade from Colorado State University, USA (1984).

Training and Certification

- Indonesia Knowledge Forum – BCA Learning Service – Jakarta
- Internal Audit Challenge: Navigating in Disruptive Environment – Ikatan Auditor Intern Bank – Surabaya

Indonesian citizen, aged 62. Domiciled in Indonesia. Appointed as a member of the Audit Committee of BCA on June 2, 2016 according to the Decree of the Board of Directors No. 078/SK/DIR/2016.

Career

Started her career in 1978 at BCA. Later served at a steel importer & distributor company, PT Giwang Selogam as a system analyst (1984-1987) and at PT Multi Electrindo Raya as a financial manager (1998- 1991). Re-joined BCA as Financial Control Adviser (1991-1995), Accounting Adviser (1995-1998), Financial Support Adviser (1998-2001), Head of Finance I Sub-Division (2001-2010), and as a consultant in the Finance and Corporate Planning Division (2010-2012). Later served as Financial Director at PT Danamas Insan Kreasi Andalan, a subsidiary of BCA Pension Fund company engaging in human resource development business (2012-2015).

Educational Background

Completed her undergraduate studies at the Economic Faculty of Universitas Indonesia in 1982.

Training and Certification

- Indonesia Knowledge Forum – BCA Learning Service – Jakarta
- Internal Audit Challenge: Navigating in Disruptive Environment – Ikatan Auditor Intern Bank – Surabaya



Tjen Lestari
Member

Risk Oversight Committee Profile



Sumantri Slamet
Chairman

Sumantri Slamet was appointed as Chairman of the Risk Oversight Committee of BCA on September 30, 2016 according to the Decree of the Board of Directors No. 144A/SK/DIR/2016. Currently he also serves as an Independent Commissioner and Chairman of the Integrated Governance Committee. More detailed information can be found at the Board of Commissioners Profile on page 69.



Endang Swasthika Wibowo
Member

Indonesian citizen, aged 56. Domiciled in Indonesia. Has been a member of the Risk Oversight Committee of BCA since 2007. Her last reappointment became effective on September 30, 2016 according to the Decree of the Board of Directors No. 144A/SK/DIR/2016.

Career

Mrs. Wibowo is an academican and researcher in risk management, finance and banking. Previously, she served as Head of the Magister Management Program in Banking at ABFII Perbanas, a trainer of Risk Management (Certified GARP – BSMR), Head of Perbanas Research and Community Development Center (2000-2006), Advisor of Ecofinbank-Legislation Unit in the People's Representative Council (2000-2005), Commissioner of PT Putera Lintas Kemas, Air Freight Forwarder Co (2000-2004), and Head of Management Department, STIE Perbanas (1990-1993).

Educational Background

Graduated in Economics from Indonesian Islamic University, Yogyakarta (1985), and earned a Graduate Diploma in Banking & Finance (1996) as well as a Master's degree in Banking from Monash University, Australia (1998).

Training and Certification

- Training: Regulation, Paramater and Strategy of Liquidity – Risk Management Guard (RMG) – Bali
- Indonesia Banking Expo 2017: Visi Perbankan Nasional Menyongsong Digitalisasi Lembaga Keuangan – Perbanas – Jakarta
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta
- Risk Management Certification Level II issued by GARP – BSMR



Lianny Somyadewi D.
Member

Indonesian citizen, aged 56. Domiciled in Indonesia. Was appointed as a member of the Risk Oversight Committee of BCA on September 30, 2016 according to the Decree of the Board of Directors No. 144A/SK/DIR/2016.

Career

Joined BCA in 1990 as a management trainee in BCA Management Development Program with initial placement in the Retail Banking Division in 1991 before serving as an Adviser in the Retail Lending Division (1997-2005). Then served as a part of the Risk Management Unit of BCA (2005-2016) with the last position as Credit Risk Management Senior Adviser.

Educational Background

Graduated in Civil Engineering from Universitas Trisakti, Jakarta, in 1986.

Training and Certification

- Risk Management Certification Level IV issued by GARP – BSMR

Remuneration and Nomination Committee Profile

Raden Pardede has assumed the position as Chairman of the Remuneration and Nomination Committee of BCA since 2007. His last reappointment became effective on August 10, 2016 according to the Decree of the Board of Directors No. 107A/SK/DIR/2016. He concurrently serves as an Independent Commissioner. More detailed information can be found at the Board of Commissioners Profile on page 68.



Raden Pardede
Chairman

Djohan Emir Setijoso has assumed the position as a member of the Remuneration and Nomination Committee of BCA since 2011. His last reappointment became effective on August 10, 2016 according to the Decree of the Board of Directors No. 107A/SK/DIR/2016. He concurrently serves as President Commissioner. More detailed information can be found at the Board of Commissioners Profile on page 66.



Djohan Emir Setijoso
Member

Indonesian citizen, aged 45. Domiciled in Indonesia. Appointed as a member of the Remuneration and Nomination Committee of BCA on August 10, 2016 according to the Decree of the Board of Directors No. 107A/SK/DIR/2016. Currently also serves as Head of the Human Capital Management Division since August 1, 2016.

Career

Began his career in BCA in 1990 and has had many experiences in developing the Bank's human resources training programs since 1997. Later held various managerial positions including as Deputy Head of the Training and Development Division (2009-2011), Head of the Learning and Development Subdivision (2011-2015), Head of Network and Regional Planning Work Unit (2015-2016), and Head of Human Capital Management Division (2016-present). Once worked in PT Kalbe Farma Tbk as Senior Manager (2006-2008).

Educational Background

Completed his undergraduate studies in Accounting at Universitas Tarumanagara in 1995 and earned a Master's degree in Finance from Universitas Indonesia, Jakarta in 2002.

Training and Certification

- Strategic Leaders Program – Michigan Roos – Hongkong
- Leadership in Agile Organization – BCA – Sentul
- "Healthy Life" Seminar – BCA – Menara BCA
- KPI Alignment Workshop – BCA – Sentul
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta



Hendra Tanumihardja
Member

Profile of the Integrated Corporate Governance Committee



Sumantri Slamet
Chairman

Sumantri Slamet was appointed as Chairman of the Integrated Governance Committee of BCA on August 11, 2016 according to the Decree of the Board of Directors No. 109/SK/DIR/2016. Currently he also serves as an Independent Commissioner and Chairman of the Risk Oversight Committee. More detailed information can be found at the Board of Commissioners Profile on page 69.



Wimpie Rianto
Member

Indonesian citizen, aged 70. Domiciled in Indonesia. Was appointed as a member of the Integrated Governance Committee of BCA on August 11, 2016 according to the Decree of the Board of Directors No. 109/SK/DIR/2016.

Career

Mr. Rianto is a banking practitioner with extensive experience including in risk management. Previously held various managerial positions with BCA from 1976 to 1994, then serving as Deputy President Director of Bank LTCB Central Asia (1994–1997) and President Director of Bank Yama (1997-1999) before rejoining BCA as Head of Risk Management and Compliance Division (1999-2002). Prior to being appointed to the Integrated Corporate Governance Committee of BCA, Mr. Rianto served as Compliance Director (2004-2007) and Independent Commissioner (2007-2014) of Bank Sinar Mas, and a member of the Risk Oversight Committee of BCA (2015-2016).

Educational Background

Earned a Bachelor's degree in Economics from the Catholic University of Atmajaya, Jakarta (1972) and active in attending professional training and skills enhancement programs, among others in risk management, both in Indonesia and abroad.

Training and Certification

Risk Management Certification Level 5 issued by Banking Professional Certification Agency (LSPP)

Indonesian citizen, aged 62. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last reappointment became effective on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently he also serves as Independent Commissioner of PT BCA Finance and Chairman of the Audit Committee of PT BCA Finance, since July 1, 2012.

Career

Previously served as Head of BCA Branch and Regional Offices including the Main Branch (1991-2000), Regional Office IV Denpasar, Bali (2000-2005), Regional Office VII Malang, East Java (2005-2008), and Regional Office IX Jakarta (2008-2011). Had also served as the Senior Advisor to the Board of Directors of an insurance company, PT ACE Jaya Proteksi (2012-2014).

Educational Background

Completed his Accounting education at Sekolah Tinggi Ilmu Ekonomi Indonesia, Jakarta (1991).

Training and Certification

- Risk Management Certification Refreshment Level IV – Risk Management Certification Body (BSMR)
- Basic Financing Certification – Commissioner
- National Seminar “Opportunities and Challenges in 2018” – Asosiasi Perusahaan Pembiayaan Indonesia – Yogyakarta



Adhi Gunawan Budirahardjo
Member

Indonesian citizen, aged 63. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last reappointment became effective on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently he also serves as Independent Commissioner of PT Asuransi Umum BCA since 2011.

Career

Before joining BCA, had held various senior positions from 1979-2011, both in financial and non-financial industries, among others as VP of Citibank N.A Jakarta, Director of PT Bank Tiara Asia Tbk (later merged to PT Bank Danamon Tbk), Division Head of BPPN Bank Restructuring Unit, Deputy President Director of PT Bank Internasional Indonesia Tbk (now PT Bank Maybank Indonesia Tbk), Director of PT Tri Polyta Indonesia Tbk (now PT Chandra Asri Petrochemical Tbk), CFO of PT Broadband Multimedia Tbk (now PT First Media Tbk), and President Director of PT Indonesia Air Transport Tbk.

Educational Background

Earned a Civil Engineering degree from the Civil Engineering Faculty of Universitas Kristen Petra, Surabaya (1979), and a Master of Business Administration from Institut Pengembangan Manajemen Indonesia (IPMI) in 1988.

Training and Certification

- Certified Risk Governance Professional (CRGP) from LSPMR – Jakarta
- Certified Enterprise Risk Governance (CERG) from ERMA – Singapore
- The “Nuts & Bolts” of Treaty Reinsurance – Singapore College of Insurance – Singapore
- Master Class Risk Governance – ERMA – Yogyakarta
- International Conference on Navigating the Future of Risk – ERMA - Yogyakarta



Gustiono Kustianto
Member



Pudjianto
Member

Indonesian citizen, aged 61. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last reappointment became effective on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently he also serves as Independent Commissioner and Chairman of the Audit Committee of PT Asuransi Jiwa BCA, since November 2014.

Career

Before joining BCA, he developed his career at PT Asuransi Kesehatan Indonesia (PT Askes - Persero) for 31 years and at PT Asuransi Jiwa InHealth Indonesia for five years. He began his career at PT Askes, Jakarta, as staff in Finance Sector, in 1977. He advanced his career by serving as Finance Manager Assistant (1983-1987), Accounting Manager (1988-1999), and Accounting General Manager (2000-2008). In 2009-2013, he held the position as Finance Director, Human Resources and General Affairs of PT Asuransi Jiwa InHealth Indonesia, Jakarta.

Educational Background

Completed his Bachelor's degree in Commercial Administration Department at Universitas Terbuka Jakarta (1990) and Master's degree in Financial Management at Sekolah Tinggi Manajemen IMMI Jakarta (2002).

Training and Certification

Insurance Companies Risk Management certification issued by LSP AAMAI



Suyanto Sutjiadi
Member

Indonesian citizen, aged 63. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last reappointment became effective on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently he also serves as Independent Commissioner of PT Bank BCA Syariah since November 2013.

Career

Has worked at BCA for 32 years and at BCA Syariah for 3 years. He began his career at BCA Palembang as a clearing officer in 1978. In 1983, he served at Bank Indonesia as BCA representative as the counterpart for Small Investment Credit (KIK) and Permanent Capital Credit (KMKP). A year later he served at Tabanas and Taska section. He had served as the Authorized Signer of BCA Palembang (1985-1986). Then consecutively from 1987-2004, he served as Head of BCA Branch Offices including the Supporting Branch of Palembang, Pangkal Pinang Branch, Jambi Branch, Hayam Wuruk Branch, Gajah Mada Branch, Wisma Asia Branch, and as Head of Regional Office V Medan. Retired from BCA in 2010. In 2013 was appointed as an Independent Commissioner of BCA Syariah.

Educational Background

Earned a Bachelor's degree in Economics from Universitas Sriwijaya, Palembang (1983).

Training and Certification

Risk management refreshment program certification Level 2 issued by Banking Professional Certification Agency (LSPP)

Indonesian citizen, aged 49. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last reappointment became effective on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently he also serves as the member of Syariah Supervisory Board of PT Bank BCA Syariah.

Career

Before joining PT Bank BCA Syariah, developed his career at PT Bank Muamalat Indonesia Tbk as Senior Corporate Banking (1993-2004), then he held the position as Director of Karim Business Consultant (2004-2014). From 2010-2015, he served as a member of the Audit Committee and Risk Oversight Committee of PT Bank BCA Syariah.

Educational Background

Earned a Bachelor's degree in Management from the Economics Faculty of Universitas Krisnadwipayana (1993) and a Master's degree in Management from Binus Business School (2014).

Training and Certification

- Sharia Bank DPS Certification Level 1 – OJK and DSN MUI – Bogor
- Workshop: Ijtima' Sanawi DPS LKS – DSN MUI and OJK – Bandung
- Workshop: Pra Ijtima Sanawi for DPS Sharia Bank, Multifinance and Ventura Capital – DSN MUI and OJK – Jakarta
- Workshop: Ijtima'Sanawi DPS LKS – DSN MUI and OJK – Jakarta



Sutedjo Prihatono
Member

Indonesian citizen, aged 59. Domiciled in Indonesia. Was appointed as a member of the Integrated Governance Committee of BCA on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently also serves as an Independent Director of BCA Finance Limited since January 2016.

Career

Joined BCA in 1984 and has since held various managerial positions including as General Manager and Head of Global Trade and Payment Services (2009-2013), Chief Manager and Deputy Head of International Banking Division (1995-2009), Deputy Chairman of SWIFT Indonesia Association (2007-2009), Senior Manager and Deputy Head of the Sudirman Branch (1990-1995), and Manager of the Asemka Branch (1984-1990).

Educational Background

Completed undergraduate studies in General Management & Marketing at Universitas Katolik Parahyangan, Bandung (1983).

Training and Certification

Risk Management Certification Level IV issued by Risk Management Certification Body (BSMR)



Rudy Harjono
Member



Mendari Handaya
Member

Indonesian citizen, aged 60. Domiciled in Indonesia. Was appointed as a member of the Integrated Governance Committee of BCA on December 13, 2016 according to the Decree of the Board of Directors No. 180/SK/DIR/2016. Currently also serves as an Independent Commissioner of PT Central Santosa Finance since November 28, 2016, a member of the Audit Committee of PT Asuransi Jiwa BCA since October 1, 2014, and a member of the Audit Committee of PT BCA Finance since August 2015.

Career

Started his career with BCA in 1992 and has since held various positions in lending business units including as Head of Credit Risk Analysis Group (2006-2012), Adviser of Credit Risk Review Work Unit (2000-2006), and Head of Loans Recovery (1992-2000).

Educational Background

Earned a Bachelor's Degree and a Master's Degree in Economics from the University of Mannheim, Germany (1991).

Training and Certification

Risk Management Certification Level III issued by BSMR



Hendra Iskandar Lubis
Member

Indonesian citizen, aged 51. Domiciled in Indonesia. Was appointed as a member of the Integrated Governance Committee on September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently also serves as an Independent Commissioner of BCA Sekuritas since 2017.

Career

Currently serves as President Commissioner of PT Dayalima Abisatya since 2012, President Commissioner of PT Karya Griya Bersama since 2009, President Commissioner of PT Graha Investama Bersama since 2011 and Independent Commissioner of PT Pelayaran Nasional Bina Buaya Raya Tbk since 2012. Mr. Lubis has also been an independent consultant in the area of corporate finance and capital markets (2012-2014, and 2016-present). Previously, he served as President Director of PT Pefindo Riset Konsultasi (2014-2016), Director of Investment Banking & Corporate Finance at PT OSK Nusadana Securities Indonesia (2006-2012), Director of PT Catunilai Finans Adhinarya (2002-2006), Advisor at Lippo Group (2000-2002), and Group Head of Bank Restructuring and Division Head of Asset Management Investment at the Indonesian Bank Restructuring Agency – IBRA (1998-2000).

Educational Background

Completed Bachelor's Degree in Urban & Regional Planning Techniques at Bandung Institute of Technology (1990) and earned Master of Business Administration degree from George Washington University, USA in 1994.

Training and Certification

Participated in various professional and skill advancement training in finance and capital markets.

Corporate Secretary Profile

Indonesian citizen, aged 44. Domiciled in Indonesia. Appointed as the Corporate Secretary of BCA on October 1, 2016 based on Decree No. 2235/SK/HCM-KP/A/2016.

Career

Prior to his appointment as Corporate Secretary, Jan Hendra held various managerial positions in the Consumer Card Business Group (BCA Card Center) as Head of Marketing & Product Development (April 2013-September 2016), Head of Consumer Card Portfolio Management (2012-2013), Head of Issuing Portfolio Management (2012), and Head of Business Development (2009-2012). Before joining BCA in 2005, Jan Hendra served as Technical Assistant at Cisco Systems (2000-2005).

Educational Background

Earned a Bachelor's degree in Electrical Engineering from Trisakti University, Jakarta (1997), and completed his Master's degree in Software System Engineering at the University of Melbourne, Australia (2000).

Training and Certification

- Indonesia All Access – Nomura – Jakarta
- Indonesia Investor Conference – Citi – Jakarta
- ASEAN Conference – Macquarie – Singapore
- Investors' Forum – CLSA – Hong Kong
- Indonesia Knowledge Forum – BCA Learning Service – Jakarta
- dbAccess Indonesia Conference – Deutsche Bank – Jakarta



Jan Hendra
Corporate Secretary

Senior Officers

As of 31 December 2017

Name	Position
Allan Sriwulandari	Head of Regional Office I, Bandung
Gunawan Budi Santoso	Head of Regional Office II, Semarang
Ratna Yanti	Head of Regional Office III, Surabaya
Frengky Chandra Kusuma	Head of Regional Office IV, Denpasar
Lukman	Head of Regional Office V, Medan
Daniel Hendarto	Head of Regional Office VI, Palembang
Djoko Rosmiatun Mijaata	Head of Regional Office VII, Malang
Haryono Wongsonegoro	Head of Regional Office VIII, Pondok Indah, Jakarta
Herwandi Kuswanto	Head of Regional Office IX, Matraman, Jakarta
Iwan Senjaya	Head of Regional Office X, KPO Asemka, Jakarta
Yandy Ramadhani	Head of Regional Office XI, Balikpapan
Freddy Suliman	Head of Regional Office XII, Wisma Asia, Jakarta
Arif Singgih Halim Wijaya	Head of Compliance
Ayna Dewi Setianingrum	Internal Audit Division Head
Christina Wahjuni Setyabudhi	Executive Vice President of Wealth Management Division
Deddy Muljadi Hendrawinata	Executive Vice President of Credit Analysis Group
Dhejani Surjadi	Head of Menara BCA Corporate Branch Office
Djulijanto Liong*	Head of Commercial and SME Credit Risk Analysis Group
Edmund Tondobala*	International Banking Division Head
Eduard Guntoro Purba	Head of Risk Management
Edy Gunawan*	Head of Corporate Credit Risk Analysis Group
Eva Agrayani Tjong*	Wealth Management Division Head
Grace Putri Ayu Dewijany*	Head of Corporate Credit Risk Analysis Group
Gunawan Prayogo	Head of Corporate Banking Group
Hendra Tanumihardja	Human Capital Management Division Head
Hendrik Sia	Head of Network and Regional Development
Hermanto	Head of Legal Group
Iman Sentosa*	Head of IT Architecture & Service Quality Group
Ina Suwandi	Transaction Banking Product Development Division Head
Inge Setiawati	Head of Corporate Social Responsibility
Inge Setiawaty*	Head of Corporate Transaction Group
Jan Hendra	Corporate Secretary
Janto Havianto*	Treasury Division Head
Jip Tommy Sutanto	Head of Credit Services
Joanes Justira Gunawan	Head of Electronic Banking Services
Kho Vincentius Chandra Khosasih*	Head of Data Management & IT Management Office Group
Kristian Marbun	Head of Corporate Banking Group
Lanny Budiati	Head of Global Trade and Payment Services
Lay Susiana Santoso	Head of Corporate Finance Group
Lena Setiawati	Learning and Development Division Head

As of 31 December 2017

Name	Position
Liliani Santoso*	Head of Digital Innovation Solution Group
Lilik Winarni	Operation Strategy and Development Division Head
Linda Djojonegoro	Head of Credit and Consumer Card Services Group
Linus Ekabranko Windoe	Executive Vice President of Treasury and International Banking Division
Liston Nainggolan	Commercial and SME Business Division Head
Lukman Hadiwijaya	Head of Enterprise Security
Mathilda Simon	Consumer Credit Division Head
Megawaty	Head of Credit Recovery
Mira Wibowo	Transaction Banking Business Development & Marketing Division Head
Niniek Surijanti Rahardja	Transaction Banking Partnership Solution Development Division Head
Nur Hermawan Thendean	Executive Vice President of Strategic Information Technology Group
Raymon Yonarto	Finance and Corporate Planning Division Head
Rickyadi Widjaja*	Head of Commercial and SME Credit Risk Analysis Group
Rusdianti Salim	Head of Cash Management
Soeni Atonie	Head of Anti Fraud Bureau
Sri Indrajanti Dewi	Head of Corporate Banking Group
Sugito Lie	Logistic and Building Division Head
Sunandar Suryajaya	Head of Domestic Payment Services
Theresia Endang Ratnawati	Head of Legal Group
Tjahjadi Sufrapto*	Head of Commercial and SME Credit Risk Analysis Group
Ugahary Yovvy Chandra	Head of Individual Customer Business Development Division
Wani Sabu	Head of Digital Services
Widjaja Stephen*	Head of Commercial and SME Credit Risk Analysis Group
Wilson Karimun	Head of Transaction Banking Business Support Group
Wira Chandra	Executive Vice President Grup Corporate Banking dan Corporate Finance
Yuli Melati Suryaningrum*	Head of Corporate Banking Group

Note:

The change in the composition of Senior Officers from December 31, 2017 until February 1, 2018:

1. Vera Eve Lim was appointed as the Executive Vice President overseeing the Finance and Corporate Planning and Corporate Secretary
2. Tan Tesien Tanudjaja was appointed as Head of Credit Risk Analysis and reports to the Executive Vice President - Deddy Muljadi Hendrawinata
3. Helena Maria Atmodjo was appointed as Head of Credit Risk Analysis and reports to the Executive Vice President - Deddy Muljadi Hendrawinata

* Reports to the Executive Vice President

Number of Employees and Competence Development

Number of Employees

At the end of 2017, BCA had 25,439 employees, representing an increase of 1,5% compared to 25,073 employees in 2016

Employee by Organization Level

	2017	2016
Non Staff	1,187	1,337
Staff	19,994	19,661
Managers	4,176	4,000
Senior Officers (Including the Board of Commissioners and Directors)	82	75
Total	25,439	25,073

Employee by Seniority

	2017	2016
≤ 1 Year	1,712	2,052
> 1 – 5 Year	7,048	6,286
> 5 – 10 Years	1,802	1,348
> 10 – 15 Years	621	668
> 15 – 20 Years	1,936	4,754
> 20 Years	12,320	9,965
Total	25,439	25,073

Employee by Age

	2017	2016
≤ 25 Years	3,387	3,067
> 25 – 30 Years	5,706	5,163
> 30 – 35 Years	1,629	1,490
> 35 – 40 Years	1,595	1,868
> 40 – 45 Years	4,278	4,563
> 45 – 50 Years	5,429	5,471
> 50 Years	3,415	3,451
Total	25,439	25,073

Employee by Education Level

	2017	2016
Up to Senior High School	4,868	5,232
Diploma and Undergraduate	19,771	19,099
Graduate and Doctorate	800	742
Total	25,439	25,073

Employee by Status

	2017	2016
Permanent	24,343	23,817
Non Permanent*	1,096	1,256
Total	25,439	25,073

* including contract employee, probationary and trainee

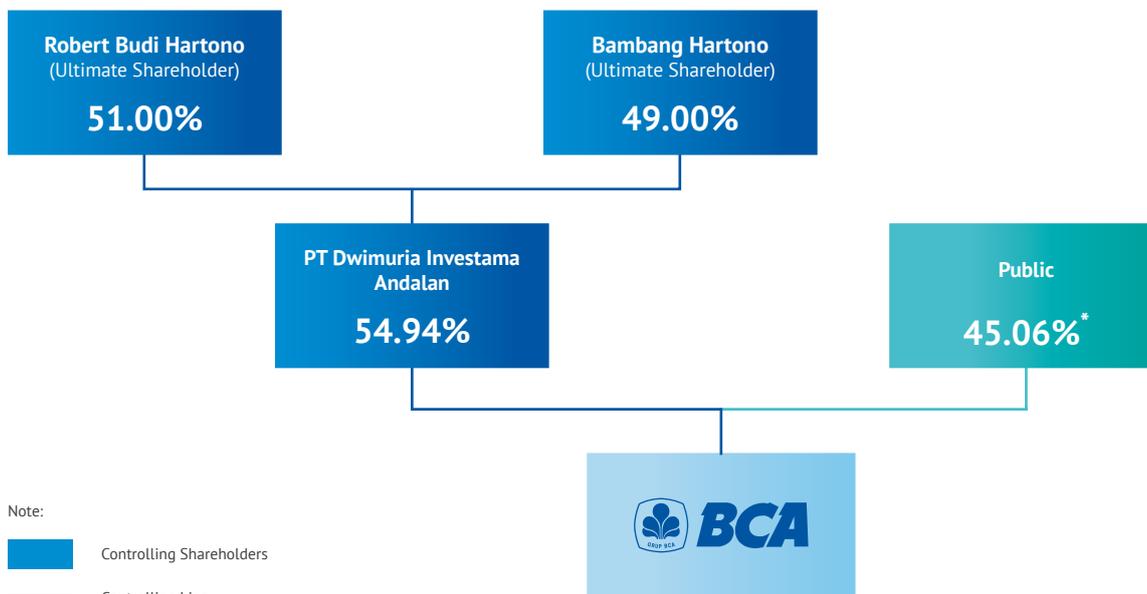
Employee Competence Development

More detailed information regarding competence development can be seen in this Annual Report under the Human Resources chapter on page 220 - 225.

Shareholder Composition

BCA Ultimate Shareholder

As of 31 December 2017



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

Details of 20 Largest Shareholders

As of 31 December 2017

No	Shareholders	Number of Shares (in millions)	%
1	PT Dwimuria Investama Andalan	13,546	54.94
2	Bank Julius Baer Co Ltd, Singapore S/A Anthoni Salim	340	1.38
3	JPMCB NA RE-Europacific Growth Fund	271	1.10
4	Credit Suisse AG Singapore Trust Account Client PT Tricipa Mandhala Gumilang - 2023904042	263	1.07
5	Credit Suisse AG Singapore Trust Account Client PT Caturwiratna Sumapala - 2023904041	252	1.02
6	DJS Ketenagakerjaan Program JHT	245	0.99
7	GIC S/A Government of Singapore	223	0.90
8	HSBC Bank PLC S/A Saudi Arabian Monetary Authority	168	0.68
9	BBH Boston S/A Vangrd Emg Mkts Stk Inf	163	0.66
10	JPMCB NA AIF CLT RE-Stichting Depository APG EME MRKT EQ Pool	161	0.65
11	BNYMSANV RE BNYMLB RE Employees Providentfd Board - 2039844119	143	0.58
12	PT. Prudential Life Assurance - REF	138	0.56
13	JPMCB NA RE-Vanguard Total International Stock Index Fund	128	0.52
14	LGT Bank AG	119	0.48
15	BNYM RE Virtus Vontobel Emerging Markets Opps Fund - 2039925749	101	0.41
16	BBH Boston S/A Matthews Pacific Tiger Fund	100	0.41
17	JPMCB NA RE-T.Rowe Price International Stock Fund	100	0.41
18	JPMCB NA RE-T.Rowe Price Emerging Markets Stock Fund	97	0.39
19	Anthoni Salim	94	0.38
20	UOB Kay Hian Pte Ltd	92	0.37
Total		16,744	67.90

Source: Indonesian Central Securities Depository (KSEI)

Note:

Several of the listed institutions act as custodians for shareholders

Details of Shareholders with More than 5% Share Ownership

As at December 31, 2017, there are no shareholders with more than 5% shareownership, except PT Dwimuria Investama Andalan as the controlling shareholder of BCA.

Public Shareholders with Less than 5% Shares Ownership

	Composition*
Individual	3.3%
Local	3.2%
Foreign	0.1%
Institution	41.8%
Local	7.7%
Foreign	34.1%
Total	45.1%

	Composition*
Local Shareholder	10.9%
Individual	3.2%
Yayasan	0.5%
Insurance	1.7%
Limited Liability Company	3.8%
Cooperative	0.0%
Others	1.7%
Foreign Shareholders	34.2%
Individual	0.1%
Foreign Entity	34.1%
Total	45.1%

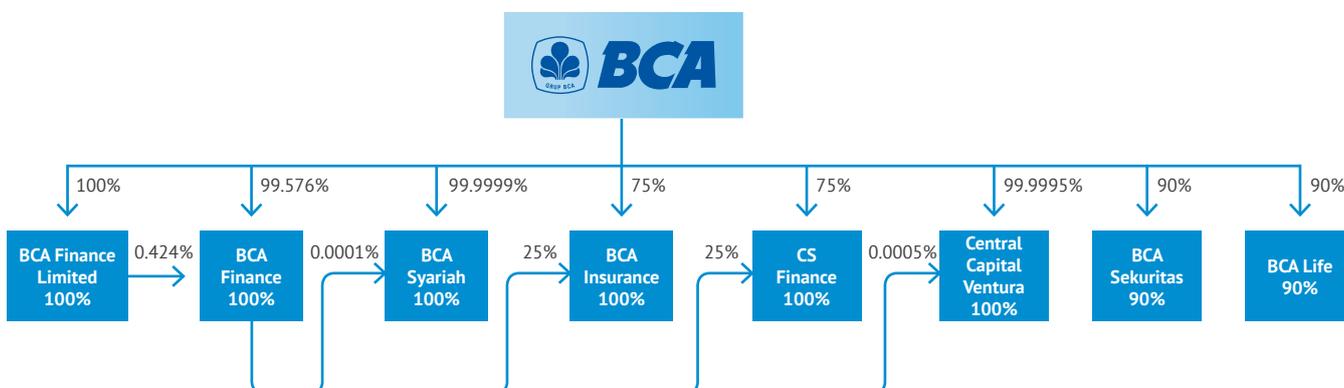
* Calculated based on total number of BCA outstanding share amounting to 24,655,010,000.

Source: Indonesian Central Securities Depository (KSEI) and PT Raya Saham Registra

Share Ownership Percentage of Commissioners and Directors

As at December 31, 2017, the Board of Commissioners and Board of Directors of BCA hold on aggregate 0.19% of the shares of BCA. Details of the share ownership of individual Commissioner and Director are presented in the section on Consolidated Financial Statements on page 598.

BCA Group Structure and Subsidiaries Ownership



Subsidiaries Business

<p>PT BCA Finance</p>	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorized agency
	Remittance and money lending
	Sharia Banking
<p>PT BCA Sekuritas</p>	Securities brokerage dealer and underwriter for issuance of securities
<p>PT Asuransi Umum BCA (BCA Insurance)</p>	General or loss insurance
<p>PT Central Santosa Finance (CS Finance)</p>	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorized agency
<p>PT Asuransi Jiwa BCA (BCA Life)</p>	Life insurance
<p>PT Central Capital Ventura (CCV)</p>	Venture capital company

Record of BCA Share and Other Securities Listing

PT Bank Central Asia Tbk (BCA) held Initial Public Offering (IPO) on 11 May 2000. The IPO was listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange on 31 May 2000 (Currently both exchanges were merged into the Indonesia Stock Exchange).

Record of BCA Share Listing at the Indonesia Stock Exchange

Date	Description		Number of Outstanding Shares	Total par Value (in Rupiah)
11 May 2000	Initial Public Offering (IPO)	2,943,986,000	2,943,986,000	500
15 May 2001	Stock split I with ratio of 1:2	x 2	5,887,972,000	250
2001	Shares issued in accordance with the Management Stock Option Plan (MSOP)	58,025,000	5,945,997,000	250
2002	Shares issued in accordance with the Management Stock Option Plan (MSOP)	71,526,000	6,017,523,000	250
2003	Shares issued in accordance with the Management Stock Option Plan (MSOP)	113,611,500	6,131,134,500	250
8 June 2004	Stock split II with ratio of 1:2	x 2	12,262,269,000	125
2004	Shares issued in accordance with the Management Stock Option Plan (MSOP)	40,944,500	12,303,213,500	125
2005	Shares issued in accordance with the Management Stock Option Plan (MSOP)	15,888,000	12,319,101,500	125
2006	Shares issued in accordance with the Management Stock Option Plan (MSOP)	8,403,500	12,327,505,000	125
31 January 2008	Stock split III with ratio of 1:2	x 2	24,655,010,000	62.5

Note:

The Extraordinary General Meeting of Shareholders on 12 April 2001 decided to increase the issued capital by issuing 147,199,300 shares through the Management Stock Option Plan (MSOP). The MSOP was executable from 10 November 2001 up to 9 November 2006. Shares issued in accordance with the MSOP program above were taken into account for the effect of the stock split.

Record of Other Securities Listing

BCA as the parent company, does not issue and/or list other securities.

Information on Subsidiaries

As of 31 December 2017

Company Name	Share Ownership	Type of Business
PT BCA Finance	PT Bank Central Asia Tbk : 99.576% BCA Finance Limited : 0.424% Total : 100%	Investment Financing; Working Capital Financing; Multipurpose Financing Activities; Operating Lease; Other Financing Activities based on approval from authorized agency
BCA Finance Limited	PT Bank Central Asia Tbk : 100%	Remittance and Money Lending
PT Bank BCA Syariah	PT Bank Central Asia Tbk : 99.9999% PT BCA Finance : 0.0001% Total : 100%	Sharia Banking
PT BCA Sekuritas	PT Bank Central Asia Tbk : 90% Chandra Adisusanto : 10% Total : 100%	Securities Brokerage Dealer and Underwriter for Issuance of Securities
PT Asuransi Umum BCA (BCA Insurance)	PT Bank Central Asia Tbk : 75% PT BCA Finance : 25% Total : 100%	General or Loss Insurance
PT Central Santosa Finance (CS Finance)	PT Bank Central Asia Tbk : 75% PT BCA Finance : 25% Total : 100%	Investment Financing; Working Capital Financing; Multipurpose Financing Activities; Operating Lease; Other Financing Activities based on approval from authorized agency
PT Asuransi Jiwa BCA (BCA Life)	PT Bank Central Asia Tbk : 90% Chandra Adisusanto : 10% Total : 100%	Life Insurance
PT Central Capital Ventura (CCV)	PT Bank Central Asia Tbk : 99.9995% PT BCA Finance : 0.0005% Total : 100%	Venture Capital Company

Brief Profile	Total Assets (in billion Rupiah)	Company Address	Operational Status
PT BCA Finance was established in 1981 and currently provides vehicle financing, particularly 4-wheeler or more. BCA became a major shareholder in 2001.	8,439	Wisma BCA Pondok Indah 2 nd Floor, Jl. Metro Pondok Indah No. 10 Jakarta 12310 Telp : (021) 29973100	Operating
BCA Finance Limited was established in 1975, and currently holds a business license as a money lender with a focus on fund remittance services. BCA became a major shareholder in 1996.	779	Unit 4707, 47/F, The Center, 99 Queen's Road Central, Hong Kong Telp : (852) 28474249	Operating
PT Bank BCA Syariah (formerly PT Bank UIB) was established in 1991 and currently operates as a sharia bank. BCA became a major shareholder in 2009.	5,961	Jl. Jatinegara Timur No. 72 Jakarta 13310 Telp : (021) 8505030, 8505035, 8190072	Operating
PT BCA Sekuritas (formerly PT Dinamika Usaha Jaya) was established in 1990 with business lines as securities brokerage and investment bank. BCA became a major shareholder in 2011.	725	Menara BCA, Grand Indonesia 41 th Floor, Suite 4101 Jl. M.H. Thamrin No. 1 Jakarta 10310 Telp : (021) 23587222	Operating
PT Asuransi Umum BCA (formerly PT Central Sejahtera Insurance) was established in 1988 as an insurance company particularly engaged in general or loss insurance activities. BCA through PT BCA Finance held a 25% shares ownership in 2010 and increased its direct and indirect ownership to 100% in 2013.	1,430	Gedung Sahid Sudirman Center 10 th Floor Unit 10F Jl. Jend. Sudirman No.86 Jakarta 10220 Telp : (021) 27889588	Operating
PT Central Santosa Finance was established in 2010 and currently provides consumer financing, factoring and finance leasing business. BCA through PT BCA Finance held a 25% shares ownership in 2010. In 2014, BCA became a direct and major shareholder in PT Central Santosa Finance with 45% shares ownership. On November 22, 2017, BCA again increased its direct shares ownership in PT Central Santosa Finance to 75%.	1,802	WTC Mangga Dua 6 th Floor Blok CL No. 001 Jl. Mangga Dua Raya No. 8 Jakarta 14430 Telp : (021) 29648200	Operating
PT Asuransi Jiwa BCA was established in 2013 as a life insurance company and began its operation in 2014. In 2017, BCA became a direct shareholder in PT Asuransi Jiwa BCA with 90% shares ownership, whereas previously BCA has indirect shareholding through PT BCA Sekuritas and PT Asuransi Umum BCA.	842	Chase Plaza 22 nd Floor Jl. Jend. Sudirman Kav. 21 Jakarta 12920 Telp : (021) 29347977	Operating
PT Central Capital Ventura, was established in 2017 as a venture capital company.	205	Gedung Office 8, 16 th Floor Unit F SCBD Lot 28 Jl. Jend. Sudirman Kav. 52-53 Jakarta 12190	Operating

Capital Market Supporting Institution

Public Accounting

Tanudiredja, Wibisana, Rintis & Rekan
(a member firm of PwC global network)
Plaza 89
Jl. H.R. Rasuna Said Kav. X-7 No.6
Jakarta 12940
Indonesia
Tel. (62-21) 521 2901
Fax. (62-21) 529 05555, 529 05050
Website: www.pwc.com/id

Share Registrar

PT Raya Saham Registra
Gedung Plaza Sentral, 2nd Floor
Jl. Jend. Sudirman Kav. 47-48 Jakarta 12930
Tel. (62-21) 252 5666
Fax. (62-21) 252 5028
Website: www.registra.co.id

Securities Rating Agency

Fitch Ratings Singapore Pte Ltd
6 Temasek Boulevard #35-04/05
Suntec Tower 4
Singapore
Tel. (65) 6796 7200
Website: www.fitchratings.com

Moody's Singapore Pte Ltd

50 Raffles Place #23-06
Singapore Land Tower
Singapore 048623
Website: www.moody's.com

Notary

Dr. Irawan Soerodjo, S.H., MSi.
Jl. K.H. Zainul Arifin No. 2
Komp. Ketapang Indah Blok B-2 No. 4-5
Jakarta 11140
Tel. (62-21) 630 1511
Fax. (62-21) 633 7851
Website: www.notarisirawan.com

Law Firm Consultant

Hadiputranto, Hadinoto & Partners (HHP)
The Indonesia Stock Exchange Building
Tower II 21st Floor
Sudirman Central Business District
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190

Awards and Certifications



1

Warta Ekonomi

2017 Indonesia Prestige Brand Award

- 2017 Indonesia Prestige Brand Award for Brand Used Most Often for National Private Bank Category
- The Highest Top of Mind Brand for National Private Bank Category



2

SWA and Hachiko

2017 Net Promoter Customer Loyalty Award

- Net Promoter Score (NPS) Leader for Credit Card (BCA), Mobile Banking (m-BCA), Internet Banking (Klik BCA), Housing Loan (KPR BCA)
- Net Promoter Score (NPS) Good for Savings Account (Tahapan BCA)



3

Asiamoney

2016 Best Managed Companies

Best Managed Company in Indonesia – Large Cap



4

Asiamoney

Fixed Income Poll 2016

- Overall Best Local Currency Interest Rates Research and Market Coverage – IDR
- Overall Best Pricing for Local Currency Commodity Derivatives - IDR

5

Bisnis Indonesia and Carre-Center for Customers

2017 Excellent Service Experience Award (ESEA)

Excellence Performance in Delivering Positive Customer Experience for Regular Banking Category



6

Frontier and Marketing Magazine

2017 Top Brand Award

- Prepaid Card (Flazz)
- Internet Banking (KlikBCA)
- Call Center (Halo BCA)
- Savings Account (Tahapan BCA)
- Credit Card (BCA)
- Mobile Banking (m-BCA)
- Deposit Account (Bank BCA)



7

Warta Ekonomi

2017 Indonesia Most Innovative Business Award

2017 Indonesia Most Innovative Business Award for Bank Category



8

SITECORE

2016 Sitecore Experience Awards

Content Management: Best Content Strategy – Asia



9

MarkPlus.Inc

2017 Indonesia Wow Brand

- Gold Champion for Saving Account (Tahapan BCA), Mobile Banking (m-BCA), Call Center Bank (Halo BCA), ATM (ATM BCA)
- Silver Champion for Credit Card (Kartu Kredit BCA), e-Money (Flazz)

Awards and Certifications - Continued



10

Prima (PT Rintis Sejahtera)

Best Ratio Performance for Cash Withdrawal Category



11

The Asian Banker

2017 International Excellence in Retail Financial Services Awards
Best Retail Bank in Indonesia



12

Infobank

Digital Brand Awards 2017

- The Best Digital Brand 2012-2016 (Debit Card and Time Deposit Conventional Commercial Bank)
- 2nd Position: Digital Brand Conventional Commercial Bank, for Wealth Management, Debit Card, Credit Card, Savings, Time Deposit Conventional Commercial Bank.



13

Service Excellence Magazine and Carre-CCSL

2017 Contact Center Service Excellence Award

- Exceptional Performance for Customer Service Email Centers Banking (halobca@bca.co.id), Call Center Regular Credit Card (Halo BCA), Call Center Regular Banking (Halo BCA), Call Center Platinum Credit Card (Halo BCA), Call Center Priority Banking (Halo BCA Prioritas Service)
- Excellent Performance for Twitter Customer Service Banking (@HaloBCA)
- Good Performance for Facebook Customer Service Banking (Bank BCA), ATM Contact Point (BCA), Internet Banking Contact Point (Klik BCA)



14

Warta Ekonomi

2017 Indonesia Top Performing Mutual Fund and Consumer Choice Award
Best Perform in Custodian Bank



15

Bisnis Indonesia

2017 Bisnis Indonesia Award

- Jahja Setiaatmadja for Best CEO
- Best Listed Company for Foreign Exchange Private Commercial Bank Category



16

Investor Magazine

100 Best Listed Companies in 2017

2017 The Best Listed Company – Banking Sector



17

Warta Ekonomi

2017 Indonesia Most Admired Company Award

- Indonesia Most Admired Company for Banking Category
- Top 10 Indonesia Most Admired Companies Netizen Choice in 2017 for Banking Category



18

SWA Magazine**Indonesia Top 100 Most Valuable Brand in 2017**

- Strongest Brand in Indonesia in 2017
- 5th Most Valuable Indonesian Brand in 2017



19

Yayasan Keanekaragaman Hayati Indonesia (KEHATI)

Constituent of Sustainable Responsible Investment (SRI) – KEHATI Index for May 2017-October 2017



20

**Frontier Consulting Group
2017 Corporate Image Award**

The Best in Building and Managing Corporate Image, for National Bank Category (Assets > Rp 250 trillion)



21

Investor Magazine**2017 Investor Best Bank Award**

The Best Bank 2017, for Commercial Bank with Assets > Rp 100 trillion Category



22

Warta Ekonomi**Indonesia Digital Innovation Award**

2017 Indonesia Digital Innovation Award for Bank with BUKU 4 Category



23

FinanceAsia Magazine**2017 Country Awards for Achievement**

Best Asian Bank and Best Bank in Indonesia



24

SWA Magazine**ASEAN Best Public Companies SWA 100**

- 9th Position in SWA 100: ASEAN Best Public Companies (Overall) 2017
- 2nd Position in SWA 100: ASEAN Best Public Companies 2017 for Banking Category



25

Asian Banking & Finance**2017 Retail Banking Awards**

Digital Banking Initiative of the Year - Indonesia



26

Euromoney Magazine**Euromoney Awards for Excellence 2017**

Indonesia's Best Bank

Awards and Certifications - Continued



27

Bank Indonesia

2017 Bank Indonesia Award

- The Best Bank in Report Compliance for Commercial Bank Monthly Report, Sharia Bank Monthly Report, Debtor Information System
- The Best Bank in Supporting Market Penetration
- The 3rd Best Bank in Supporting Micro, Small, and Medium Entrepreneurs
- Participant for Bank Indonesia's National Clearing System



28

Forbes Magazine

Forbes Global 2000

The World's Biggest Public Companies 2017



29

The Asian Banker

Indonesia Country Awards Programme 2017 for Technology Innovations

- Mortgage and Home Loans Product of the Year
- Best Smart Branch Project
- Best Wealth Management



30

Service Excellence Magazine and Carre - CCSL

Indonesia Service Quality Award

Diamond for:

- Priority Banking (BCA Prioritas)
- Regular Banking
- Banking for Corporate Customers
- Gold Credit Card
- Silver Credit Card
- Platinum Credit Card



31

WPP & Kantar Millward Brown

Brandz Top 50 Most Valuable Indonesian Brands 2017

Most Valuable Indonesian Brand



32

Infobank

22nd Infobank Awards

- Very Good: Financial Performance in 2016
- Very Good: Financial Performance 2002-2016

33

FinanceAsia Magazine

Asia's Best Companies 2017

- 2nd Best at Investor Relations
- 4th Best at Corporate Social Responsibility
- 6th Best Managed Companies
- 6th Most Committed to Corporate Governance



34

Warta Ekonomi Magazine

Social Business Innovation and Green CEO Award 2017

- Social Business Innovation Award 2017 for Banking Category
- The Best Green CEO 2017 for Banking Category



35

Markplus Inc. and Nikkei BP Consulting Brand Asia 2017

Top 3 Most Powerful Financial Institutions in Indonesia



36

Marketeers Magazine

Indonesia Top Performer in ASEAN Award 2017



37

Tempo Media Group and Indonesia Banking School

Indonesia Banking Award 2017

- The Best Bank in Retail Banking Services
- The Best Bank in Digital Services
- The Most Reliable Bank
- The Most Efficient Bank
- Diversity of the Board



38

Asia Marketing Federation

The Asia Marketing Excellence Award

National Winner Marketing Company of the Year 2017



39

AsiaMoney Magazine

The Asiamoney Awards 2017

- Best Domestic Bank
- Best Banking Brand in Indonesia



40

The Asian Banker

Strongest Banks 2017 by Balance Sheet

The Strongest Bank by Balance Sheet in Indonesia 2017



41

SWA Magazine and MARS

Indonesia Best Brand Award

Best Brand Platinum 2017 for Tahapan BCA and BCA Credit Card



42

Properti Indonesia Magazine

Properti Indonesia Award 2017

The Innovative in Property Loan Services



43

Indonesia World Records MuseumThe First National Private Bank Conducting the 100th Blood Donation Drive

44

Property and Bank Magazine

Indonesia Property and Bank Award 2017

- The Best in Building Corporate Image and Digital Banking for BCA
- Jahja Setiaatmadja for CEO of the Year

Awards and Certification - Continued



45

**SWA Magazine and NBO Group
Indonesia Best Companies in Creating
Leaders From Within 2017**

2nd Position for Indonesia Best Companies in
Creating Leaders from Within



46

Metro TV

Economic Challenges Award 2017

Economic Challenges Award for Banking
Category



47

**Indonesia Institute for Corporate
Directorship (IICD) and Investor
Magazine**

**The 9th IICD Corporate Governance Award
and Conference**

- Top 50 The Biggest Market Capitalization
Public Listed Companies
- Best Disclosure and Transparency



48

Warta Ekonomi Magazine

**Indonesia Best Banking Brand Award
2017**

- Top 5 Best Consumer Choice Private
Foreign Exchange National Park
- Good Financial Performance for Private
Foreign Exchange National Bank
Category



49

Warta Ekonomi Magazine

Indonesia Most Admired CEO 2017

Jahja Setiaatmadja for 2017 Top 5 Most
Admired CEOs in Banking Sector



50

Warta Ekonomi Magazine

**Indonesia Best Corporate Reputation Award
2017**

Top 5 Most Reputable Companies in
Banking Sector with Core Capital Above
Rp30 Trillion

51

Investor Magazine

Tokoh Finansial Indonesia 2017

Top National Banker 2017 –
Jahja Setiaatmadja



52

**SWA Magazine and Indonesia Institute
for Corporate Governance (IICG)**

**Indonesia Most Trusted Companies Award
2017**

- Most Trusted Company Based on
Corporate Governance Perception Index
(CGPI)
- Indonesia Most Trusted Companies Award
Category Highly Trusted



53

**Ministry of Finance of Republic of
Indonesia**

- Best Performing Selling Agent of
Government Bonds for Retail Investors in
2016
- 1st Best Selling Agent of Retail Islamic
Bonds in 2017
- Best Performing Main Dealer in 2016
- 1st Best State Islamic Bonds Auction
Participant in 2017



54

JCB

JCB Award of Appreciation

The Best Acquiring Bank Partner
Of The Year 2016 In Indonesia



55

Forbes Magazine & Statista Inc.**Forbes 2017 Global 2000 Top Regarded Companies & Top Regarded Companies**

- World's Best Employers
- Top Regarded Companies



56

Contact Center World**CCW Global London**

- Gold: Best Contact Center, Help Desk, Customer Service, Analyst, CC Support Pro WFM, CC Support Pro IT, CC Trainer
- Silver: Best Incentive Scheme, Use of Social Media, Recruitment Campaign, Green Contact Center, Customer Loyalty Program, Outbound Campaign, CC Sales Pro
- Bronze: Best Outsourcing Partnership, CC Supervisor

57

Contact Center World**CCW Asia Pacific**

Corporate

- Gold: Social Media, Recruitment Campaign, Helpdesk, Best in Customer Service, Mega Contact Center
- Silver: Incentive Scheme, Outsourcing Partnership, Green Contact Center, Outbound Campaign, Customer Loyalty
- Bronze: Sales Campaign, Self Service Technology, Technology Innovation, Community Spirit
- Runner Up: Direct Response

Individual:

- Gold: WFM Support, IT Support, Supervisor, Trainer
- Silver: Analyst, Sales Manager, Sales Professional
- Bronze: CS Professional
- Runner Up: Quality Auditor, HR Support



58

Gallup**Gallup Great Workplace Award 2017**

BCA is the only Indonesian company to receive this award.

Branches

As of 31 December 2017

REGION I			
Address : Jln. Asia Afrika 122-124 Bandung 40261 Tel. (022) 4236303		Number of Branches : 11 Main Branches 67 Sub Branches 12 Cash Offices	
Locations :			
Bandung	Cinunuk	Lembang	Soreang
Banjar	Cirebon	Majalengka	Subang
Ciamis	Garut	Plered	Sukabumi
Cianjur	Indramayu	Purwakarta	Sumedang
Cileduk	Karawang	Sindang Laut	Tasikmalaya
Cimahi	Kuningan	Singaparna	
REGION II			
Address : Jln. Pemuda 90-92 Semarang 50133 Tel. (024) 3550333		Number of Branches : 13 Main Branches 82 Sub Branches 24 Cash Offices	
Locations :			
Banjarnegara	Kebumen	Purbalingga	Sukoharjo
Bantul	Kedungwuni	Purwodadi	Surakarta
Batang	Kendal	Purwokerto	Tegal
Blora	Klaten	Purworejo	Temanggung
Boyolali	Kudus	Rembang	Ungaran
Brebes	Magelang	Salatiga	Wates
Cilacap	Muntilan	Semarang	Wonogiri
Demak	Pati	Slawi	Wonosari
Jepara	Pekalongan	Sleman	Wonosobo
Karanganyar	Pemalang	Sragen	Yogyakarta
REGION III			
Address : Jln. Raya Darmo 5 Surabaya 60265 Tel. (031) 5618921		Number of Branches : 13 Main Branches 88 Sub Branches 34 Cash Offices	
Locations :			
Bangkalan	Jombang	Pamekasan	Sumenep
Bojonegoro	Lamongan	Sampang	Surabaya
Gresik	Mojokerto	Sidoarjo	Tuban
REGION IV			
Address : Jln. Hasanudin 58 Denpasar 80119 Tel. (0361) 431012-14		Number of Branches : 13 Main Branches 59 Sub Branches 19 Cash Offices	
Locations :			
Ambon	Klungkung	Mataram	Sorong
Bau Bau	Kotamobagu	Negara	Sungguminasa
Bitung	Kupang	Palopo	Tabanan
Denpasar	Kuta	Palu	Ternate
Gianyar	Luwuk	Pare Pare	Timika
Gorontalo	Makassar	Praya	Tomohon
Jayapura	Manado	Selong	Watampone
Kendari	Manokwari	Singaraja	

REGION V			
Address : Jln. Diponegoro 15 Medan 20112 Tel. (061) 4148800		Number of Branches : 13 Main Branches 55 Sub Branches 21 Cash Offices	
Locations :			
Banda Aceh	Dumai	Padang	Tanjung Balai
Batam	Kisaran	Payakumbuh	Tanjung Balai Karimun
Bengkalis	Lagoi	Pekanbaru	Tanjung Pinang
Binjai	Lhokseumawe	Pematang Siantar	Tebing Tinggi
Bireuen	Lubuk Pakam	Perbaungan	Tanjung Uban
Bukittinggi	Medan	Rantau Prapat	Tembilahan
REGION VI			
Address : Jln. Kapten Rivai 22 Palembang 30129 Tel. (0711) 312244		Number of Branches : 10 Main Branches 38 Sub Branches 33 Cash Offices	
Locations :			
Bandar Lampung	Kepahiang	Mentok	Prabumulih
Bandar Jaya	Kotabumi	Metro	Pringsewu
Bangko	Kuala Tungkal	Muara Bungo	Sekayu
Baturaja	Lahat	Muara Enim	Sungai Liat
Bengkulu	Lubuk Linggau	Pagar Alam	Tanjung Pandan
Curup	Mangar	Palembang	Toboali
Jambi	Martapura	Pangkal Pinang	
Kalianda	Menggala	Pangkalan Balai	
REGION VII			
Address : Jln. Jend. Basuki Rachmat 70-74 Malang 65111 Tel. (0341) 364500		Number of Branches : 11 Main Branches 49 Sub Branches 15 Cash Offices	
Locations :			
Banyuwangi	Kanigoro	Magetan	Probolinggo
Batu	Kediri	Malang	Situbondo
Blitar	Kepanjen	Nganjuk	Trenggalek
Bondowoso	Kraksaan	Ngawi	Tulungagung
Caruban	Lumajang	Pasuruan	
Jember	Madiun	Ponorogo	
REGION VIII			
Address : Wisma BCA Pondok Indah Jln. Metro Pondok Indah No.10 Jakarta 12310 Tel. (021) 29973488		Number of Branches : 11 Main Branches 94 Sub Branches 24 Cash Offices	
Locations :			
Cibinong	Depok	Purwakarta	Tangerang (South)
Cikarang	Jakarta (Central, South, East, & North)	Tangerang	Tigaraksa

Branches - Continued

REGION IX			
Address : Jln. Matraman Raya 14-16 Jakarta 13150 Tel. (021) 8581259		Number of Branches : 12 Main Branches 104 Sub Branches 26 Cash Offices	
Locations :			
Bekasi	Cibinong	Depok	Karawang
Bogor	Cikarang	Jakarta (Central, South, East, & North)	
REGION X			
Address : Jln. Pluit Selatan Raya Komplek Perkantoran Landmark Pluit Blok A No.8, Jakarta 14440 Tel. (021) 6601718		Number of Branches : 8 Main Branches 71 Sub Branches 4 Cash Offices	
Locations :			
Jakarta (Central, North & West)			
REGION XI			
Address : Jln. Jend. Sudirman 139 Balikpapan 76112 Tel. (0542) 737133		Number of Branches : 8 Main Branches 36 Sub Branches 6 Cash Offices	
Locations :			
Balikpapan	Martapura	Sambas	Tanjung
Banjarbaru	Mempawah	Sampit	Tanjung Redeb
Banjarmasin	Palangkaraya	Sanggata	Tarakan
Batulicin	Pangkalan Bun	Singkawang	Tenggarong
Bontang	Pontianak	Sintang	
Ketapang	Samarinda	Sungai Raya	
REGION XII			
Address : Wisma Asia Jln. S. Parman kav.79 Jakarta 11420 Tel. (021) 5638888		Number of Branches : 12 Main Branches 113 Sub Branches 25 Cash Offices	
Locations :			
Cilegon	Pandeglang	Serang	Tangerang (South)
Jakarta (Central & West)	Rangkasbitung	Tangerang	Tigaraksa
NON REGION OFFICE			
Address : Menara BCA, Grand Indonesia Jakarta 10310 Tel. (021) 23588000		Number of Branches : 1 Main Branch	
Locations :			
Jakarta (Central)			
REPRESENTATIVE OFFICE			
Singapore		Hong Kong	
Address : 360 orchard road #06-06A International building Singapore 238869		Address : Unit 4707, 47/F The Center 99 Queen's Road Central Hong Kong	

Data Access and Corporate Information

For further information, please contact the Bank as follows:

Corporate Secretary

- Public Relations
- Investor Relations

Halo BCA

150088

Menara BCA, 20th Floor
Grand Indonesia
Jl. M.H. Thamrin No. 1
Jakarta 10310
Phone (62 21) 2358 8000
Fax. (62 21) 2358 8300
<https://www.bca.co.id/>
humas@bca.co.id
investor_relations@bca.co.id



Information on Company Website

Information about the Company can be found on the BCA website at <https://www.bca.co.id>

Information provided on the website includes banking solutions for individuals, business needs, information about BCA and careers with BCA.

The section “About BCA” includes information about the corporation, investor relations and good corporate governance.

The About BCA section of the website includes but is not limited to the following:

- Shareholder information, including the ultimate shareholders. This can be found in the Company Profile under Good Corporate Governance.
- Code of Ethics. This can be found under Good Corporate Governance.

- General Meeting of Shareholders (GMS) at least includes the agenda items discussed in the GMS, summaries of minutes of the GMS, and important date information, i.e. the date of the GMS announcement, the date of the GMS's invitation, the date of the GMS and the date of the summary of minutes of the GMS. Information can be accessed on the Good Corporate Governance.
- Over five years' of Annual Financial Reports. This can be found under Investor Relations.
- Board of Commissioners and Board of Directors Profiles. This can be found in the Company Profile under Corporate Governance; and under Corporate.
- Board of Commissioners, Directors, Committees, and Internal Audit Unit Charters. This can be found under Good Corporate Governance.

Training and/or Education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Information regarding training and/or education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit is presented in the section on Corporate Governance, pages 274–467 in this Annual Report.





BCA consistently provides high quality services, supported by measured investment in strengthening its core transaction banking business and intermediating function. The Bank's strategy is to fulfill the evolving financial needs of customers, in line with the recent trend in technological developments.

Management Discussion and Analysis

Business Review

Transaction Banking

The development of BCA's transaction banking business emphasizes secure, convenient and reliable transactions. In line with developments in technology, BCA continues to strengthen its services while developing integrated digital-based products in support of business growth.

Transaction Banking in 2017

Rp **581.1** trillion

Third Party Funds

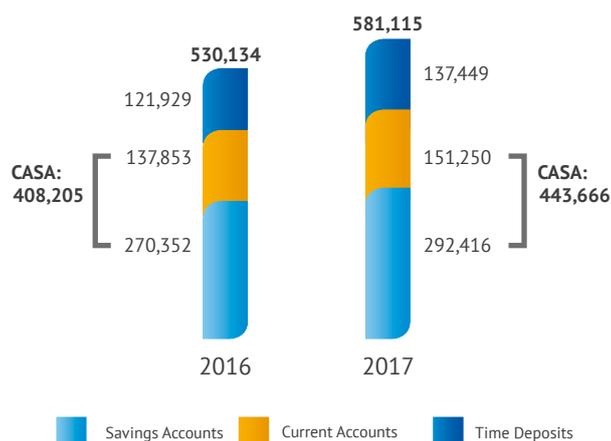
14 million

Customers' average transactions per day



Third Party Funds

(in billion Rupiah)



BCA maintains its position as one of the leading transaction banks in Indonesia. The outstanding feature of the Bank's franchise is its broad customer base, interconnected with its integrated and multi-channel network. A number of investments have been made to strengthen the core transaction banking business and to continuously adapt to changes in customer behavior in line with the latest technological developments.

A new business dynamic has been created by the rapid development of telecommunications and information technology, characterized by the growing number of financial technology (fintech) and e-commerce companies. These developments have affected consumer behavior and expectations, creating both challenges and opportunities for the banking sector. BCA continues to develop its electronic banking network as one of the main pillars of its franchise. Among the Bank's top priorities are work programs focusing on digital-based services, emphasizing the principles of convenience, security and reliability.

The Bank's Current Accounts and Savings Accounts (CASA) continued to grow in 2017, despite the national economy remaining in the recovery phase, sustained by continuous developments in transaction banking. BCA's total third party funds grew by 9.6% to Rp 581.1 trillion at the end of 2017, with a 76.3% CASA contribution. CASA funds grew 8.7% to Rp 443.7 trillion, with current and savings accounts growing by 9.7% and 8.2% to Rp 151.3 trillion and Rp 292.4 trillion, respectively.

Solid Transaction Banking Franchise

BCA continuously strengthens its integrated transaction banking service delivery networks through its branches, ATMs, m-BCA mobile banking, and KlikBCA internet banking, supported by flagship products such as debit card (Paspur BCA), credit cards (BCA Card, VISA, Mastercard, and American Express) and e-money (Flazz and Sakuku). The Bank's transaction banking networks have widespread acceptance among both conventional and e-commerce merchants. BCA also continues to develop innovative business solutions, including the development of an Application Programming Interface (API) that creates connectivity between digital applications in an ecosystem, and other service features such as up-to-date information on exchange rates. With the advantages of an expansive transaction banking service network, and high quality products, BCA continuously grows CASA funds - its major source of stable funds.

BCA offers a wide array of products to serve the needs of various segments, covering individual and institutional customers. In the individual segment, 'Tahapan BCA', the flagship savings product, remained the main contributor to the collection of third party funds. Tahapan BCA is connected with the Bank's various delivery channels and serves as vast transaction accounts. The features of Tahapan BCA have been constantly developed to accommodate different customer segments and varying customer needs. 'Tahapan Xpresi' provides attractive ATM card designs and promotions for the younger generation

Business Review

Transaction Banking



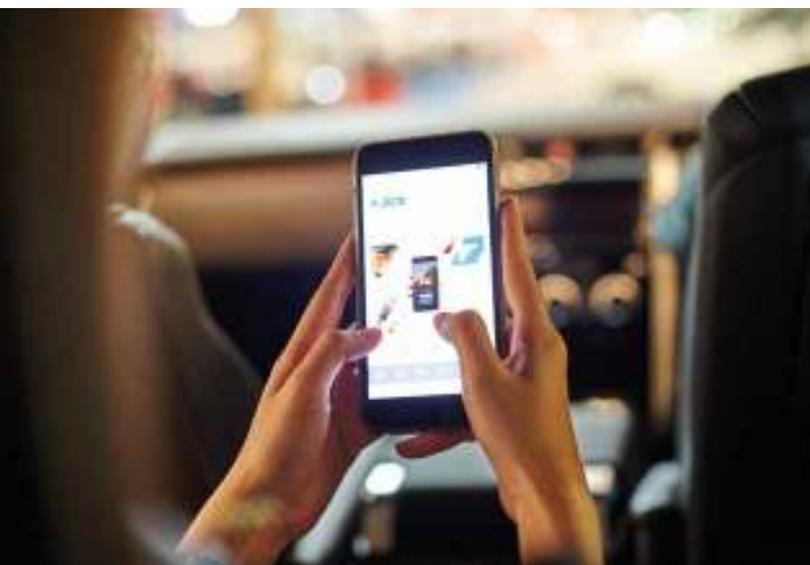
according to that generation's expressive lifestyle. 'Tapres' accommodates customer preference for a higher interest rate. To accommodate customer need in saving for long-term life plans, the Bank offers 'Tahapan Berjangka' (Tahaka), with regular monthly deposits and life insurance protection, provided in cooperation with subsidiary BCA Life.

'Tahapan Gold' is a savings product with complete and detailed account information, to provide business and institutional customers solutions for their business operations. BCA provides current account products, available in nine currencies for business customers. Current account customers can access electronic banking facilities, including internet and mobile banking, as well as the cheque payment service. The Bank provides short message service (SMS) and e-mail notification features, which can be customized according to criteria specified by customers, so they can carefully monitor their transactions.

All savings products come with BCA debit cards that can be used in the Bank's branches and a number of electronic networks that continue to evolve in line with technological trends. BCA collaborated with Mastercard in 2017 to launch the BCA Mastercard Debit Card, which can be used for transactions in all Mastercard ATMs and with merchants all over the world. The BCA Mastercard debit card features chip technology as required by regulators using the National Standard Indonesian Chip Card Specification (NSICCS) standard.

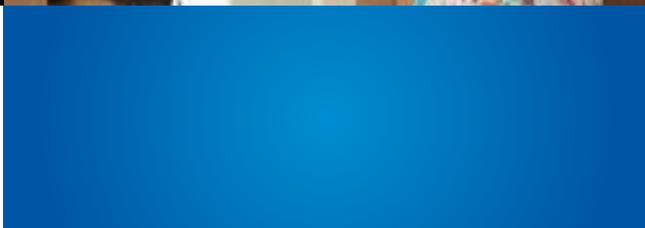
BCA continues to record positive credit card performance with an increased market share. By the end of 2017, the Bank managed over three million credit cards with a transaction value of Rp 60.9 trillion, up by 13.3%, and a transaction volume of 80.0 million, up by 15.7%. This raised the market share of credit card transaction value to 20.4%, from 19.1% in 2016. The performance of BCA credit cards, and its reputation in the market as flagship products serving numerous segments, represents increasingly consistent service quality and promotions to provide secured and convenient transactions tailored to customer shopping needs and lifestyles.

BCA maintained its position as one of the largest credit card issuers in Indonesia, and is the only bank in Indonesia to issue a private label or proprietary BCA Card, in addition to credit cards affiliated with international networks. The BCA Card can be widely used in Indonesia and at certain outlets in Singapore. The Bank continues to build partnerships with leading international networks such as Visa, Mastercard and American Express. BCA started collaborating with American Express in 2017, launching the American Express Platinum Card for the high net-worth individual segment, offering suitable premium services.



The Bank has developed a range of co-branded credit cards through strategic collaborations with corporate partners, such as Singapore Airlines, Matahari Department Store and Indomaret, to reach a broader customer base. To strengthen its branding, product positioning and credit card customer loyalty, BCA continued a number of promotional partnership programs with international partners such as Starbucks, McDonald’s, Dunkin Donuts, H&M, CGV and Haagen-Dazs, as well as local brands such as Es Teler 77, Solaria, Cinema XXI, Gramedia and Waterboom. BCA also has promotional partnership programs with e-commerce partners such as Blibli.com, Tokopedia, Bukalapak, Tiket.com, Traveloka and Lazada. Through these partnerships, BCA offers a wide variety of attractive promotional programs, such as rebates, use of BCA reward points, and zero-interest installment facilities, as well as attractive offers for special events such as BCA’s anniversary (Promo BCA Anniversary) and the online shopping day (BCA 12.12).

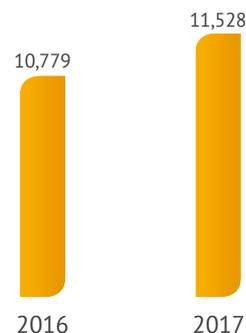
In addition to debit and credit cards, BCA also offers the Flazz pre-paid payment card. Flazz cards facilitate small payments requiring speed and convenience, such as in the public transport sector, including commuter lines, TransJakarta buses, parking facilities and transactions at fast food and beverage outlets as well as convenience market. The number of Flazz cards in circulation exceeded 14 million at the end of 2017,



with around 145 million transactions. Number of transactions grew significantly by 33.0% from the previous year, due to the receipts from toll road transactions across the country, and expanding merchant acceptance in strategic sectors. Flazz can be used for national toll road payments starting October 2017.

Credit Card Outstanding

(in billion Rupiah)



Business Review

Transaction Banking

BCA also expanded the network for Flazz top up. In addition to non-cash top up through BCA ATMs, cash and non-cash top ups can now be conducted in a number of retail networks such as Indomaret, Alfamart and Gramedia.

BCA's co-branding partnerships with its business partners and other banks allows customers of other banks to make payments through Flazz cards with BCA merchants, also benefiting from attractive offers. These collaborations help expand the Flazz card's customer base. BCA launched Flazz cards with interesting and thematic designs to attract the younger generation, receiving a positive public response.

Integrated Multi-Channel Network

BCA's integrated multi-channel network connects its wide customer base to the Bank's payment system, for easy access to transaction banking services at all times. BCA serves over 17 million customers through 1,235 branches, 17,658 ATMs and more than 470,000 EDCs, as well as 24-hour internet and mobile banking networks. The average number of transactions grew to over 14 million transactions per day in 2017, from 12 million in 2016.

In line with rapid advances in digital technology and internet services, as well as the shift in customer transaction preference toward digital banking, BCA has implemented strategies to enhance its digital services, while also improving cost efficiency. Promoting increased utilization of internet and mobile banking services is in accordance with the Bank's efficiency program, as the operational costs of branches and ATM networks are higher than the operational costs of internet and mobile banking. BCA regularly expands features and increases the capacity of internet and mobile banking services. It consistently records substantial increases in both the number and value of transactions through these services. The frequency of internet transactions in 2017 exceeded ATM transactions. BCA constantly introduces customers to internet and mobile banking services, which have higher accessibility in terms of time and location. The Bank provides a virtual account service through internet banking, to assist e-commerce merchants handle payments and reconcile transaction data. In 2017, BCA introduced the e-statement feature in KlikBCA internet banking, which is a downloadable account statement to support and accommodate customer business management and maintain a complete record of banking transactions.

Number of Distribution Channels (unit)

	2017	2016
Number of Branches (including cash offices)	1,235	1,211
Number of ATMs	17,658	17,207

Delivery Channels Transactions

	2017	2016
Branch		
Number of Transactions (in million)	160	170
Transaction Value (in trillion Rupiah)	14,131	14,611
ATM		
Number of Transactions (in million)	1,911	1,840
Transaction Value (in trillion Rupiah)	2,178	2,024
Internet Banking		
Number of Transactions (in million)	2,040	1,705
Transaction Value (in trillion Rupiah)	7,694	6,801
Mobile Banking		
Number of Transactions (in million)	1,161	786
Transaction Value (in trillion Rupiah)	970	722

BCA recognizes the significant role of its ATM network, considering the increasing number and value of ATM transactions. The expansion of the Bank's ATM network is focused on investment in Cash Recycling Machines (CRM) and converting a portion of its conventional ATM network and the majority of Cash Deposit Machines (CDM) into CRM; increasing the CRM-based ATM proportion of the total ATM network. CRM facilitates both cash withdrawals and cash deposits, improving operational efficiency and reducing cash handling costs.

Improvements in network quality have impacted the number of transactions. In 2017, 97% of BCA's transactions were conducted through internet and mobile banking and ATM services. However, in terms of value, 57% of transactions were handled by branch offices, showing their important role. BCA continues to invest in its branch network, carefully selecting locations showing positive potential, such as major business, commercial and residential areas. The Bank opened 24 new branches in 2017, including 21 cash offices. Expansion is prioritized for cash offices, which have a simpler format but can accommodate primary customer transactions. The branch network also plays an essential role in building customer relationships through direct interaction and in accommodating customers' large value transactions, and is focused on marketing BCA's products and services, and accommodating the needs of customers who prefer face to face service.

In addition to services delivered through its regular branches, BCA also provides branch offices specifically dedicated for the different customer segments. BCA Prioritas serves the individual affluent segment, with BCA Solitaire offices for high net-worth individuals.

The Bank also provides weekend banking services in shopping centers in major Indonesian cities. BCABIZZ operates in business centers to accommodate the needs of small and medium-sized business customers.

BCA has a widespread EDC network placed at strategic merchants throughout Indonesia to facilitate customer transaction needs for debit and credit cards. The BCA debit card payment system is linked to Mastercard, Maestro and Cirrus international networks, expanding the scope of debit card utilization outside Indonesia. For credit card acquisition and acceptance, BCA cooperates with overseas networks such as Visa, Mastercard, American Express, JCB, NETS and China UnionPay International (UPI).

Adapting to Customer Needs for Digital Services

The advancement of internet and digital technology has given rise to the development of various digital applications offering ease of use and convenience to customers. This points to changing customer preferences toward simpler banking transactions integrated into digital applications. In line with its commitment in 'Always by Your Side', BCA continues to adapt to these changes, developing innovations in digital services, and educating customers.

BCA actively works with leading online merchants, and one focus is on developing debit and credit cards for e-commerce transactions without the use of physical cards. In addition to working with international networks, BCA is also developing an e-commerce payment franchise connected with online merchant systems. The Bank provides online transfer facilities through virtual accounts, and integrates BCA KlikPay with merchant websites. Through BCA KlikPay, customers can choose from several payment sources: savings accounts through Debit BCA and BCA's private label credit card, the BCA Card.

Business Review

Transaction Banking

Aside from mobile the BCA Mobile app-based service, the Bank also provides Sakuku, a server based e-money application available on smartphones for QR code based payments, phone credit and other transactions. BCA has been developing the Sakuku Plus service, which offers additional features such as transfers, cash withdrawals at BCA ATMs and split bills with other Sakuku Plus users. To increase access to Sakuku services, the Bank cooperates with renowned merchants and actively participates in joint promotions. Branchless banking services Laku and Duitt extend the Bank's services to the wider community in support of financial inclusion regulatory programs and can be accessed through independent agents or SMS.

In 2017, the Bank launched the VIRA virtual assistant, a chat banking service aimed at millennials who communicate on chat app platforms. VIRA can be accessed through a number of popular chat apps - Facebook Messenger, LINE, and Kaskus Chat. Through VIRA, customers can obtain information on account balances and transaction records, and also non-financial information about BCA, including various promotions, exchange rates and ATM locations.

To accommodate customers who prefer the flexibility of face-to-face interactions, BCA introduced MyBCA, a digital banking outlet with more flexible operating hours within the business hours of the shopping centers where they are located. Introduced in 2014, MyBCA is available in seven shopping centers in Jakarta and Surabaya, and at the BCA Learning Institute in Sentul. MyBCA is equipped with self-service digital machines, including vending machines, which allow customers to make purchases and top-ups with Flazz cards. MyBCA centers are equipped with a Halo BCA video call facility that

facilitates face-to-face interaction with Halo BCA agents, to accommodate customer needs and help those experiencing transaction difficulties. MyBCA outlets also allow customers to open Tahapan Xpresi accounts through video conference technology. The Bank places trained duty officers at MyBCA outlets with product knowledge and banking solutions to support customers who need assistance with MyBCA services.

BCA actively encourages and educates customers to utilize its digital services. The BCA call center plays an important role in the education process and is ready to assist customers in using BCA services, including electronic banking, and to accept customer advice or complaints. HaloBCA can be accessed by online chat through the BCA website.

The development of internet and telecommunication technologies has opened opportunities for start-up companies to develop innovation in the digital and fintech fields. In 2017 BCA established a subsidiary, PT Central Capital Ventura, to invest in and collaborate with fintech and financial service support companies contributing to BCA and its subsidiaries' financial services ecosystem.

Looking Ahead

In line with the rapid advances in digital and information technology and their impact on changing consumer behavior and customer preferences for products and services, BCA remains committed to the provision of secure, convenient and reliable transaction banking services that are easily accessible any time, anywhere. Toward this end, BCA will continuously make measured investments in its network infrastructure and in innovations by its competent people. BCA will carefully monitor changes in the business environment and adapt to changing customer needs.

Digital services will play an increasingly important role, supporting branch banking and card-based payment services. BCA will continuously develop its digital services, including on-going advancement of its applications, mobile-based services and online e-commerce transaction platforms.

Changes in customer lifestyles, such as the growing preference for online shopping, provide opportunities for the Bank. BCA will continue to expand its collaborations and synergy with strategic merchants to increase accessibility, and improve the quality of services and promotional, communications and educational activities. Communication through digital and social media will be increasingly critical in marketing the Bank's transaction products and services.

Business Review

Corporate Banking

Supported by its solid liquidity and capital position, BCA was able to provide lending for corporate customers according to their growth potential, risk profile and loan demand.

Corporate Banking in 2017

Rp **177.3** trillion

Corporate Loan Portfolio

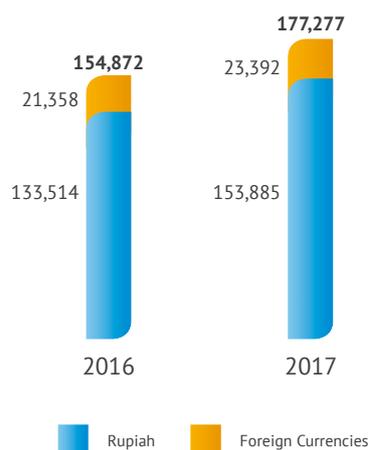
14.5%

Corporate Loan Growth



Corporate Loan Portfolio

(in billion Rupiah)



BCA is the major corporate loan provider in Indonesia. The Bank's corporate loan portfolio was the major driver of its total loan growth in 2017 at Rp 177.3 trillion from Rp 154.9 trillion the previous year, representing a growth of 14.5%. Corporate loans were disbursed to business sectors according to their growth potential, risk profile and loan demand, including national infrastructure projects through syndicated loans. A prudent approach enabled Corporate Banking to maintain the quality of the corporate loan portfolio with a relatively low NPL ratio, despite the ongoing recovery in loan demand.

BCA continuously strengthens its holistic relationships with customers, implementing a customer-centric approach in offering comprehensive financial solutions. In 2017, the Bank realigned the Corporate Banking group's organizational structure with the establishment of the Corporate Transaction Group to develop corporate cash management services, one of the focuses of its Corporate Banking. Through this new

unit, the Corporate Banking group identifies prospective corporate customers and explores opportunities in providing comprehensive financial solutions, particularly for Corporate Transaction Banking services, according to customer profiles and needs.

Quality Corporate Lending

BCA provides lending for corporate customers through various economic cycles, supported by solid liquidity and capital position. With a prudent approach, the Bank offers lending to qualified customers with long-term relationships with BCA who are leading companies in their respective industry sectors. Corporate loans are a major part of the loan portfolio, representing 37.9% in 2017.

The Bank has sustainable corporate loan growth in line with the improvement of its corporate customer businesses, with the long-term relationships built between BCA and its customers. This leads to growth in loan demand and a number of corporate banking services, enabling the Bank to cross-sell financial products and services, such as treasury, trade finance, cash management, and capital market financing. BCA's corporate customer base continues to expand, supported by the migration of several commercial customers to the corporate segment. As a strategic partner in long-term business development, BCA understands the needs of customer businesses and assesses relevant potential risks.

BCA groups its relationship managers based on their respective skills and experience in specific business sectors. The relationship manager understands customer businesses and their specific needs, enabling the Bank to provide prompt and accurate responses for customers in every business cycle. BCA constantly improves the capabilities of relationship managers with training programs to build strong relationships with customers and provide comprehensive financial solutions focused on customer needs.

Business Review

Corporate Banking



The Bank’s efforts to understand customer needs and establish strong relationships supported the increase in corporate loan by 14.5% by the end of 2017, reaching Rp 177.3 trillion. The growth mainly came from working capital loans, which grew 23.5% to Rp 96.4 trillion, while investment loans grew 5.3% to Rp 80.9 trillion. For supporting corporate loan growth, BCA adjusted its interest rates, leading to an average corporate lending rate of mostly 8%–9% in 2017, in line with market conditions

BCA’s loan portfolio is diversified across a number of industry sectors, with the 10 largest sectors accounting for 65.8% of its total corporate loans. The sectors include the plantation and agriculture, financial services and power generation sectors.

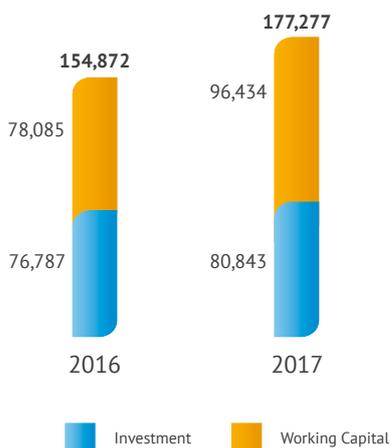
BCA carefully monitors the conditions of business industries to capture lending opportunities in potential sectors and minimize exposure in high risk industries and those requiring special attention.

The majority of BCA’s corporate lending is denominated in Rupiah at 86.8% of its corporate loan portfolio, with foreign currency loans accounting for 13.2%. Corporate Rupiah loans grew 15.3% to Rp 153.9 trillion, while foreign currency corporate loans grew 9.5% to Rp 23.4 trillion. BCA offers foreign currency loans to corporate customers whose primary revenue is in US Dollars or other foreign currencies. This approach ensures corporate customers have a source of revenue corresponding with their credit obligations, enabling them to minimize exchange rate risk. BCA also set a maximum limit for foreign currency exposure in its portfolio.

BCA actively maintains a healthy loan portfolio, continuously observing and analyzing customer financial conditions, which enables it to early detect customer financial difficulties and offer appropriate solutions. BCA’s corporate loan NPL was 1.4% at the end of 2017, compared to 0.8% at the end of 2016. Despite this increase, the NPL ratio was maintained at a relatively low level and within the Bank’s risk appetite and adequate reserves have been established to anticipate the increased NPL.

Corporate Loan by Facilities

(in billion Rupiah)





Syndicated Loans

Syndicated loans support the growth of BCA's corporate loan. Aside from generating interest income, through the Bank's role as an agent, syndicated loans are also a source of fee-based income. BCA may act as a facility agent for syndicated loans, informing the participant banks of the funding schedule; a collateral agent administering the collateral; and an escrow account agent managing and monitoring the escrow account for lending.

BCA completed syndicated loans of Rp 85.5 trillion in 2017, significant growth of 213.0% from Rp 27.3 trillion the previous year. Total participation in syndicated loans was Rp 17.5 trillion, up 143.5% from Rp 7.2 trillion in 2016. Most of the syndicated loans were disbursed to the infrastructure sector, one of

the focuses of the government's accelerated development program. BCA plays an active role in supporting infrastructure development in Indonesia, working closely with other banks, through the provision of syndicated loans for strategic national projects such as toll road projects and electricity development. The Bank carefully considers its risk appetite, liquidity and capital positions when financing infrastructure projects and prioritizes projects that can strengthen its core business.

Top 10 Corporate Loan Portfolios by Industry Sectors

Industry Sector	2017	2016
Plantation and Agriculture	12.6%	11.0%
Financial Services*	10.6%	7.7%
Power Generation	7.3%	6.1%
Consumer Financing	6.3%	6.4%
Telecommunications	5.5%	5.8%
Property and Construction	4.9%	4.3%
Building Material and Other Construction Related	4.8%	6.0%
Food and Beverage	4.8%	5.3%
Distributor, Wholesaler and Retailer	4.7%	3.5%
Chemicals and Plastics	4.3%	6.5%
Total	65.8%	62.6%

* Including credit facilities to other banks

Business Review

Corporate Banking

Syndicated financing in the infrastructure sector in 2017 included financing construction of the Semarang–Batang and Manado–Bitung toll roads, working capital financing for the Jakarta–Cikampek elevated toll road and to PLN Persero for capital expenditure. Other syndicated financing included lending in the plantation, farming, multifinance and financial service sectors.

Developing Services Focusing on Customers

Loan demand and various corporate banking services have also expanded, in line with the growth of corporate customers. To accommodate this, BCA strives to provide comprehensive financial solutions to meet customer needs according to their profile. BCA continues to explore business opportunities, due to the established trust and mutually beneficial relationships between the Bank and its customers, including the cross-selling of various financial products and services to corporate customers, as well as to business communities in their value chain.

BCA emphasizes its focus on the development of corporate cash management services in strengthening its role in transaction banking services and increasing fee-based income. Cash management services are increasingly important in growing fee-based income for the corporate segment and the accumulation of CASA funds.

The development of cash management services is aimed at potential business sectors. BCA provides such services to business communities along the business chain from supplier to distributor. In addition to approaching customers through individual marketing, BCA consistently holds seminars, business matching and gatherings for corporate customers in related sectors or specific communities, to strengthen the relationships between BCA and its customers and between customers.

Through this community-based approach, collaboration among customers develops, and their businesses expand and are facilitated by BCA's transaction banking services. The business community network also enhances synergy between corporate, commercial, and Small & Medium Enterprise (SME) lending, through the provision of value chain financing (distributor financing and supplier financing).

In line with changing customer behavior in digital era, the Bank also directs its cash management services to accommodate fast-growing e-commerce transactions. BCA collaborates with marketplace-based e-commerce companies to further increase the penetration of its products and services in the sector. The Bank implements host-to-host solutions, online virtual accounts and the Application Programming Interface (API), to support cash management services for customers, in line with technological developments. As e-commerce continues to grow in size, BCA explores opportunities for lending to e-commerce merchants.

Looking Forward

Corporate loans are expected to remain a key driver of BCA's loan growth in 2018. The Bank will strengthen relationships and offer long-term and ongoing support to customer businesses, enabling simultaneous growth for the Bank and its customers. BCA will also continue to contribute and play its role to the government's infrastructure development program through syndicated loans.

Corporate Banking will strengthen its synergy with Commercial and SME Banking through supply chain financing. Collaborations with subsidiaries will be developed to capture opportunities in providing customers with comprehensive financial solutions. The development of cash management services will be key to facilitating corporate customer payment activities, including e-commerce businesses with rapid growth rates.

Utilization of information technology will continue to be developed to assist the analysis of customer requirements and support relationship managers in strengthening relationships with customers, and accurately and thoroughly provide solutions to their financial needs.

Business Review

Commercial and SME Banking

BCA continues to enhance capabilities in working capital and investment loans, and cash management services for commercial and Small & Medium Enterprise (SME) customers.

Commercial and SME Banking in 2017

Rp **164.7** trillion

Commercial and SME Loan Portfolio

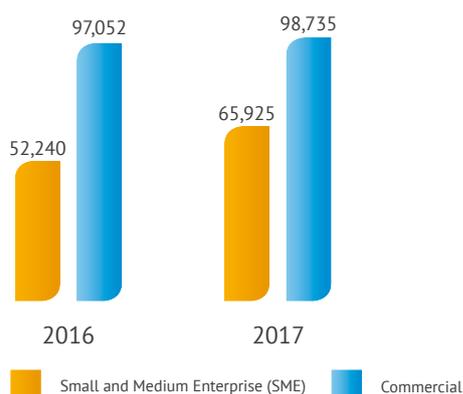
10.3%

Commercial and SME Loan growth



Commercial and SME Loan Portfolio

(in billion Rupiah)



The commercial and SME segments faced unfavorable loan demand and higher credit risk in 2017. In response, BCA adopted a quality growth strategy focusing on strengthening relationships with customers showing promising business prospects. The Bank adjusted its interest rates, including for commercial and SME loans, to maintain lending competitiveness, in line with market competition and changes in the benchmark interest rate. BCA closed 2017 with a commercial and SME loan position of Rp 164.7 trillion, growth of 10.3%, with credit quality maintained at a healthy level and within the Bank's risk appetite.

To facilitate better cash management for its commercial and SME customers, BCA continues to strengthen its cash management services, refining solutions to customer needs by utilizing the latest technology. BCA remains in a solid position to provide working capital and investment loans, along with cash management services for commercial and SME customers, supported by a wide and strategically located network of branches in major trading centers in Indonesia.

Commercial and SME Loans

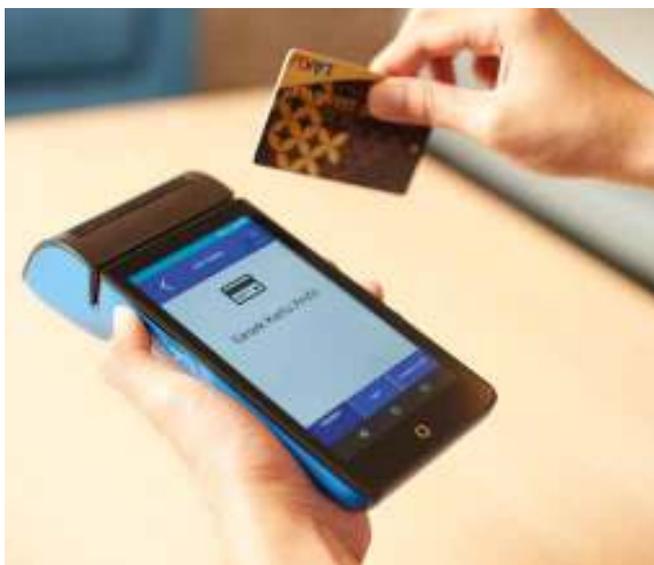
Working capital and investment loans in the commercial and SME segments are disbursed to small and medium-sized enterprises and business owners primarily engaged in small-scale manufacturing, trade and distribution. BCA redefined the limits for commercial loan facilities as loans with a nominal value above Rp 15 billion and up to Rp 500 billion (previously from Rp 10 billion to Rp 350 billion), while the SME loan category covers loan facilities with nominal values below Rp 15 billion (previously Rp 10 billion).

Business owners were more cautious in managing their businesses in 2017, including planning on working capital and investment. This resulted to relatively soft loan demand throughout the year, except for the period leading up to Idul Fitri and toward the end of the year. This modest credit demand is in line with the customers' focus on increasing efficiency in production and labor costs, and the reduction of interest expenses through the use of credit facilities specifically matching unique business needs. Customer owned funds related to the tax amnesty program were allocated and circulated in the business sector, reducing credit demand. BCA's wide lending network enabled it to successfully grow its commercial and SME loan portfolio, despite relatively soft demand. The Bank saw growth in its commercial and SME loan portfolio of 10.3% to Rp 164.7 trillion in 2017.

BCA continues to offer competitive interest rates in accordance with market demand and in line with the decline in benchmark interest rates, to maximize commercial and SME lending. To minimize risk, BCA lending was disbursed across a number of growth-promising sectors and sectors with business resilience.

Business Review

Commercial and SME Banking



BCA continues to strengthen its infrastructure by enhancing the role of commercial business centers, refining the processing of credit applications and enhancing the capabilities of account officers, to further enhance the commercial segment. There were 14 commercial business centers by the end of 2017, located in major business and commercial hubs in Indonesia, including Jakarta, Semarang, Bandung, Surabaya and Malang; and in cities outside Java, such as Medan, Palembang, Lampung, Makassar, Denpasar, and Balikpapan. BCA posted a commercial loan portfolio of Rp 98.8 trillion in 2017, growth of 1.7% year-on-year, contributing 60.0% of the total commercial and SME loan portfolio. The redefinition of new limits for commercial and SME loan facility also flattened commercial loan growth as a portion of commercial loan migrated to SME loan category. Growth in the commercial portfolio mainly came from the metals and related industries, packaging, distribution and wholesaler and retailer industries.

The majority of BCA's SME customers are family-owned small businesses, shop owners, restaurant owners and small-scale factory owners. The Bank capitalizes on its strategically dispersed network of branches in trading centers in various cities in Indonesia to provide SME loans. BCA develops specialized credit products and scheme, such as loan programs for the trade sector, business communities (showroom financing

schemes), warehouse financing, commercial property loan for business purpose and micro enterprise loans, to enhance its SME lending capability and competitiveness. BCA implements an online and centralized credit application analysis and risk management system, enabling risk control for early detection of potential non-performing loans, to support the SME loan process.

BCA engages in strategic collaboration with third parties having established infrastructure in the SME segment - loans with nominal values below Rp 500 million - to maximize the SME loan segment. The Bank collaborates with institutional partners such as rural banks and cooperatives, to provide direct loans through channeling programs and indirect loans, to support SME lending in areas less accessible by the BCA branch network. BCA also works with subsidiary BCA Syariah to develop products and services for SME customers, as BCA Syariah is strategically positioned to provide SME financing services.

BCA SME loans grew 26.2% to Rp 65.9 trillion and contributed 40.0% to the total commercial and SME loan portfolio in 2017. This increase was partly due to Rp 5.4 trillion in consumer loans reclassified as business loans. The growth came mainly from the distribution, retailer and wholesaler sectors; steel



and other building material and other construction related sectors; and textiles and textile related products. BCA Syariah booked a Rp 927 billion of SME loan, an increase of 10.0%.

BCA faces stiffer competition in the commercial and SME segments compared to other loan categories. Small to large banks in Indonesia enter and compete in this segment. Small to medium-sized banks focus on commercial and SME lending, given their limitations in liquidity and capital for extending credit to the corporate segment. A high cost of funds structure limits these small to medium-sized banks from providing competitive interest rates for consumer loans.

Responding to this, BCA expanded its capabilities through several initiatives. While strengthening its established commercial business centers for commercial lending, the bank initiated a pilot project for Micro, Small and Medium-sized Enterprise (MSME) centers in several regions. Through these centers, the Bank intends to acquire new MSME customers, while maintaining healthy loan quality. The centers manage BCA's MSME lending, acquiring customers by utilizing data analytics and supporting loan processing to loan disbursement.

With the development of these MSME centers, branch offices can increasingly pay attention to improving customer

relationships in other segments with higher exposure. BCA assists account officers and relationship officers to be more focused in building relationships with customers. BCA increased the number of account officers and relationship officers to better support business growth. The Bank also continuously improves the quality of account and relationship officers to adapt to changes in business conditions, providing sound knowledge of lending products, business evaluation and customer relationship capabilities. The Bank also continues to develop analytical and supporting tools, such as mobile apps, to facilitate account officers and relationship officers in obtaining customer information, thus enabling it to provide more suitable services. Commercial and SME Banking collaborates with BCA Corporate Banking to develop value chain business initiatives across a number of industries, such as capital market communities and futures markets, oil and gas, telecommunications, modern markets, aviation services and public service communities.

Business Review

Commercial and SME Banking

Cash Management

Cash management plays an important role in facilitating the management of funds in customer business transactions. Through its cash management service, BCA facilitates the Business-to-Business (B2B) and Business-to-Customer (B2C) transactions of companies from a number of industry sectors. BCA cash management features advanced technology, an extensive network, a comprehensive product range developed according to customer needs, and high service quality. The main business targets are the corporate and commercial segments, and SMEs, which are within the business chains of these two segments. The number of commercial and SME companies using BCA's cash management solutions in 2017 was more than 130 thousands.

BCA virtual accounts continue to demonstrate one of its cash management key features. The Bank provides virtual accounts and real-time notification of customer movement of funds, which speeds up the process of payment information for customers and simplifies the transaction reconciliation process. The number of virtual account users has reached over 3,500 companies in 2017.

The focus of BCA's cash management service is to provide solutions to communities within business chains, helping them to be connected to one another. Communities managed by the Bank include the capital market, futures market, oil and gas, telecommunication and modern market communities. BCA also organized events to improve relationships with community members, such as benchmarking trips, workshops, socialization of and updates on the latest business solutions, capital market expos and business gatherings, to enhance insight and experience and strengthen relationships among community members.

BCA has established partnerships in the capital market community for the opening of nearly 300,000 investor accounts with 80 securities companies, leading to a market share of close to 50%. In the oil and gas community, more than 80% of public gas stations in Jakarta have become BCA merchants. In the oil and gas station community, payments to their principals are primarily made through BCA's system. In the public service sector, BCA works with strategic partners for BPJS social security and BPJS health insurance payments. By the end of 2017, more than 25,000 individual customers and companies were using BCA services to facilitate their BPJS social security payments and more than 50 thousands for their BPJS health insurance payments.

In the midst of e-commerce business and fintech startup companies' rapid development in Indonesia, BCA develops Application Programming Interface (API) platform. API implementation allows BCA's systems to be integrated with the systems of e-commerce and fintech companies to accommodate their financial transactions.

The Bank provides financing solutions for non-corporate customers by collaborating with the commercial and SME banking, including the provision of short term loan, enabling companies to enhance their cash flow. To provide comprehensive cash management services for specific community, BCA frequently customizes systems, products and services to meet their specific needs.

Looking Ahead

BCA continues to monitor the progress of Indonesia's economic recovery and explore opportunities in sectors with positive outlooks and measurable levels of risk. In the commercial and SME segments, BCA remains focused on lending to customers with promising business prospects and proven stability in different economic cycles. BCA continues to improve its credit facilities and infrastructure by strengthening the role of commercial business and SME centers, and increasing the number and productivity of account and relationship officers through recruitment and training programs. Synergy between the SME and commercial segments and the corporate segment will continue to be enhanced through value chain financing solutions, including distributor and supplier financing, with the focus on companies in growing industrial sectors.

Having the right focus in certain industries while determining business priorities and community targets provides opportunities and leads to a deeper understanding of opportunity and risk. One focus for further development of cash management services in 2018 is the digital business, in addition to exploring many other potential sectors.

By capitalizing on the Bank's extensive and integrated network, and its strong position in transaction banking, BCA is ready to meet loan demand from SME and commercial customers, especially as the Indonesian economy returns to stronger growth.

Business Review

Individual Banking

BCA is committed to being the customer bank of choice through our wide variety of individual banking solutions.

Individual Banking in 2017

Rp **122.8** trillion

Consumer Loan Portfolio

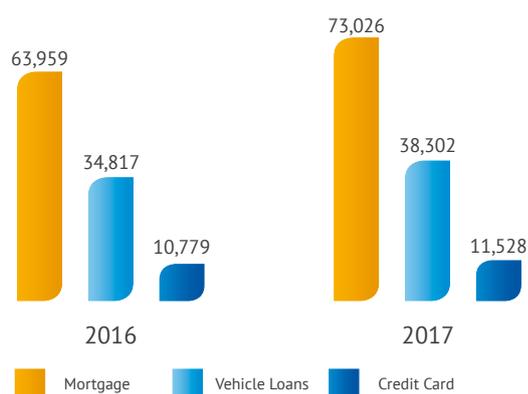
12.1%

Consumer Loan growth



Consumer Loans Portfolio

(in billion Rupiah)



Increasing demand for a wide array of financial services is generated by the continuous growth of the middle class and professionals in Indonesia. BCA meets customer needs by providing individual banking products and services, such as mortgages, vehicle loans, credit cards, bancassurance and investment products.

In the midst of Indonesia's modest economic recovery, which resulted in stagnant consumption levels, BCA successfully stimulated consumer loan demand through a number of events, offering individual banking products with attractive interest rates and promotional programs. BCA continues to develop and leverage on information technology systems and data analysis capabilities, human resources and synergies across business units, in an effort to better serve customer needs and enhance its capabilities.

Priority Banking and Wealth Management Services

BCA specialized services, 'BCA Prioritas', have met the needs of our affluent customers since 1996. BCA Prioritas creates a convenient environment for customer transactions and offers banking and investment products in line with the specific needs of the segment. As of 2017, BCA had 167 Prioritas areas in branches throughout cities across Indonesia. The development of the affluent customer segment has positively influenced the performance of individual banking products, including mortgages, vehicle loans, premium credit cards and wealth management products such as bancassurance and investment products.

BCA Prioritas collaborates with trusted business partners to provide exclusive programs in health care, education, business networking, traveling and lifestyle, complementing regular banking products and services. BCA provides special access communication services through Halo BCA Prioritas 24-hour call centers and the BCA Prioritas community magazine for Prioritas customers to communicate with the Bank. BCA developed digital media platforms in 2017, including the online business forum through the BCA Prioritas website, which promotes businesses and develops business networking among customers, to optimize the Bank's relationship with its BCA Prioritas customers. BCA also provides information on exclusive programs available for Prioritas customers through BCA Mobile.

The Solitaire service is for selected customers, prioritizing direct interaction to establish closer relationships to facilitate the growing needs of high net-worth customers in Indonesia. In addition to access to all Prioritas facilities, Solitaire customers have two exclusive lounges in the premium area of Jakarta, supported by well trained and reliable personal bankers.

Business Review

Individual Banking



BCA provides investment products in accordance with customer risk preferences to meet customer investment needs. They are the result of collaborations with reputable investment managers with solid performance records. BCA also offers Indonesian Retail Bonds and Retail Sukuk in the primary market, supporting the government's fund raising program.

BCA captured the opportunity of demand growth for insurance products by offering bancassurance in collaboration with insurance institutions, including PT AIA Financial (AIA Indonesia) and BCA subsidiaries BCA Life and BCA Insurance. BCA renewed its partnership with AIA Indonesia in 2017 to expand its bancassurance products and the scope of the partnership over a 10-year period.

Business development in individual banking is customer-centric. Improvements are regularly made to individual banking products and services based on the assessment of customer behavior and needs, which enables the Bank to provide suitable financial solutions. BCA continues to develop its customer relationship management system, giving it a single view of customers profile and to conduct customer need analysis. This system supports BCA branch frontliners and relationship officers in offering products and services according to customer preferences.

BCA won the Best Private Wealth Bank in Indonesia award from The Asian Banker in 2017, and was awarded by the Ministry of Finance as the best-selling agent of Indonesian Retail Bonds for four consecutive years and the best-selling agent of Indonesian 'Sukuk Retail' in 2017, showing its commitment to providing quality wealth management solutions.

Consumer Financing Leader

In the last decade, consumer loans grew 24.1% in terms of Compound Annual Growth Rate (CAGR), at Rp 122.8 trillion by the end of 2017. Consumer loan contribution to BCA's overall loan portfolio has grown overtime, and at the end of 2017 were 26.3% of total BCA loans. Consumer lending focuses on mortgages, vehicle loans and credit cards.

Mortgages

BCA offers mortgages to qualified customers and focuses on financing houses in prime residential areas. Mortgages are the Bank's flagship product in building long-term relationships with customers and providing other financial products to mortgage customers. The relatively low level of mortgage penetration in Indonesia is an opportunity for BCA to develop its mortgage products in the long run.

BCA actively conducted promotional events on consumer loans and offered mortgages with attractive interest rates. As part of its 60th anniversary, from February to April 2017, the Bank



introduced mortgages with lower interest rates - the five-year Fix and Cap - with a fixed rate of 6.0% for the first two years, followed by a maximum three-year cap at 6.88%, requiring a minimum account balance three times the initial installment throughout the loan period. BCA is also developing mortgages with a new planned installment feature, offering a lower initial installment. These initiatives have received a positive response, and BCA's mortgage portfolio grew by 14.2% to Rp 73.0 trillion in 2017. Mortgages contributed 59.4% to total consumer loans and 15.6% to the Bank's total loans. BCA strengthened its position as the primary choice in mortgage products with a market share of 17.8% in 2017, up from 17.4% in 2016.

BCA's mortgages are offered through a vast network of branches and consumer credit centers in major cities throughout Indonesia. The Bank manages consumer credit offices in targeted major cities which also provide supports for the processing and administration of mortgages. With its large customer base, most mortgage applications come from branch referrals, and the remainder from developers and property brokers. BCA also provides online web-based mortgage applications for customer convenience.

BCA has consistently received awards from national and international agencies for its achievements in the mortgage business. The Bank was named Mortgage and Home Loans

Product of the Year (Fix & Cap) – Indonesia Country Awards Program for Retail Financial Services by Asian Banker; and the Net Promoter Customer Loyalty Award – Mortgage Category from SWA magazine, in 2017.

Vehicle Financing

BCA manages vehicle financing facilities through its subsidiaries: BCA Finance for car financing, and Central Santosa Finance (CS Finance) for motorcycle financing. It uses joint financing, where the main portion of funding is provided by BCA and recorded on its balance sheet, while the remainder comes from BCA Finance and CS Finance and is recorded on their balance sheets. Through the scheme, the subsidiaries have a robust and stable funding structure with low interest.

Automotive and financing industry performance was relatively stagnant in 2017, following on from the previous year. New car sales had a slight increase at 1.6%, recorded more than 1 million units, while new motorcycle sales decreased slightly by 0.7% at 5.8 million units.

Business Review

Individual Banking

BCA's car loan portfolio continued to show positive growth, in the midst of non-conducive automotive industry conditions. The Bank's total car loan portfolio (including BCA Finance) grew 13.7% to Rp 42.8 trillion in 2017, increasing market share to 17.3% from 15.3% in 2016. BCA Finance maintained its position as the top of mind, leading car financing in Indonesia, through a combination of innovative products and attractive promotions. It saw business growth by offering competitive interest rates and strengthening its collaborations with dealers and showrooms. It offered 36-month car loans with a competitive interest rate of 3.6% (flat rate) from February to July 2017.

BCA Finance relies on fast and convenient services to improve competitiveness and maintain customer satisfaction with its services, and to be higher than customer expectations. It leveraged technological advances to develop a range of applications, such as mobile entry, mobile approval, mobile collection and others, to improve operational efficiency and sustain marketing activities. BCA Finance provides car financing simulations through mobile applications to help customers. It also facilitates customer needs for car financing outside working days through weekend services at Wisma Pondok Indah and a service point at Mall Artha Gading, given their high visitor numbers and strategic locations.

BCA is disciplined in maintaining collateral quality and providing convenient payment methods, in addition to improving service quality and simplifying financing processes. The Bank has a high down payment policy and prioritizes financing for popular vehicles widely accepted by the Indonesian automotive market. This maintained the non-performing loan ratio at a low level with high recovery rates on foreclosed loans, while still maintaining positive loan growth. Through BCA Finance, the Bank provides car financing in the secondary market to obtain higher interest income.

For motorcycle financing, BCA increased its ownership in Central Santosa Finance (CS Finance), with direct and indirect ownership, from 70% to 100% in 2017, to further align the strategic direction and business activities and strengthen operational integration.

Motorcycle financing demand was relatively stagnant in 2017 due to modest economic conditions, and BCA's financing (including CS Finance) fell 22.6% to Rp 4.4 trillion. BCA and CS Finance are more focused on improving the quality of motorcycle financing and more prudent in disbursing loans. As a result, BCA's NPL for motorcycle financing was at 3.0% in 2017, from 3.8% in 2016. In addition to marketing through BCA's branch network, CS Finance developed a partnership with selected dealers.

Credit Cards

BCA maintained its position as a major credit card issuer in Indonesia and made enhancements to the BCA Card proprietary card. The Bank managed 3.3 million credit cards with a transaction value of Rp 60.9 trillion in 2017, growth of 13.3% and one of the largest in Indonesia. Credit card outstanding was Rp 11.5 trillion at the end of 2017, up by 6.9% from 2016. BCA is prudent in managing the quality of credit cards. NPL ratio for credit cards remained low at 1.9% at the end of 2017.

BCA continues to expand its BCA credit card merchant network across Indonesia, and in Singapore through collaboration with the NETS network, to support transaction performance. The Bank also works closely with leading international networks VISA, Mastercard, American Express (AMEX), JCB and China UnionPay in acquiring/accepting business. BCA worked with AMEX for the American Express Platinum Card for the upper middle segment in 2017, and continued to strengthen its card issuing partnerships with VISA and Mastercard across various

segments. The credit card business is an essential element of transaction banking. Further details on credit cards can be found in the Transaction Banking section of this report.

Looking Ahead

BCA's large customer base brings opportunities to expand the individual banking business. The growing middle class and professionals generate increased demand for individual banking services, such as mortgages, vehicle loans, credit cards, bancassurance and other products.

BCA is in a favorable position to capture new opportunities as they arise, supported by both the branch network and electronic banking platforms. The synergy among business units and subsidiaries will continue to be strengthened to support a more effective provision of individual banking products and services.

BCA believes that a thorough understanding of customer behavior and needs is the foundation for developing products and services and to support marketing and promotional activities. As a result, the Bank continuously improves its analytic capabilities and Customer Relationship Management (CRM) system, which will ultimately provide the right financial solutions. BCA will further leverage on the advancement of digital technology to support future business growth.

Business Review

Treasury and International Banking

BCA Treasury manages the Bank's financial assets by maintaining a balance between return and the need for liquidity. Through International Banking, BCA continuously enhances its products and services in remittance and trade finance.

Treasury and International Banking in 2017

Rp **162.5** trillion

Investment funds managed by Treasury (Treasury Portfolio)

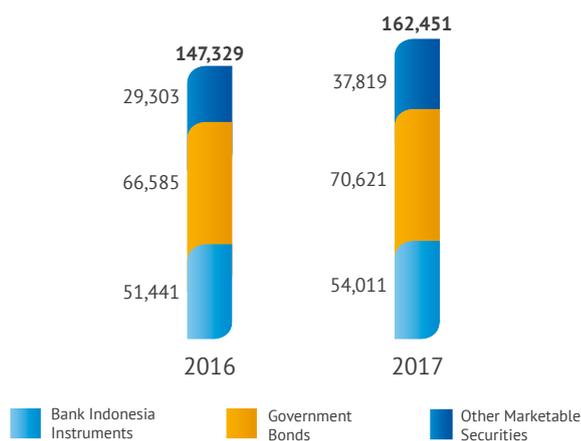
10.3%

Treasury Portfolio growth



Treasury Portfolio

(in billion Rupiah)



TREASURY

BCA Treasury maintains a solid balance sheet position through managing liquidity while optimizing the returns of financial assets. The liquidity position is carefully managed by monitoring changes in market conditions and maintaining a balance between tenors, yield and risk level for each investment opportunity. BCA Treasury also continuously fulfills customer needs for foreign exchange products and services, securities and other financial market products.

Optimizing Opportunities with Careful Risk Management

Indonesia's financial market's liquidity position was relatively solid in 2017, supported by the influx of funds from the tax amnesty program and soft loan demand. Growth in both foreign and domestic capital flow also improved in 2017.

These conditions were in line with Indonesia's key macroeconomic parameters, which were relatively stable level in 2017. Inflation stayed low, at 3.6%, from 3.0% in 2016. Foreign exchange reserves were a healthy USD 130.2 billion at the end of 2017, growth of 11.9% compared to the previous year. The rupiah exchange rate against the US Dollar was relatively stable, ranging from Rp 13,150 to Rp 13,600 per 1 US Dollar. International rating agencies upgraded Indonesia's sovereign rating, with Standard & Poor's (S&P) upgrading Indonesia to investment grade and Fitch Ratings raising its sovereign credit rating from BBB-/positive outlook to BBB/stable outlook. Moody's kept Indonesia's investment grade at Baa3, with its outlook improved to positive from stable.

Bank Indonesia lowered the seven-day reverse repo rate twice in the second semester of 2017, in response to these macroeconomic conditions, with a total decrement of 50 basis points, resulting in a rate of 4.25% at the end of 2017, relatively low compared to long-term historical data. Interest rates in both assets and liabilities fell, leading to lower interest income growth for the banking sector.

BCA closely monitors market developments and the downward trend in interest rates. BCA Treasury optimizes returns from liquid funds by shifting the placement of instruments to higher-yielding assets. BCA Treasury uses prudence in managing the Bank's financial assets by constantly monitoring risks, based on BCA's risk appetite. The majority of excess funds are placed in short-term Bank Indonesia instruments. For placements in instruments with a tenor of less than 1 year, BCA placed its funds in Bank Indonesia Deposits Certificate, Bank Indonesia Term Deposit, and Government securities purchased under agreements to resell (reverse repo). BCA

Business Review

Treasury and International Banking



Treasury's investment fund grew 10.3% to Rp 162.5 trillion at the end of 2017, from Rp 147.3 trillion the previous year. BCA Treasury's investment strategies are designed to manage the Bank's liquidity position and maintain the balance between the risk and return of investments.

Since June 2017, BCA gradually lowered its time deposit interest rate on the funding side, in response to decreasing market interest rates and increased banking sector liquidity. The maximum interest rate for time deposits with a one-month maturity period fell by 275 basis points to 4.0% at the end of 2017. BCA also lowered its savings account interest rate by 10 basis points in October 2017, noting the development of the benchmark interest rate and its liquidity position. On a yearly average basis, the Bank's cost of funds was relatively stable at 2.0% in 2017. BCA saw interest expenses of Rp 11.9 trillion in 2017, growing 15.4% compared to 2016, mainly due to growing time deposit balances.

The yield on earning assets was 7.9% in 2017, lower than the previous year's 8.5%, and in line with the downward trend in interest rates. The Net Interest Margin (NIM) decreased to 6.2% in 2017 from 6.8% in 2016. The declining NIM leveled off in the second half of 2017, supported by BCA's proactive managing cost of funds.

BCA's activity in the swap market in 2017 was lower than in the previous two years, in line with the decrease in swap transaction premiums. This contributed to a drop in treasury revenue from trading income, including realized gains on spot and derivatives, and unrealized gains from fair value of financial assets held from trading. The total income from these accounts decreased 36.5% to Rp 1.1 trillion in 2017, representing 59.6% of total trading income and 22.5% of total income other than interest.

BCA Treasury maintains a conservative foreign Net Open Position (NOP), which complies with the principle of prudence in managing its foreign exchange exposure. The Bank's balance sheet remained solid at the end of 2017, with an NOP accounting for 0.5% of capital, far below the maximum limit of 20% imposed by Bank Indonesia.



Facilitating Customer Financial Solutions Needs

BCA Treasury provides a number of services to meet customer needs, including foreign exchange and capital market products, and custodian services. These are provided for customers in the corporate (including non-bank financial institutions), commercial, SME segments and individual customers through collaboration with frontliners across BCA's branch network, and synergies among other work units.

BCA Treasury proactively offers foreign exchange and bond products to customers. Showing its commitment to improving transaction convenience, the Bank offers online transaction services and e-Rate facilities, utilizing technological advancements. The e-Rate feature in the internet banking platform facilitates customers with easier access to online foreign exchange transactions, for certain amounts, at a more attractive rate than the over the counter rate.

BCA is trusted as the official selling agent for Indonesian retail bonds (ORI) and retail sukuk (SR). BCA Treasury sold Rp 3.1 trillion worth of ORI014 retail bonds in 2017 and Rp 2.4 trillion of SR009 retail sukuk on the primary market, and was awarded The Best SR009 Retail Agent from the Ministry of Finance.

BCA also offers mutual funds administration and custodian services. It ensures the assets administrated by BCA Custodian are well managed and that all rights of asset holders are fulfilled, such as distribution of dividends or bond coupons. BCA Custodian managed total assets of Rp 91.9 trillion at the end of 2017, growth of 31.0% from Rp 68.1 trillion the previous year. BCA Custodian managed more than 34 thousand securities accounts in 2017, including time deposits, deposits on call, negotiable certificate deposits (NCD), medium-term notes (MTN), corporate bonds, Bank Indonesia instruments, stocks and their derivatives, mutual funds, and asset-backed securities. BCA Custodian also provides foreign currency securities' safekeeping services.

BCA was awarded as one of the major dealers of Government Securities (SUN) with the best performance in 2016 by the Ministry of Finance and the best auctioneer of Government Sharia Securities (SBSN) in 2017. BCA was also named one of the best banks in the Best for Interest Rate Research and Best

Business Review

Treasury and International Banking

for Interest Rate Product and Sales categories by Asiamoney Magazine, Best Supporting Bank in Financial Market Deepening by Bank Indonesia and Best Performing Custodian Bank by Warta Ekonomi.

INTERNATIONAL BANKING

BCA delivers effective solutions for customer needs, both for trade finance transactions and remittance services, by capitalizing trade finance growth and business opportunities arising from international collaboration. Through these services, BCA International Banking contributes to the Bank's overall operating income other than interest.

BCA International Banking actively engages partnerships with Asian banks in, among others, Japan, Thailand, Malaysia and South Korea, which are Indonesia's strategic partners in international trade. BCA International Banking constantly refines and develops trade finance products to accommodate changing customer needs and capture business opportunities from increased volume of trading and remittance activities in Asia.

Trade Finance Services

Indonesia's export and import performance was recovering in 2017, in line with the increase in the world's main commodity prices. Indonesia's trade balance grew 24.7% to a surplus of USD 11.9 billion, with export value growing 16.3% to USD 168.8 billion and imports by 15.7% to USD 156.9 billion.

BCA saw growth in international trade transactions in 2017, capturing opportunities arising from the increasing value of export-import transactions. Domestic trade also had a

positive influence, particularly the iron, steel, coal, forestry, pharmaceutical, paper and chemical sectors.

The trade finance service contributes in the generation of operating income other than interest. BCA continues to explore the varying needs of its customers by developing trade finance products and continuously improving the quality of its human resources, helping them to better adapt to changing business environments.

Remittance Services

BCA remittance transactions continued to grow, owing to customer trust in the Bank for larger and more secure transactions, supported by its extensive network of correspondence banks, despite the growing number of fintech companies increasing competition in the sector.

BCA launched Guaranteed JPY, a remittance product allowing customers to transfer yen (JPN) in the full amount for a fixed transfer fee, in 2017, in collaboration with three major Japanese banks. The Bank also saw a significant increase in its multicurrency services, which allow customers to transfer money to 124 foreign currencies worldwide. In 2017, BCA was named the best Moneygram agent in Indonesia in the category for the newest agent collaborating with Moneygram since 2012 with the largest number of transactions.

BCA has facilitated inward remittance transactions for Indonesian migrant workers (TKI) through its web-based financial institution remittance - FireCash BCA - since 2007. To broaden access for customers in utilizing these services, BCA works with local partners such as the Post Office and convenience stores.

Looking Ahead

BCA will continue to observe business environment and capturing opportunities from treasury and international trade activities.

International Banking will continue to strengthen the Bank's cooperation with banks in Asia, such as those in Japan, Thailand and South Korea, including through referral and business matching schemes, bringing together the customers of partner banks and BCA customers in Indonesia.

BCA Treasury and International Banking will continue to improve their systems and services through the use of information technology to meet customer needs in a faster and more efficient way, in line with the Bank's digitization strategy. Treasury and International Banking will strengthen synergy with other work units to accommodate the needs of customers as a whole, and to expand the Bank's customer base.

Business Support

Risk Management

The implementation of risk management serves as foundations to a sustainable business performance and in creating added value.



Faced with the risks inherent to banking industry, BCA continuously implements an Integrated Risk Management Framework throughout its business lines and operations. The Integrated Risk Management Framework covers the strategies, organization, policies and procedures, as well as the infrastructure of the Bank's risk management, to ensure that all risks faced by the Bank are effectively identified, measured, monitored, managed and reported. BCA consistently implements prudent risk management and adheres to the latest regulatory requirements and international best practices. BCA conducts periodic stress testing and reviews both risk factors and risk parameters of the stress tests. Risk awareness continuous to be embedded at every level of the organization, through risk management training program with its certification and short-term on the job training.

RISK MANAGEMENT FOCUS IN 2017

BCA's risk management activities in 2017 were addressed to maintain credit quality, liquidity position and capital adequacy, as well as operational risk management, which is important to the Bank's core business in the transaction banking.

Loan Quality

In the phase of Indonesia's economic recovery, companies' sales revenue and consumptions were relatively stagnant, which affected loan demand and increased the possibility of a higher credit risk across the industry. The banking industry's NPL ratio increased to 2.6% in 2017, compared to 2.2% in 2014. Further, we see the pressure on the NPL of banking industry has been easing in 2017, but credit quality still requires close monitoring particularly on the aspect of business resilience, in light of Indonesia's economic recovery which is taking longer than expected.

BCA closed 2017 with a loan portfolio of Rp 467.5 trillion, up by 12.4%. BCA's NPL ratio stood at 1.5% by the end of 2017, compared to 1.3% at end 2016 and 0.7% at the end of 2015. The NPL ratio remained within the Bank's risk appetite. Most of the NPL were originated by, among other sectors, the sea transportation services; consumer loans; telecommunication equipment distribution; building material and other construction related; as well as property and construction. The majority of the NPL mainly arose in 2016. BCA established additional reserves of NPL amounted

to Rp 1.8 trillion in 2017, lower than the Rp 4.5 trillion in 2016. However, the ratio of loan reserves to total NPL remained at a comfortable level, reaching 190.7% by the end of 2017.

BCA continuously works to maintain the quality of its loan portfolio through its prudent risk management. BCA closely monitors the risk of weakening asset quality and implements an early warning system to monitors customers' ability to pay and applies preventive measures to mitigate non-performing loans. BCA periodically monitors its customers' business and financial performance and provide immediate responses for customers experiencing difficulties in their business or financials. One of the BCA's preventive measures is to conduct prudent loan restructuring process for customers showing positive long-term business prospects. In 2017, loan restructuring activities subsided, as reflected in the movement of restructured loan balance.

BCA continuously safeguards its lending activities to be within the Bank's risk appetite and to ensure that lending activities were focused on real and healthy demand. BCA prioritizes lending to customers who have proven track records. Loans were diversified to avoid concentration in specific sectors, groups and segments. Furthermore, in order to minimize risks from exchange rate fluctuations, BCA manages its foreign currency exposure by maintaining a rigid implementation of US Dollar (USD) lending policy, limiting the total amount of USD loans offered and limiting the disbursement of USD loans to customers whose primary source of income is in USD. BCA consistently observes to identify sectors facing potential pressures in line with changes to the business environment. With the ongoing process of infrastructure projects, BCA also improves the Bank's risk management on lending infrastructure and focuses on projects showing higher feasibility.

Liquidity Position

In 2017, the liquidity position of the Indonesian banking industry is relatively solid, supported by funds from tax amnesty program and the low utilization of banking sectors' liquidity, in line with loan demand that has not fully recovered. However, as part of liquidity risk management, BCA continues to monitor the balance between short-term liabilities and the availability of short-term funds held by BCA.

BCA's solid liquidity position was derived from its Current Accounts and Savings Accounts (CASA) which have low interest rate, supported by BCA's preeminence in transaction banking. In 2017, CASA funds contributed 76.3% to the Bank's total third party funds. BCA maintained a solid position of liquidity placement on short-term risk free instrument with a ratio of secondary reserves to total third party funds of 10.9%. The Bank's Loan to Funding Ratio at the end of 2017 was 78.2%, and the Liquidity Coverage Ratio stood at 353.0%. The ratios indicate BCA's solid liquidity position. In order to maintain the overall position of third party funds, BCA proactively reviews its funding rates according to liquidity conditions. Time deposits become a balancing component to maintain the overall position of BCA funding.

Capital Position

BCA has an adequate capital level with a Capital Adequacy Ratio (CAR) of 23.1%, well above the minimum requirement according to the risk profile set by the regulator. The solid capital position is able to support the Bank's business expansion plan, which is balanced by its ability to anticipate risks. In accordance with the Financial Services Authority Regulation No. 26/POJK.03/2015, at the conglomeration level, BCA and subsidiaries have maintained a solid Integrated Capital Adequacy Ratio at 236.7%, above the minimum requirements set at 100%. BCA is committed to support the capital position of its subsidiaries in line with its business development.

In accordance with regulatory provisions, BCA along with its subsidiaries, conducts integrated stress tests to assess their impacts on the Bank's capital (credit and market risk) and liquidity (liquidity risk) position. In general, the stress tests' results indicate that the capital position of BCA and its subsidiaries is sufficient to anticipate the estimated losses from potential risks based on the tests' scenarios.

BCA continuously strengthen its capital position as one of the Bank's preparation to Basel III implementation. In 2017, BCA's capital requirements were met entirely from organic capital growth, supported by healthy profitability.

Other Risks

Exchange Rate Risk

In mitigating exchange rate risk, BCA monitors foreign exchange transactions in adherence to the Bank's internal policies and regulations as well as regulations from Bank Indonesia and the Financial Services Authority, particularly concerning the Net Open Position (NOP). The management of foreign exchange transactions is centralized under the Treasury Division, with all transactions processed through branches being monitored, recorded and reported to the Treasury Division. Each branch is required to square its foreign exchange risk at the end of each working day with limited NOP tolerance in the branch network.

BCA continues to apply the precautionary principle in managing foreign exchange exposure by maintaining a conservative NOP. As of December 2017, the Bank's NOP stood at 0.5%, far below the maximum limit of 20% set by the regulator, showing that foreign currency-related market risk has been properly mitigated.

Operational Risk

Reliable and effective operational risk management is the primary key in maintaining BCA's position as a leading transaction bank in Indonesia. BCA faces operational risks caused by human error, inadequate internal processes, system failures and/or external events. BCA has a web-based Operational Risk Management Information System (ORMIS), which includes Risk Control Self-Assessment, A Loss Event Database, and Key Risk Indicators designed to increase risk awareness and provide useful information intended to minimize and mitigate operational risks.

BCA seeks to enhance coordination amongst relevant work units in evaluating or reviewing processes, systems and procedures to develop and refine the Bank's business process, thereby increasing control and mitigating the increasing threat of both internal and external operational risks.

In line with technological and internet developments, BCA also prioritizes risk management in utilizing information technology which considers the reliability, security, availability and timeliness of services delivered to customers. A thorough risk management is able to protect BCA from cyber-crime, such as customer data theft, duplication of ATM cards and other cards, which may harm the Bank's reputation.

To ensure BCA's ability to serve customers' banking transactions 24 hours a day without interruption, BCA runs two data centers on a redundancy basis. These data centers are mirrored and designed to maintain business continuity in case of systems failure in one of the two locations. In addition to the two data centers, BCA also manages a Disaster Recovery Center (DRC) in Surabaya. The DRC continues to be upgraded and is part of the Bank's Business Continuity

Management and is intended to operate as a Crisis & Command Centre as the center of the Bank's operation in the event of disturbance or natural disaster in Jakarta.

INTEGRATED RISK MANAGEMENT

In accordance with the Financial Services Authority Regulation on Financial Conglomerates, BCA has implemented an integrated risk management protocol designed to mitigate risks faced by BCA and its subsidiaries. BCA, as the main entity of the Financial Conglomerate monitors and manages 10 (ten) types of risks defined by the Financial Services Authority. The 10 risks are comprised of 8 (eight) risk which have been managed by BCA, such as credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk, and 2 (two) additional risks: intra-group transaction risk and insurance risk.

The implementation of integrated risk management is covered in the 4 main pillars which are briefly described in the table below.

4 Pillars of Integrated Risk Management

1. Active Supervision of BCA Financial Conglomerate by the Board of Directors and the Board of Commissioners of the Main Entity	<ul style="list-style-type: none"> • Ensure the implementation of: <ul style="list-style-type: none"> - Integrated Risk Management in accordance with the characteristics and complexity of BCA Financial Conglomerate. - Risk Management at each of the subsidiaries.
2. Adequacy of Policies, Procedures, and Determination of Integrated Risk Management Limits	<ul style="list-style-type: none"> • Formulate policies and procedures, and limit determination of Integrated Risk Management, according to the Bank's risk appetite and risk tolerance.
3. Adequacy of Identification, Measurement, Monitoring and Control of Integrated Risks, as well as the Integrated Risk Management Information Systems	<ul style="list-style-type: none"> • Implement an Integrated Risk Management System that generates reports or information concerning: <ul style="list-style-type: none"> - Risk exposure; - Compliance with the implementation of Integrated Risk Management and comparison to the existing policies and procedures; - Compliance with regard to limit determination.
4. Comprehensive Internal Control System concerning the Implementation of Integrated Risk Management	<ul style="list-style-type: none"> • Implement an Internal Control System to ensure: <ul style="list-style-type: none"> - Compliance with internal policies and regulations, including prevailing legislation; - Availability of financial and management information that is complete, accurate, useful and timely; - Effectiveness of risk culture at the overall Financial Conglomerate organization.

More detailed information regarding integrated risk management can be found on pages 155–159.

INTERNAL CONTROL

Implementation of risk management and internal control system is the responsibility of all management and employees of BCA. Risk awareness continues to be embedded at every level of the organization and is an integral part of the Bank's culture.

BCA applies the concept of three lines of defenses for risk management. Risk management is conducted across all organizational lines, and overseen by the Board of Commissioners and the Board of Directors. The concept of three lines of defenses is described as follows:

- As the risk owner, all business units and support units serve as the First Line of Defense, which manages the risks related to their respective work units.
- The Risk Management Work Unit and the Compliance Work Unit serve as the Second Line of Defense, monitoring the implementation of corporate risk management policies and guidelines.
- The Internal Audit Division is the Third Line of Defense, assigned to provide independent assurance to the implementation of risk management at BCA.

RISK ASSESSMENT OF BCA RISK PROFILE AND SUBSIDIARIES

Based on the self-assessment results in 2017, the risk profile of BCA, both individually and integrated with the subsidiaries, is "low to moderate". The risk profile level is the result of an inherent risk assessment of "low to moderate" and a "satisfactory" implementation of risk management.

DISCLOSURE OF RISK MANAGEMENT

The disclosure of BCA's risk management principles and risk exposure, including the capital position, are reported in accordance with the Indonesian Financial Services Authority (Otoritas Jasa Keuangan, "OJK") Circular Letter No. 43/SEOJK.03/2016 dated September 28, 2016 regarding Transparency and Publication of Reporting for Conventional Commercial Banks.

I. BCA's Application of Risk Management

Guidelines for the implementation of BCA's risk management policies are based on OJK Regulation No. 18/POJK.03/2016 dated March 16, 2016 on the Implementation of Risk Management in Commercial Banks and is summarized as below:

I.A. Active Supervision by the Board of Commissioners and the Board of Directors

1. In carrying out its risk management function, the Board of Commissioners has defined duties and responsibilities, including:

- Approving risk management policies, including risk management strategy and frameworks, implemented in accordance with BCA's risk appetite and risk tolerance.
 - Ensuring the effective implementation and integration of the overall risk management policies and processes.
 - Evaluating:
 - Risk management policies and strategies, at least once a year, or on a more frequent occasion if there are significant changes in factors affecting BCA's business activities.
 - The responsibility of the Board of Directors to ensure the effective management of BCA's activities and risks and to ensure the provision of guidance by the Board of Directors on improving the implementation of risk management policies on a regular basis.
 - Requests from the Board of Directors related to transactions that require the approval of the Board of Commissioners and making decisions on such requests.
2. In carrying out the risk management function, the Board of Directors has defined duties and responsibilities, including:
 - Establishing comprehensive and fully documented risk management policy, strategy and frameworks, including risk limit as a whole and for each type of risk, taking into account the Bank's risk appetite and risk tolerance according to the condition of BCA and the impact of risk to capital adequacy. After obtaining approval from the Board of Commissioners, the Board of Directors establishes risk management policy, strategy and framework.
 - Organizing, assigning and updating:
 - Procedures and tools for identifying, measuring, monitoring, and controlling risks.
 - Transaction approval mechanisms, including those that exceed the limits and authority for each level of position.

- Evaluating and/or updating risk management policies, strategies and frameworks at a minimum of once a year, or at a more frequent occasion as necessary, if there are any significant changes in factors affecting BCA's business activities, risk exposure and/or risk profile.
 - Establishing an organizational structure, including clear authorities and responsibilities at each level of position related to the implementation of risk management.
 - Responsible for the implementation of risk management policies, strategies and frameworks approved by the Board of Commissioners; and evaluating and providing guidance based on reports submitted by the Risk Management Unit, including risk profile reports.
 - Ensuring:
 - All material risks and impacts from such risks have been followed up, and have been submitted regularly to the Board of Commissioners, including reports on progresses and issues of material risk-related with corrective actions that have been, are, and will be carried out.
 - Implementation of corrective actions towards problems or irregularities in BCA's business activities identified by the Internal Audit Division.
 - Adequacy of human resource support to manage and control risks.
 - Independent implementation of risk management functions, which is reflected, among others, in the separation of functions between the Risk Management Unit, which identifies, measures, monitors, and control risks with work units that conduct and complete the transactions.
 - Developing a risk management culture, including risk awareness across all levels of the organization, including adequate communication to all levels of the organization on the importance of effective internal control.
 - Evaluating and deciding on transactions that require the approval of the Board of Directors.
 - Conducting periodic reviews to ensure:
 - Accuracy of risk assessment methodology.
 - Adequacy of implementation of risk management information system.
 - Accuracy of risk management policies and procedures and risk limits.
 - Declaring when BCA is in an emergency condition, and, if necessary, the Board of Directors may request opinions from the Risk Management Committee or the Asset and Liability Committee or other related committees. Under emergency conditions, control of authorities is under direct coordination of the Board of Directors.
3. Active supervision by the Board of Commissioners and the Board of Directors (Management) includes the following mechanisms:
- Supervision by the Board of Commissioners is conducted in accordance with their duties and responsibilities as stipulated in the Articles of Association and relevant regulations.
 - The Audit Committee, the Risk Oversight Committee, the Remuneration and Nomination Committee, and the Integrated Corporate Governance assist in the supervisory duties of the Board of Commissioners.
 - a. **Audit Committee**, established to assist the Board of Commissioners in effectively conducting its duties and oversight function on the financial report, internal control systems, internal and external audits, implementation of Good Corporate Governance (GCG), and compliance to regulations.

- b. **Risk Oversight Committee**, established to ensure that the risk management framework provides adequate protection against the risks faced by the Bank.
 - c. **Remuneration and Nomination Committee**, established to enhance the quality of top management through remuneration and nomination policy with regard to the Bank's business resilience and sustainability.
 - d. **Integrated Corporate Governance Committee**, established to evaluate the implementation of Integrated Corporate Governance through, among other tools, assessment of the adequacy of internal controls and implementation of the compliance function at the Bank and the subsidiaries.
- The Board of Commissioners maintains constructive communications with the Board of Directors.
 - The Board of Commissioners actively provides recommendations to the Board of Directors in determining strategic actions that they believe should be implemented.
 - The Board of Directors is assisted by Asset and Liability Committee (ALCO), Credit Policy Committee, Credit Committee, Risk Management Committee, Information Technology Steering Committee, and the Integrated Risk Management Committee.
 - The Board of Directors actively engages in discussion, provides input and monitors the internal conditions and the development of external factors that directly or indirectly affect the Bank's business strategy.

I.B. Adequacy of Risk Management Policies, Procedures, and Determination of Risk Limits

1. BCA has an adequate organizational structure to support the implementation of sound risk management and internal control that consists of the Internal Audit Division, Risk Management Unit, Compliance Unit and Risk Management Committee and Integrated Risk Management Committee.

2. BCA's risk management policy, as detailed in the Bank Business Plan and the Annual Budget and Work Plan, is in line with the vision, mission, business strategy, capital adequacy, human resources competencies, and risk appetite of the Bank. This policy is reviewed regularly and adjusted in line with both internal and external developments.
3. Policies, procedures, and determination of risk management limits, have been fully documented in writing and are regularly reviewed.
4. In conducting its business activities, BCA has developed a Bank Business Plan and Annual Budget and Work Plan that addresses BCA's overall strategy, including business direction. The strategy has been determined with consideration of the possible impact of the strategy on the Bank's capital, capital projection and the Capital Adequacy Ratio (CAR).

I.C. Adequacy of Risk Identification, Measurement, Monitoring and Mitigation Processes and Risk Management Information System

1. BCA's lending and operational procedures are clearly outlined in the Bank's operating manuals, job descriptions, policy decisions and management circulars.
2. Risk exposure is monitored regularly by SMKR by comparing the actual risk against set risk limits.
3. Reports on risk trends, including Risk Profile Reports, Credit Portfolio Reports and Business Plan Progress Reports, are submitted to the Board of Directors on a regular basis.

I.D. Comprehensive Internal Control System

1. BCA's internal control systems guideline consists of five components:
 - Management supervision and risk control culture.
 - Risk identification and assessment.
 - Control activities and segregation of duties.
 - Accounting, information, and communication system.
 - Monitoring and corrective actions against policy deviations.

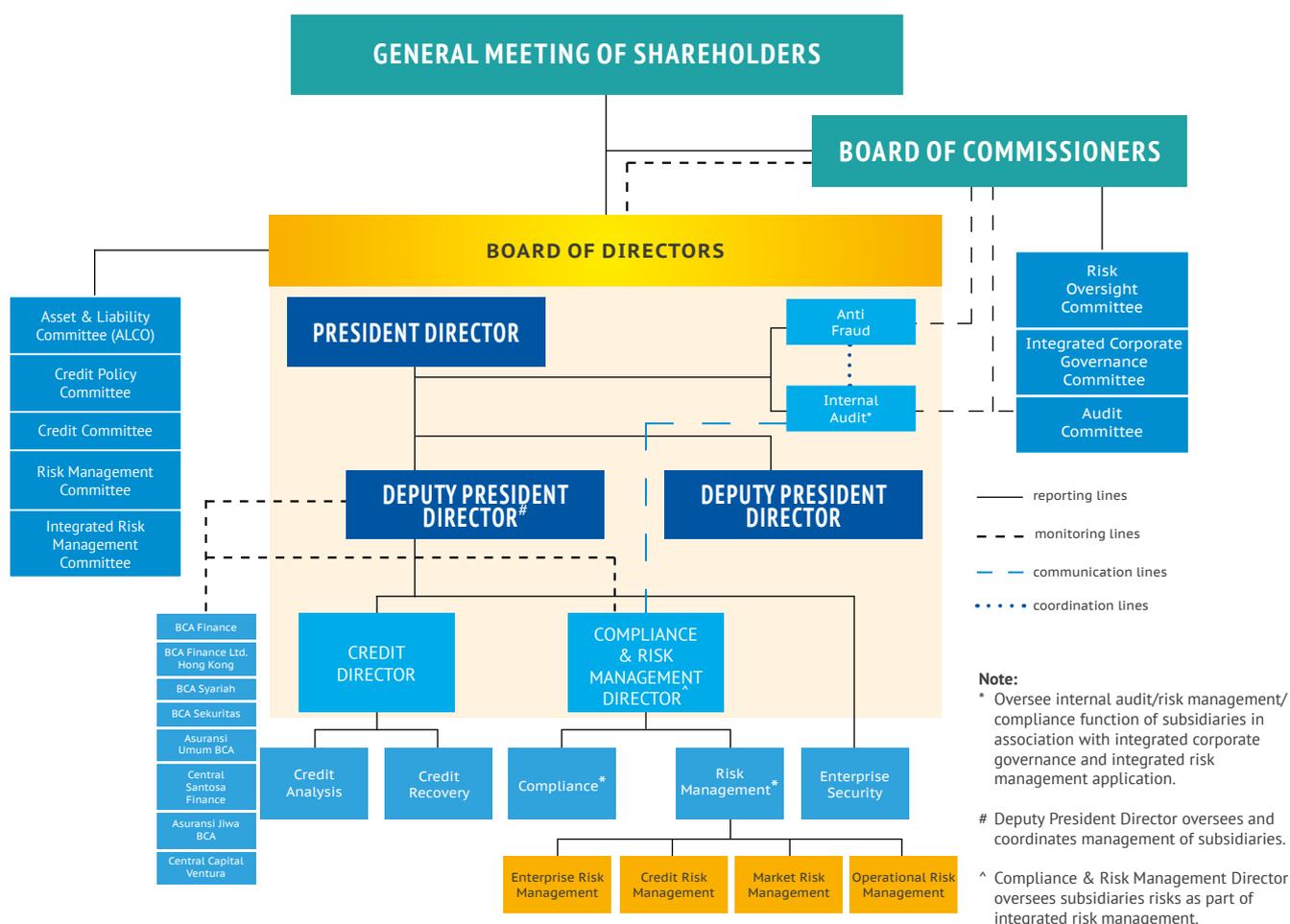
2. The internal control systems are embedded in each business or operational unit and are considered the first line of defense for risk management. These units are charged with risk monitoring by their Internal Control Units at the branches, regional offices, and headquarters.

To support the implementation of risk management, BCA has detailed risk management policies, procedures, and risk limits. BCA strongly encourages a culture of compliance with regards to the applicable regulations. Internal control is conducted by the Risk Management Unit and Compliance Unit that together form the second line of risk management defense.

The assessment and evaluation of the adequacy and effectiveness of the internal control system is periodically reviewed by the Internal Audit Division, which is the third line of risk management defense, to ensure that internal controls have been implemented adequately.

3. All management and employees of BCA have roles and responsibilities to implement, adhere to and enhance BCA's internal control systems to be.

Risk Management and Internal Control Organization Structure



EFFECTIVENESS OF BANK RISK MANAGEMENT SYSTEMS

In evaluating the effectiveness of the BCA's risk management system, the Board of Commissioners and the Board of Directors are assisted by committees under the Board of Commissioners and the Board of Directors.

These committees meet regularly to discuss and provide input and recommendations to the Board of Commissioners and the Board of Director.

BCA also conducts regular evaluation on the following subjects:

- Applicable policies and methodologies for risk assessments.
- Adequacy of policies, procedures, and determination of risk limits
- Adequacy of identification, measurement, monitoring and mitigation of risks
- Effectiveness of comprehensive internal control system.

Evaluation and updates of policies, procedures, and methodologies are conducted regularly to ensure its compliance to the applicable regulations and operating environment. Evaluation of the effectiveness of risk management is also conducted through regular reports submitted to the Board of Commissioners and the Board of Directors. These reports include, among others, Risk Management Policy Reports; Risk Profile Reports; Risk Update Reports, and other related reports.

Implementation of the Basel Accords

BCA continues to prepare for implementing the Basel III framework on bank capital and liquidity standards. BCA supports Basel III implementation in Indonesia by taking part in Quantitative Impact Studies (QIS) exercises that require the Bank to calculate the Liquidity Coverage Ratio (LCR) and the Leverage Ratio. These ratios have been published on the Bank's website since 2015.

In 2017, BCA has been in compliance with the Net Stable Funding Ratio (NSFR) regulation implemented by the OJK, with regard to both reporting and minimum ratio.

Risk Appetite

The Bank defines risk appetite as the level and type of risk which are willing to be taken by BCA in order to achieve its business objectives. The risk appetite set by BCA is reflected in the Bank's business strategies and objectives.

Stress Test

BCA regularly performs stress testing for a variety of scenarios as well as for various factors and parameters that can impact risk. Stress test scenarios consider several macroeconomic variables, such as interest rates, inflation, gross domestic product (GDP), exchange rates, fuel prices and others. The methodology used in conducting the stress tests, in addition to using statistical models based on historical data, includes best judgment scenarios. Stress testing is carried out in order to see the impact of changes in macroeconomic factors on various main indicators, including the NPL ratios, profitability, liquidity and capital.

BCA conducts integrated stress tests for both the main entity and its subsidiaries. The results of stress testing conducted by the Bank for credit, market and liquidity risks have been satisfactory, with the Bank's capital and liquidity being sufficient to anticipate estimated potential losses.

II. BCA Capital

Capital Policy

BCA prepared its capital plan based on a review of capital adequacy requirements set by the regulator, and in consideration of the latest economic developments, business growth and stress testing results. The capital plan was prepared by the Board of Directors as part of the Bank's business plan, and was approved by the Board of Commissioners. The capital plan sets a healthy capital structure to support business development of the Bank and its subsidiaries and investment plan. Policy on capital structure refers to Financial Services Authority Regulation No. 11/POJK.03/2016 dated February 2, 2016 and No. 34/POJK.03/2016 dated September 26, 2016 regarding Minimum Capital Requirements for Commercial Banks.

BCA maintained its solid capital structure derived from core capital (Tier I), supported by sustained profitability growth. All capital requirements were met in 2017 from organic capital growth supported by the Bank's healthy financial performance.

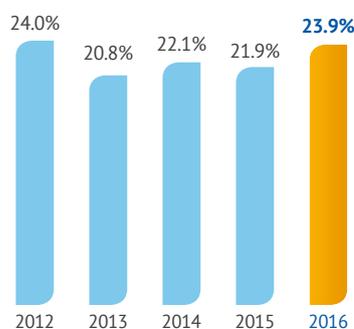
Capital Adequacy and Dividend Policy

BCA has a sufficient level of capital, with a 23.1% CAR, above the minimum requirement based on risk profile as determined by the regulator, and sufficient to support its business expansion plan, which is balanced with the ability to anticipate all potential risks.

BCA and its subsidiaries conducted stress tests to review the impact on capital (credit risk and market risk) and liquidity (liquidity risk), in accordance with regulator guidelines. The results showed that the capital of BCA and its subsidiaries was sufficient to cover losses arising from potential risks faced.

BCA periodically reviews its annual dividend payments to maintain capital solidity in support of the target of asset growth, capital expenditure and new business developments, as part of its capital management. For the latest dividend, based on the resolutions of the General Meeting of Shareholders on April 6, 2017, the shareholders approved the distribution of a portion of the 2016 net income as a cash dividend of Rp 4.9 trillion or Rp 200 per share (paid through an interim dividend of Rp 70 per share on December 22, 2016 and a final dividend of Rp 130 per share paid on April 28, 2017). This is equivalent to a dividend payout ratio of 23.9% against net income in 2016. BCA distributed a portion of 2017 income as an interim dividend of Rp 80 per share on December 20, 2017.

Dividend Payout Ratio



Capital Requirement for Subsidiaries

BCA is committed to supporting the capital of its subsidiaries, in line with its business development. It periodically conducts integrated risk monitoring and ensures a solid financial position to meet the capital requirements of its subsidiaries. Subsidiaries' current capital requirements are relatively insignificant compared to BCA's capital position.

BCA Finance, as the best performing subsidiary, has solid capital from organic capital growth. There was a capital injection of Rp 300 billion for BCA Life, of which Rp 270 billion was provided by BCA, to support its capital position. BCA Life had paid-up capital of Rp 560 billion at the end of 2017. BCA strengthened

the capital of subsidiary BCA Sekuritas through the purchase of BCA Life shares from BCA Sekuritas, as part of the restructuring of BCA Life from indirect to direct ownership. BCA Sekuritas received net funds of Rp 135.3 billion, of which BCA contributed 90%, consistent with the composition of ownership. There were no additional capital injections in the other subsidiaries in 2017.

BCA and its subsidiaries have an integrated capital adequacy ratio of 236.7%, above the minimum requirement of 100% of total minimum capital, in accordance with Financial Services Authority Regulation No. 26/POJK.03/2015, at the conglomerate level.

BCA Capital Position

The Bank's non-consolidated core capital was Rp 122.7 trillion at the end of 2017, accounting for 95.9% total capital, while supplementary capital was Rp 5.3 trillion or 4.1% of total capital. Taking into account credit, operational and market risk, BCA's non-consolidated CAR in 2017 was 23.1%, growth of 120 basis points from 21.9% in 2016, mainly due to the increase in core capital from accumulated retained earnings. The consolidated CAR was 23.6%, an increase of 140 basis points from 2016.

III. Disclosure of Risk Exposures and Implementation of Risk Management

The risks exposures faced by BCA in conducting its business and implementing its risk management strategies designed to minimize the impacts of the risks faced can be summarized as follows:

III.A. Disclosure of Credit Risk Exposure and Implementation of Credit Risk Management

Organization of Credit Risk Management

BCA has established a structured credit risk management process in order to support sound lending principles with strong internal control.

1. **The Board of Commissioners** approves the Bank's credit plans and oversees their realization; approves the Bank's Basic Credit Policy and seeks explanations from the Board of Directors should there be any deviations in loan disbursement from the established policy.
2. **The Board of Directors** is responsible for the preparation of credit plans and the formulation of credit policies; ensures the Bank's compliance with applicable statutory provisions and regulations

relevant to the field of credit and credit policy; and reports to the Board of Commissioners on matters such as the realization of the credit plan, irregularities in loan disbursement, the loan portfolio quality and credit in the special mention or in the non-performing loan category.

3. **Chief Risk Officer**, a member of the BCA Board of Directors, is responsible for the management of credit, market, operational, and others risks faced by the Bank (the Compliance and Risk Management Director)
4. **Work Units that perform functions related to credit risk management** (the Business Lending Development Unit and the Credit Risk Analysis Unit), are risk owners and are responsible for the management of credit risk.

The Bank has dedicated committees that assist the Board of Directors in the lending process, as follows:

1. **Credit Policy Committee** has a principal function of assisting the Board of Directors in formulating credit policies, especially in regard to the principle of prudence in lending, monitoring and evaluating the implementation of credit policies, conducting periodic credit policy reviews on Basic Credit Policy of Bank monitoring the progress and condition of the credit portfolio as well as providing advice and suggesting solutions for improvements based on the results of the Committee's evaluations.
2. **Credit Committee** has the principal function of providing guidance for credit analysis, providing decisions or recommendations on drafts of credit decisions associated with major debtors, specific industries or on special requests from the Board of Directors as well as coordinating with the Asset and Liability Committee (ALCO) in relation to the availability of funding for expected credit drawdowns and corporate lending rate adjustments.
3. **Risk Management Committee** has the main function of developing policies, strategies and guidelines for risk management implementation; determining matters related to irregular business decisions, and enhancing the implementation of risk management based on evaluation of the implementation of an effective risk management process and system.

Risk Management Strategy for Activities With Significant Credit Risk Exposure

BCA formulates risk management strategies in accordance with the Bank's overall business strategy based on the Bank's risk appetite and risk tolerance. Risk management strategies are designed to ensure that the Bank's risk exposure is carefully managed in line with the credit policy, the Bank's internal procedures, laws and regulations, and other applicable provisions.

Structured risk management strategies are based on the following general principles:

- Risk management strategy should be long term oriented for the sustainability of the business by considering economic conditions and cycles;
- Comprehensive risk management strategy must be able to control and manage the risks of the Bank and its subsidiaries;
- Expected capital adequacy should be maintained and adequate resources need to be allocated to support the implementation of risk management.

Risk management strategies are prepared in consideration of the following factors:

- The economic and business development and the impact that may occur as a result of the risks faced by BCA;
- The organization structure of BCA, including the adequacy of human resources and supporting infrastructure;
- The financial condition of BCA, including the ability to generate earnings and the ability to manage the risks arising from both external and internal factors;
- The composition and diversification of the BCA's portfolio.

Credit Concentration Risk Management Policy

Portfolio management addresses credit risk by determining risk concentration limits for, among others, industrial sector exposure, foreign exchange lending, and certain types of loans as well as both individual and business group exposures. Along with monitoring the development of the ratings database, technology, human resources, the Bank's complexity level, as well as the market and regulations, the Bank's portfolio management unit actively works to optimize the allocation of the Bank's capital to achieve an acceptable risk level in line with risk appetite and risk tolerance parameters.

Credit Risk Measurement and Control

The Bank measures credit risk using a standardized method based on guidelines in accordance with OJK Circular Letter No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of Risk Weighted Assets for Credit Risks by using the Standardized Approach that requires all banks to use a standardized approach to calculate its risk weighted assets for credit risk. For internal purposes, the Bank uses an internal ratings scorecard as a tool to assist the credit decision process.

Credit risk management is executed through the establishment of an independent rating system for effective implementation of credit risk management processes, comprising:

- Evaluation of the credit administration process;
- Assessment of accuracy in the implementation of internal risk ratings and the use of other monitoring tools;
- Performance effectiveness of work units and Bank officers which are responsible for monitoring individual credit quality.

BCA exercises early detection systems to identify possible non-performing or potentially problematic loans and takes proactive steps to manage the loan portfolio in order to minimize the impact of non-performing loans on the overall portfolio.

Loans and Receivables that are Overdue and Impaired

Past due loans and receivables are defined as any loan or receivable that is more than 90 days overdue for payment for either principal and/or interest. Impaired loans and receivables are those financial assets of significant individual value that have objective evidence of impairment occurring after the initial recognition of the financial asset.

Approach Used for the Formulation of Allowances for Impairment

Allowance for impairment losses is an allowance established if the carrying amount of the financial asset after impairment is less than the initial carrying amount. The Allowance for Impairment losses is adjusted on the basis of impairment under the implementation of Statement of Financial Accounting Standards (SFAS) No. 50/55.

Impairment evaluation is performed individually and collectively. The approach to calculating impairment on an individual loan is by comparing the contract value of

expected cash flows from a loan, between its expected impaired value based on an estimate of discounted cash flows from the loan using an Effective Interest Rate (EIR) and the amortized cost of the loan at the time the impairment event occurs. Collective impairment is calculated statistically using the following statistical parameters:

- a. Probability of Default (PD) is the debtor's probability of failure to meet obligations as measured by Migration Analysis and Roll Rates reviews;
- b. Loss Given Default (LGD) is the level of losses resulting from the debtor's failure to meet obligations. Calculating a reasonable LGD percentage requires an analysis of historical data.

Standardized Approach to the Application of Credit Risk Measurement

In the calculation of Risk Weighted Assets (RWA) for credit risk, the Bank refers to OJK Circular Letter No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of Risk Weighted Assets by using the Standardized Approach for credit risk.

Through the Basel II standardized approach, the credit RWA is calculated based on the ratings issued by rating agencies recognized by OJK as stipulated in OJK Circular Letter No.37/SEOJK.03/2016 regarding Rating Agencies and Ratings recognized by OJK.

The use of external party ratings in the calculation of RWA credit risk is only for claims on Governments of Other Countries, Public Sector Entities, Multilateral Development Banks and particular International Institutions, Banks, and Corporates.

Counterparty credit risk arises from Over The Counter (OTC) derivative transactions and repo/reserve repo transactions, both on the trading book and the banking book. The standardized Approach used to calculate credit risk of capital adequacy ratio for any exposures that caused credit risk as a result of counterparty failure (counterparty credit risk).

Determination of credit limits related to counterparty credit risks can be adjusted according to the needs of the counterparty, the Bank's risk appetite, and any other applicable regulation such as Bank Indonesia Regulation No. 8/13/PBI/2006 related to Legal Lending Limits.

Credit Risk Mitigation

The preferred type of collateral accepted to mitigate credit risk is solid collateral defined as cash or land and buildings. These types of collateral have relatively high liquidity value and/or can be legally attached so that the Bank is able to liquidate collateral immediately if the debtor's/debtor group's loan becomes delinquent.

Collateral assessment for loans is performed by an independent appraiser. In remote areas where no independent appraiser is available, the appraisal will be conducted by internal staff who is not involved in the loan processing. To monitor the physical collateral pledged to BCA by the debtor, site visits are conducted periodically to review the status of the collateral.

When processing credit, the main guarantors/warrant providers are analyzed as a risk mitigant to the overall credit risk. Creditworthiness and security analysis is determined by applying the Four Eyes Principle, where credit decisions are determined by two independent parties, the business development unit and the credit risk analysis unit.

Credit mitigation techniques are focused on strong collateral coverage. To further mitigate bank-wide potential credit risks, the Bank's loan portfolio is well diversified with regard to loan category and industrial and economic sectors.

III.B. Disclosure of Market Risk Exposure and Implementation of Market Risk Management

Organization of Market Risk Management

The Board of Commissioners and the Board of Directors are responsible for ensuring that the implementation of risk management with regard to exchange rates and interest rates is in line with the Bank's strategic direction, scale, business characteristics as well as exchange rate and interest rate risk profiles. This includes ensuring the integration of exchange rate and interest rate risk management with other risks that may affect the Bank's risk position.

The Board of Directors delegates its authority and responsibility to the parties listed below:

Party	Authority and Responsibility
ALCO	Determines policies and strategies regarding foreign exchange and interest rate risks.
The Risk Management Unit	Supports ALCO in monitoring and measuring foreign exchange and interest rate risks.
Treasury Division	Manages the Bank's overall operations in foreign currency transactions, and interest rates on the trading book: <ul style="list-style-type: none"> - Responsible for maintaining foreign currency Net Open Position (NOP) and mitigating interest rate on the trading book and ensuring the Bank's compliance with Bank Indonesia regulations regarding NOP; - Responsible for managing trading marketable securities and foreign currency transactions in line with customer needs and/or income considerations.
Regional Offices and Branches	Responsible for managing foreign currency transactions in the respective regional offices/branches in accordance with predetermined limits. All regional/branch foreign currency transactions are covered by the Treasury Division. Limits for each region/branch are determined in accordance with operational needs.

The calculation of market risk to determine BCA's capital requirements uses the standardized methods as defined by OJK.

Trading Book and Banking Book Portfolio Management

Management of portfolios exposed to interest rate risk (on the trading book) and to foreign exchange risk is conducted by setting and monitoring the use of Nominal Limits (Net Open Position), Value at Risk Limits, and Stop Loss Limits.

The valuation method is based on closeout prices or market price quotations from independent sources, including the following:

- Indonesia Bond Pricing Agency (IBPA)
- Bloomberg Generic and Value (BGN and VAL)
- Exchange Prices.
- Dealer screen prices.
- The most conservative quotations given by at least two brokers and/or market makers.
- Where market prices are not available from independent sources, the pricing is done by setting a price based on establishing a yield curve.

Market Risk Measurement

For the purpose of monitoring market risk, exchange rate and interest rate risk, Value at Risk measurements are taken on a daily basis based on a full historical valuation method using 250 days' data at a 99% confidence level.

For the calculation of minimum Capital Adequacy Ratio (CAR), market risk is calculated based on the standardized method as adopted by OJK.

Scope of Trading and Banking Book Portfolios Accounted for in Capital Adequacy Ratio

Following is the scope of the portfolio coverage included in the CAR calculations:

- Exchange rate risk considers the trading book and banking book. Exchange rate risk can arise from foreign currency transactions Today (TOD), Tomorrow (TOM), SPOT, Forward and SWAP;
- Interest rate risk considers the trading book. Interest rate risk can arise from securities transactions, as well as Forward and SWAP transactions;
- Equity risk (for subsidiaries) takes into account the trading book. Equity risk may arise from equity trading transactions that may be performed by subsidiaries.

Interest Rate Risk in Banking Book (IRRBB)

Interest rate risk in banking book (IRRBB) occurs as a result of movements in the market interest rate that are against the Bank's position or transactions, which may affect both the Bank's interest income and the economic capital value. In performing IRRBB measurement, the Bank uses a gap report (repricing gap) that measures assets and liabilities that are interest rate sensitive in nature to be mapped within a certain period. Mapping

is conducted based on the remaining maturity date for any instrument with a fixed interest rate and is based on the remaining time up to the next interest rate adjustment for any instrument with a floating rate. The Bank uses an earning approach and economic value approach to measure interest rate risk. Monitoring and measurement of interest rate risk exposure on the banking book is submitted to the Board of Directors/ALCO on a monthly basis.

Anticipation of Market Risk on Foreign Currency and Securities Transaction

In order to anticipate market risk in transactions associated with exchange rate and interest rate risks, the Bank has established and managed market risk limits, including Value at Risk Limit, Nominal and Stop Loss Limit, as well as conducting stress tests to quantify the risk. BCA conducts an assessment on the risk management and preparation of the policies as well as a procedures system for the development of any transactions as a support to Bank Indonesia's program on Financial Market Deepening.

III.C. Disclosure of Operational Risk Exposures and Implementation of Operational Risk Management

Organization of Operational Risk Management

Bank-wide implementation of Operational Risk Management includes:

1. **The Board of Commissioners and the Board of Directors** ensure adequate risk management implementation according to the characteristics, complexity and risk profile of the Bank as well as a good understanding of the type and level of risk inherent in the business activities of the Bank.
2. **The Risk Management Committee** ensures that the risk management framework provides adequate protection against risks faced by the Bank.
3. **The Risk Management Unit (SKMR)** ensures that risks faced by the Bank are identified, measured, monitored, controlled and reported correctly through the application of an appropriate risk management framework; SKMR also provides input to the Board of Directors on the development of the risk management policies, strategies and framework.
4. **The Enterprise Security Work Unit** protects and secures the information assets of the Bank, develops the Bank's ability to deal with emergency situations that threaten the business as an

ongoing concern, and ensures that the application of information technology governance is in line with the Bank's policy.

5. **The Internal Audit Division**, is tasked to examine and assess the adequacy and effectiveness of risk management processes, internal controls, and corporate governance.
6. **The Operation Strategy and Development Division** assists SKMR in implementing operational risk management programs and provides support to all work units in implementing SKMR programs.
7. **The Work Units (business units and support units)** are risk owners responsible for risk management in daily operations through coordination and reporting on operational risk events to SKMR.

Measurement and Identification of Operational Risk

Implemented in 2002, BCA applies a Risk Self-Assessment (RSA) methodology to identify and quantify operational risks across all work units in the Bank. The main function of the RSA is to cultivate a strong risk culture and increase risk awareness as an important element of risk management. Developing a stronger risk culture is expected to improve risk control implementation amongst all employees in performing their daily activities and subsequently reduce overall risk.

The RSA methodology is further refined into a Risk and Control Self-Assessment (RCSA) model, which has been implemented in all branches and head office units identified as having significant operational risks. In the RCSA methodology, branches and work units identify and measure operational risks inherent to their respective work or business units. Based on this process, and in coordination with the Risk Management Unit, the work units determine the controls that must be implemented in order to mitigate the identified risks. The RCSA model is under the coordination of SKMR.

In addition to RCSA, BCA has implemented a Loss Event Database (LED) and Key Risk Indicator (KRI) system. KRI is a method used to provide an early warning signal in the event there is the possibility of increased operational risk within a specific work unit. KRI has been implemented in all regional offices, branches and head office work units that are considered having fairly significant operational risk. The KRI system is planned to be developed into Predictive Risk Management tools

that support unit business to detect and respond to an increased risk within area of business unit /client/other related entity.

LED is designed to assist in recording and analyzing cases or events that could lead to an operational loss so that corrective action can be taken to avoid similar events from occurring in the future. The purpose of the LED is to identify the source and minimize the possible risk of operational losses. LED is also a means of operational loss risk data collection used by the Bank to determine the allocation of capital charges and for monitoring of events that could lead to further operational losses. LED has been implemented in all regional offices, branches and at the head office.

The application of RCSA, LED and KRI is supported by the Operational Risk Management Information System (ORMIS). Currently all branches and head office units use ORMIS which has been implemented in all branches and work units of head office.

Operational Risk Mitigation

To mitigate operational risk, the Bank uses the following tools:

- Policies, procedures and limits to monitor, measure and mitigate operational risks;
- Organizing Risk Awareness Programs on a regular basis to promote and to increase the risk awareness culture for all BCA's stakeholders;
- Up-to-date policies and procedures in accordance with organizational development and changes in legislation and regulations;
- Integrated and comprehensive Business Continuity Management Plans to ensure operational continuity in running the business and serving customers;
- Internal control system, which in practice applies the segregation of duties principle, the four eyes principle, and operates on a rotation system to avoid potential self-dealing and concealment of documents or possible fraudulent transactions.

Risk Management of New Products and Activities

As the largest private bank in Indonesia, BCA provides a wide range of products and/or banking activities to fulfill the needs of our customers. In line with recent technological advancements, BCA continues to develop new digital products and activities.

In managing the risks of new products/activities, BCA has implemented a system to help ensure the development of new products/activities will not significantly affect BCA's risk profile. Risk management is implemented based on internal regulations that were compiled in accordance with regulator provisions.

Management of BCA's new products/activities includes several important aspects as follows:

- New products/activities are launched with an objective to fulfill customer needs and are expected to enable BCA to accomplish its predetermined business targets;
- Every development plan of new products/activities must be approved by the Board of Directors and reported to the Board of Commissioners. This is a part of active supervision conducted by the Board of Directors and the Board of Commissioners;
- The identification of risks will be conducted on every product/activity development plan so that BCA is able to implement adequate risk mitigation;

- Every new product/activity should pass several stages including planning, development, implementation, and evaluation;
- The product/activity that has been implemented will be evaluated to ensure that the product/activity has reached its target and to be able to develop the product/activity further.

III.D. Disclosure of Liquidity Risk Exposure and Implementation of Liquidity Risk Management

Organization of Liquidity Risk Management

The Board of Commissioners and the Board of Directors are responsible for ensuring that liquidity risk management is conducted in accordance with the strategic objectives, scale, business characteristics and liquidity risk profile of the Bank. This includes the integration of liquidity risk management with other risks that may impact on the Bank's liquidity position.

The Board of Directors delegates its authority and responsibilities to the parties below:

Party	Authority and Obligations
ALCO	Determines policies and strategies regarding liquidity.
The Risk Management Unit	Supports ALCO in monitoring and calculating liquidity risks
Treasury Division	Manages overall operational liquidity of the Bank: <ul style="list-style-type: none"> - Responsible for monitoring Statutory Reserves and ensuring the Bank's compliance with Bank Indonesia regulations regarding Statutory Reserves; - Responsible for managing secondary reserves in order to maintain liquidity and provide income generating opportunities.
Regional Offices and Branches	Responsible for managing liquidity risk at the respective regional offices and branches.

Funding Strategy

Funding strategy consists of strategies to tap diversified sources of funds and to secure a funding duration profile that is linked to the Bank's characteristics and business plan. The Bank identifies and reviews the primary factors that affect the ability of the Bank to obtain funds, including identifying and monitoring funding alternatives to strengthen the Bank's capacity to sustain business operations in a crisis condition.

Liquidity Risk Mitigation

In order to mitigate liquidity risk, BCA has established guidelines to measure and mitigate liquidity risks, including limits on Secondary Reserves, Interbank Overnight Borrowing Limits, and Liquidity Coverage Ratios. The Bank has also identified and developed Early Warning Indicators, and has implemented a multi-level Contingency Funding Plan to mitigate risk.

Measurement and Control of Liquidity Risk

The measurement of the liquidity risk is conducted comprehensively on a regular basis by monitoring cash flow projection, maturity profile reports, liquidity ratios and stress test scenarios. Stress testing is conducted based on bank specific stress scenarios and general market stress scenarios.

Monitoring liquidity risk has the objective of facilitating timely mitigation or adjustments to the liquidity risk management strategy as soon as any increase in liquidity risk occurs.

The following activities are included in liquidity monitoring:

- Monitoring both internal and external early warning indicators for events that can potentially increase liquidity risk;
- Monitoring fund and liquidity positions that include:
 - Interest rate strategy, investment alternatives for fund owners, changes in the customer behavior, changes in foreign exchange and interest rates offered by a primary competitor that could impact the fund structure, fund volatility, and core funds. Those changes should be monitored on a regular basis (daily, monthly, and annual basis);
 - Daily monitoring of the liquidity position in respect to Minimum Statutory Reserve Requirement, cash and secondary reserves.
- Monitoring liquidity risk losses that may occur as a result of the liquidity management or any loss as a result of the liquidity factors.

Bank's Liquidity Position Based on the Calculation of LCR Within a Year

In 2016, the Liquidity Coverage Ratio (LCR) implemented by OJK and BCA was in full compliance with all aspects of the LCR guidelines.

Based on the LCR calculations in 2017, the Bank's LCR ratio is above the minimum requirement, both on a bank-only and consolidated basis.

III.E. Disclosure of Legal Risk Exposure and Implementation of Legal Risk Management

Legal risk is defined as risk from lawsuits and/or weaknesses in legal documentation or contracts, an absence of and/or change in regulation that results in a previously compliant procedure to be no longer in

accordance with the updated regulation, and litigation arising from third party claims against the Bank or claims by the Bank against a third party.

Organization of Legal Risk Management

In order to minimize legal risk, BCA has established a Legal Group at the head office and legal units in regional offices to support the BCA in carrying out banking activities and mitigating legal risk. The Legal Group also has the duty and responsibility of supporting and safeguarding the legal interests of the Bank with respect to the prevailing laws and regulations as it carries out business activities.

Legal Risk Control

BCA mitigates legal risks through the following:

- Legal Risk Management Policy: having internal regulations to govern the organizational structure and job description for the Legal Group, standardizing legal documents;
- Socializing the impact of new regulations applicable to BCA's banking activities and the various modus operandi of criminal and fraudulent banking crimes as well as the legal guidelines for prosecuting such crimes to branches, regional offices, and related work units in head office;
- Registering intellectual property rights for the Bank's products and services as well as securing ownership of the Bank's assets, such as rights to land and buildings owned by the Bank, with the appropriate authority;
- Monitoring and taking legal action on violations against the Bank's assets, including infringement of intellectual property rights belonging to BCA;
- Identifying, monitoring, analyzing and quantifying potential losses that may arise in relation to legal cases.

III.F. Disclosure of Strategic Risk Exposure and Implementation of Strategic Risk Management

Strategic risk can arise from inaccuracy in management decisions and/or inappropriate implementation of strategic direction as well as failure to anticipate changes in the business environment.

Organization of Strategic Risk Management

In an effort to manage the direction of business activities and limit the occurrence of strategic risks, the Board of Directors has developed strategic plans and business initiatives as outlined in a three-year business strategy (Bank Business Plan) blue print and a one-year

business plan and budget (Annual Budget and Work Plan).

The Bank Business Plan and the Annual Budget and Work Plan require the approval of the Board of Commissioners. BCA's Corporate Planning Sub-Division is designed to support and monitor the formulation and the implementation of the Bank Business Plan and the Annual Budget and Work Plan by preparing regular reports comparing the business plan and budget with their realization, including conducting reviews of both financial and non-financial business targets.

Policies to Identify and Respond to Changes in the Business Environment

In order to identify and respond to changes in both the external and internal economic environment and business conditions, BCA conducts:

- Regular reviews of the Bank Business Plan and the Annual Budget and Work Plan in accordance with business developments and the state of the Indonesian economy;
- Reviews of business targets with consideration to the current economic situation and the forecast of the coming year while emphasizing the principle of prudence, attention to the capacity and capabilities of BCA and trends in banking competition.

The Bank's strategy is formulated with reference to Bank Indonesia and OJK regulations and other relevant provisions, as well as the potential impacts of strategic risk on the Bank's capital and the Capital Adequacy Ratio (CAR) based on the risk appetite, risk tolerance and capabilities of the Bank.

Measurement of the Bank's Business Plan Progress

To measure progress in achieving the business plan, the Bank conducts the following activities:

- Identifying, measuring, and monitoring strategic risk, as well as compiling quarterly strategic risk profile reports;
- Compiling reports on the realization of the Bank Business Plan, which includes financial performance (actual vs. budgeted), realization of corporate/divisional work programs and the realization of branch network development.

III.G. Disclosure of Reputation Risk Exposure and Implementation of Reputation Risk Management

Reputation risk can occur as a result of reduced levels of trust from stakeholders triggered by negative perceptions of the Bank.

Organization of Reputation Risk Management

BCA has a strong commitment to manage reputation risk. To this end, BCA has established the Halo BCA Contact Center and Customer Care that specifically deals with customer complaints by phone, mail, email, and social media 24 hours a day, every day. In handling customer complaints, Halo BCA Contact Center and Customer Care coordinates with other related units, including the Consumer Card Division, the Consumer Credit Work Unit and the Electronic Banking Services Center, to respond to potential reputational risk events.

Policies and Mechanism of Reputation Risk Management

In order to manage reputation risk, the Bank implements the following:

- Establishment of provisions for customer complaints that clearly define the policies, procedures, work units that monitor and handle customer complaints, including the format of reports made to regulators;
- Monitoring of customer complaints and routinely report the results to the head of each unit and to the Board of Directors. These reports are analyzed and used to support the Bank in the development of a systematic complaint handling process;
- Development of infrastructure, including the implementation of appropriate software and hardware, development and management of procedures, development of management information system infrastructure to facilitate monitoring and to support the speed and quality of work in responding to and monitoring customer complaints.

Reputation Risk Management in Times of Crisis

To manage reputation risk in times of crisis, the Bank has conducted the following:

- Implementation of Crisis Management, which includes:
 - Crisis Management Policy, a strategy to manage disorder or events that disturb BCA's services and reputation, as well as those with the potential to cause disruptions;

- Crisis Management Team, responsible for coordinating the process of crisis management, including the recovery process;
- Crisis Communication Protocol, to coordinate crisis communications to internal and external parties, including to the mass media. Clear communication protocols and the person in charge of communications have been established for all stages of the crisis;
- Crisis Management Guidelines, including emergency responses, to facilitate customer service and transactions in the event of a crisis or emergency situation.
- Development of a business continuity plan and a disaster recovery plan, designed to minimize disruption and speed up the recovery process in the event of a disaster.
- Installation of backup systems to prevent high risk business failure.

III.H. Disclosure Of Compliance Risk Exposure And Implementation Of Compliance Risk Management

Compliance risk is the risk arising from the Bank's failure to comply with and/or implement the prevailing laws and regulations.

Organization of Compliance Risk Management

In order to minimize compliance risks, all organizational lines need to be responsible for the management of compliance risk in all activities of the Bank.

The Compliance and Risk Management Director, assisted by the Compliance Unit, is responsible for ensuring compliance and minimizing compliance risk by formulating compliance risk management policies and procedures as well as monitoring their implementation. The Compliance Unit is independent from other working units. The Compliance Director reports the results to the President Director, which will be presented to the Board of Commissioners.

The Compliance Unit is also responsible for the implementation of the Bank's Anti-Money Laundering and Combating the Financing of Terrorism (APU and PPT) programs, including assessing the risk of APU and PPT program implementation in accordance with prevailing regulations from the regulators.

Business units at head office and branches are the front-line in ensuring all business activities are carried out in accordance with the relevant regulations.

Risk Management Strategies Associated with Compliance Risk

BCA has a strong commitment to comply with prevailing laws and regulations and actively takes steps to correct any weaknesses. This is in line with BCA's compliance risk management strategy, which contains policies to always comply with the applicable regulations, foremost through proactive prevention (ex-ante) in order to minimize any occurrence of violations and through curative action (ex-post) as corrective measures.

Compliance Risk Monitoring and Control

In order to control and minimize compliance risk, BCA has taken the following steps:

- Identify sources of compliance risk;
- Perform gap analysis if there is a change in regulation and make the necessary adjustments to internal policies and regulations, as well as to information systems;
- Perform regular measurement and monitoring of compliance risk exposure on a regular basis - the results are discussed with the Risk Management Unit;
- Socialize and consult on provisions of various regulations;
- Examine compliance in the implementation of provisions;
- Develop a compliance matrix diary as a means of monitoring commitment to comply with reporting duties to the regulators;
- Monitor suspicious financial transactions through the implementation of Anti Money Laundering protocols, which are regularly audited.

In order to improve the effectiveness of internal control, coordination is maintained between the Risk Management Unit, the Internal Audit Division and the Compliance Unit through regular meetings and intensive communication. Problems associated with internal compliance control, particularly in addressing potential compliance risks, are comprehensively assessed, allowing the formulation of effective measures.

Application of Integrated Risk Management

In accordance with OJK Regulation No.17/POJK.03/2014 dated November 18, 2014 and Circular Letter No. 14/SEOJK.03/2015 of May 25, 2015 on the Implementation of Integrated Risk Management for Financial Conglomerations, BCA has developed Integrated Risk Management for Financial Conglomerates ("FC BCA").

Application of an Integrated Risk Management structure includes:

1. Active supervision of FC BCA by the Board of Directors and the Board of Commissioners of the primary entity defined as BCA;
2. Adequacy of Policies, Procedures, and Determination of Limits for Integrated Risk Management;
3. Adequacy of Identification, Measurement, Monitoring, and Mitigation of Integrated Risk, as well as Integrated Risk Management Information Systems;
4. Comprehensive Internal Control System for the Implementation of Integrated Risk Management.

BCA has implemented Integrated Risk Management by:

1. Appointing the Director in charge of risk management at BCA as the Director in charge of Integrated Risk Management for the group with the function to implement Integrated Risk Management within the group;
2. Forming an Integrated Risk Management Committee to ensure that the risk management framework provides adequate integrated protection against all risks faced by BCA and its subsidiaries;
3. Adjusting the organizational structure of the Risk Management Unit to ensure that the integrated risks faced by BCA and its subsidiaries can be identified, measured, monitored, controlled and reported correctly through the implementation of an appropriate risk management framework;
4. Identifying the Main Entity and subsidiaries included in the Financial Conglomerate for integrated risk management purposes;
5. Finalizing the compilation of Basic Integrated Risk Management Policies for the implementation of Integrated Risk Management;
6. Compiling and submitting Integrated Risk Profile Reports;
7. Review on the implementation integrated risk management;

8. Compiling and submitting an Integrated Capital Adequacy Report;
9. Conducting integrated stress testing (for capital and liquidity);
10. Socialization, coordination, and communication with the subsidiaries.

The Integrated Risk Management Committee has the primary function of providing recommendations to the Board of Directors that consist of the followings:

- The compilation of Integrated Risk Management policies;
- The improvement of said policies based on the evaluation results of implementation of the Integrated Risk Management.

In 2017, the Integrated Risk Management Committee conducted regular meetings to discuss the following:

- Integrated Risk Management Information System;
- Risk Appetite and Risk Tolerance of FC BCA;
- Information regarding the review of new and strategic lines of business;
- Integrated Business Continuity Plan (BCP);
- Integrated stress test;
- Integrated Risk Profile Report;
- Integrated risk limits;
- Any other issues that need to be approved by the Integrated Risk Management Committee.

FC BCA manages 10 types of integrated risks as identified by the regulators. These risks include the eight types of risks that were previously managed within the Bank's risk management process with the addition of inter-group transaction risk and insurance risk.

Inter-Group Transaction Risk

FC BCA conducts inter-group transactions in accordance with the principles of fairness and on an arms-length basis in adherence with prevailing regulations. All inter-group transactions are documented appropriately. Inter-group transactions currently do not have a material impact on the overall financial performance of the Group.

Insurance Risk

FC BCA also manages Insurance Risk through the Bank's subsidiaries active in the insurance industry. The Insurance Risk of FC BCA is considered to exhibit "low" inherent risk with "satisfactory" risk management implementation based on current regulatory guidelines.

Based on integrated risk assessment, FC BCA's capital is considered sufficient to anticipate potential losses that may arise or be faced by FC BCA in conducting the integrated businesses.

The Bank's subsidiaries that are included in the implementation of the integrated risk management are: BCA Finance, BCA Finance Limited, BCA Syariah, BCA Sekuritas, BCA Insurance, Central Santosa Finance, BCA Life and Central Capital Ventura.

Summary of the implementation of risk management within each subsidiary, as follows:

PT BCA FINANCE	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following: <ul style="list-style-type: none"> • Audit Committee at the level of the Board of Commissioners; and • Risk Management Committee and Asset Liability Committee (ALCO) at the level of the Board of Directors, and through the Regular Meeting Management and Consumer Meeting.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Basic Risk Management Policy; • Risk management policy and implementation guidelines for various risks as described in Decision Letters; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and outlined in risk profile reports submitted every semester; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews; • Risk management of information technology systems are used to identify and detect blacklisted customers, mitigate fraud through Know Your Customer reports for the branches and headquarters, reporting on risk events at the branches or headquarters through Operation Risk Event Management (OREM) detection of fraud parameters, risk self assessment, risk mapping through RCSA, credit scoring, behavior score (B-score) and others. • System integration will be realized through the work plan to redevelop RMIS.
Comprehensive internal control systems	Internal Audit Division has the function of evaluating the effectiveness and efficiency of work processes and their suitability to the needs of the business. Evaluations are conducted by way of active and passive inspection throughout all work units.
BCA FINANCE LIMITED	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Directors is conducted through discussions on business and operational activities between the Board of Directors and management staff through regular reports.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Basic Risk Management Policy and Guidelines; • Risk management policy is defined in job procedures and guidelines; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and outlined in risk profile reports on a quarterly basis; • Risk management processes are reflected in, among others, the monitoring of limits and regular limit reviews.
Comprehensive internal control systems	Internal control is conducted by the Risk Management, Compliance and Internal Audit division.

PT BANK BCA SYARIAH	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Commissioners and the Board of Directors is conducted through the establishment of the following: <ul style="list-style-type: none"> • Risk Oversight Committee, Audit Committee and Remuneration and Nomination Committee at the level of the Board of Commissioners; and • Risk Management Committee, Financing Policy Committee, Information Technology Committee, and Asset Liability Committee (ALCO) at the level of the Board of Directors.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Basic Risk Management Policy; • Risk management policy for various risks as defined in Job Procedures and Guidelines; • Financing Policy related to credit risk; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and outlined in risk profile reports on a quarterly basis; • Risk management processes are reflected in, among others, the monitoring of limits and regular limit reviews.
Comprehensive internal control systems	The effectiveness of internal control is tested by the Internal Audit Work Unit.
PT BCA SEKURITAS	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Commissioners and the Board of Directors is conducted through the following activities: <ul style="list-style-type: none"> • Regular meetings of the Board of Commissioners and the Board of Directors; • Establishment of organizations with reference to Bapepam-LK/OJK regulation comprising: <ul style="list-style-type: none"> – Marketing Functions; – Risk Management Functions; – Bookkeeping Functions; – Custodian Functions; – Information Technology Functions; and – Compliance Function; as well as Research Functions outside of the six functions listed above. • Establishment of the Internal Audit Function in accordance with OJK Regulation 57/POJK.04/2017 of September 26, 2017 on Implementation of Corporate Governance for Securities Firms Acting as Underwriters and Brokers; • The Board of Commissioners gives approval regarding credit facilities accepted by BCA Sekuritas from third parties. • The Board of Commissioners ensures matters on Money Laundering and Terrorism Financing are discussed at Board of the Directors and the Board of Commissioners meetings; • The Board of Directors makes decisions regarding internal policy; • The Board of Directors signs all reports in accordance with Capital Market regulations.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Policy and Procedures that are in line with Capital Market regulations and are used as basis for developing guidelines for BCA Sekuritas' business activities; • Basic Risk Management Policy; • Policies and procedures, and determination of limits are adequate and regularly reviewed; • Policies derived from basic risk management policy.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are reflected in regular monitoring of the haircut effects, customer limits, and customer daily transactions, all of which are reported regularly; • Risk management processes are conducted and recorded in risk profile reports every semester.
Comprehensive internal control systems	<ul style="list-style-type: none"> • Internal control of all business activities is conducted by Internal Audit Work Unit in accordance with Capital Market regulations;

PT ASURANSI UMUM BCA	
Active supervision by the board of Commissioners and the board of directors	<p>Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following committees:</p> <ul style="list-style-type: none"> • Audit Committee and Risk Oversight Committee at the level of the Board of Commissioners; and • Investment Committee, Insurance Closure Acceptance Committee and Insurance Claim Finalization Committee at the level of the Board of Directors.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Various policies, including the following: <ul style="list-style-type: none"> - Guidelines of the implementation of risk management; - Authority for Claim Approval, Acceptance and Insurance Policy/Cover Note Signing; - Underwriting Guidelines; - IT Operation Guidelines; - Manual Disaster Recovery Plan (DRP); - Reinsurance policy guidelines; - Corporate Investment Policy; - Operations Cost Approval Authority, Fixed Asset Purchasing, Office/Building Renovations; - Implementation Guidelines for APU and PPT; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and recorded in risk profile reports; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews.
Comprehensive internal control systems	<p>Internal supervision is conducted by the Internal Audit Work Unit which assists management in monitoring the effectiveness of the implementation of all policies/procedures established.</p>
PT CENTRAL SANTOSA FINANCE	
Active supervision by the board of Commissioners and the board of directors	<p>Active supervision by the Board of Commissioners and the Board of Directors is conducted in the following forms:</p> <ul style="list-style-type: none"> • Routine meetings of the Board of Commissioners and the Board of Directors; • The Board of Directors acknowledges and signs all reports for the authorities; • The Board of Commissioners has established the Risk Oversight Committee, which is attached to the Audit Committee.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Basic Risk Management Policy; • Policies and procedures, and determination limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and outlined in annual and semester risk profile reports; • Improvement on the Information system to ensure the readiness of accurate data within a short time as required by management.
Comprehensive internal control systems	<p>Internal supervision is conducted by the Internal Audit Work Unit.</p>

PT ASURANSI JIWA BCA	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following: <ul style="list-style-type: none"> • Risk Oversight Committee and Audit Committee at the level of the Board of Commissioners; and • Product Development Committee, Investment Committee and Risk Management Committee at the level of the Board of Directors.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Basic Risk Management Policy and its Implementation Guidelines for each type of risks, as defined in the job procedures and guidelines; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and outlined in risk profile reports.; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews.
Comprehensive internal control systems	Internal Audit Division has been established which reviews the effectiveness and efficiency of each operational procedure independently and periodically according to the scope of each work unit
PT CENTRAL CAPITAL VENTURA	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following: <ul style="list-style-type: none"> • Regular meetings of the Board of Commissioners and the Board of Directors (minimum once in three months, based on OJK regulation No. 36/POJK.05/2015); • Establishment of organization structure based on OJK regulation No. 34/POJK.05/2015; • The Board of Commissioners approval on the Board of Directors' request on the capital injection to PPU • The Board of Directors approval on internal policies. • Regular meeting of Board of Directors, a minimum of once a month, based on OJK Regulation No. 36/POJK.05/2015 • The Board of Directors authorization and responsibilities of all reports including risk profile reports to the regulator.
Adequacy of policies and procedures, and determination of limits	<ul style="list-style-type: none"> • Policies and procedures are in compliance with prevailing regulations and are outlined in BCA's guidelines and procedures and guidelines for the sustainability business; • Policies and procedures, and determination of limits are adequate and regularly reviewed
Identification, measurement, monitoring and mitigation processes and risk management Information system	<ul style="list-style-type: none"> • Risk management processes are conducted and outlined in risk profile reports each semester; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews.
Comprehensive internal control systems	<ul style="list-style-type: none"> • Have policies, procedures and determination of limits related to corporate investment. • Internal control process has been carried out in the implementation of operational activities.

Risk Management Table*

Table A. Disclosure of the Capital Structure

Disclosure of the Bank's capital structure (on standalone basis and consolidated) is presented in the audited Consolidated Financial Statements, note No. 39.

Table B.1.a.1. Disclosure of Net Receivables by Region - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns	-	163,927,574	-	-	163,927,574
2	Receivables on public sector entities	6,633	24,265,866	-	-	24,272,499
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-
4	Receivables on banks	44,616	50,469,846	15,766	29,996	50,560,224
5	Loans secured by residential property	1,914,945	33,892,558	760,127	1,930,569	38,498,199
6	Loans secured by commercial real estate	615,414	13,665,656	178,859	694,818	15,154,747
7	Employee/retired loans	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	2,824,832	59,780,953	722,599	1,473,715	64,802,099
9	Receivables on corporate	21,019,287	342,167,220	5,689,550	14,817,118	383,693,175
10	Past due receivables	160,244	1,104,972	71,692	40,458	1,377,366
11	Other assets	1,631,965	36,720,974	472,176	1,280,238	40,105,353
	Total	28,217,936	725,995,619	7,910,769	20,266,912	782,391,236

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns	-	155,265,610	-	-	155,265,610
2	Receivables on public sector entities	-	17,881,634	-	-	17,881,634
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-
4	Receivables on banks	18,404	40,780,054	5,100	26,809	40,830,367
5	Loans secured by residential property	1,554,551	29,344,240	597,691	1,532,675	33,029,157
6	Loans secured by commercial real estate	522,403	12,089,258	214,454	519,590	13,345,705
7	Employee/retired loans	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	2,587,186	53,649,528	619,567	1,271,279	58,127,560
9	Receivables on corporate	19,906,666	309,398,588	4,829,105	13,972,538	348,106,897
10	Past due receivables	117,722	886,220	60,096	43,805	1,107,843
11	Other assets	1,441,283	34,324,329	446,420	1,122,213	37,334,245
12	Exposures at Sharia based business activity unit (if any)	-	-	-	-	-
	Total	26,148,215	653,619,461	6,772,433	18,488,909	705,029,018

* The information is presented in accordance with Indonesia's Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 dated September 28, 2016 regarding Transparency and Publication of Reporting for Conventional Commercial Banks. If the Bank has no transactions of the particular type defined in the Circular, the table is not presented.

Table B.1.a.2. Disclosure of Net Receivables by Region - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	-	164,903,862	-	-	325,342	165,229,204
2	Receivables on public sector entities	6,633	24,265,895	-	-	-	24,272,528
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	44,616	50,929,505	15,766	29,996	217,261	51,237,144
5	Loans secured by residential property	1,914,945	33,925,171	760,127	1,930,569	-	38,530,812
6	Loans secured by commercial real estate	615,414	13,827,565	178,859	694,818	-	15,316,656
7	Employee/retired loans	-	379,565	-	-	-	379,565
8	Receivables on micro, small business & retail portfolio	2,824,889	68,895,351	722,599	1,473,715	-	73,916,554
9	Receivables on corporate	21,149,000	346,140,053	5,689,550	14,817,118	208,295	388,004,016
10	Past due receivables	160,244	1,225,926	71,692	40,458	-	1,498,320
11	Other assets	1,631,965	37,293,515	472,176	1,280,238	14,341	40,692,235
	Total	28,347,706	741,786,408	7,910,769	20,266,912	765,239	799,077,034

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	-	155,266,100	-	-	324,526	155,590,626
2	Receivables on public sector entities	-	17,881,692	-	-	-	17,881,692
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	18,404	41,036,655	5,100	26,809	247,502	41,334,470
5	Loans secured by residential property	1,554,551	29,344,240	597,691	1,532,675	-	33,029,157
6	Loans secured by commercial real estate	522,403	12,089,258	214,454	519,590	-	13,345,705
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	2,587,186	60,934,843	619,567	1,271,279	-	65,412,875
9	Receivables on corporate	19,906,666	310,488,589	4,829,105	13,972,538	158,550	349,355,448
10	Past due receivables	117,722	964,912	60,096	43,805	-	1,186,535
11	Other assets	1,441,283	34,752,348	446,420	1,122,213	9,769	37,772,033
12	Exposures at Sharia based business activity unit (if any)	-	5,025,801	-	-	-	5,025,801
	Total	26,148,215	667,784,438	6,772,433	18,488,909	740,347	719,934,342

Table B.2.a.1. Disclosure of Net Receivables by Contractual Maturity - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	118,040,610	32,375,220	11,633,863	1,877,881	-	163,927,574
2	Receivables on public sector entities	1,739,998	1,118,143	4,133,224	9,776,070	7,505,064	24,272,499
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	29,402,022	4,833,006	2,517,995	254,559	13,552,642	50,560,224
5	Loans secured by residential property	554,510	3,752,841	11,267,231	22,834,470	89,147	38,498,199
6	Loans secured by commercial real estate	2,275,246	937,325	3,229,197	5,066,320	3,646,659	15,154,747
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	8,017,135	27,016,484	19,404,195	8,688,154	1,676,131	64,802,099
9	Receivables on corporate	202,586,702	43,869,391	42,793,631	64,033,532	30,409,919	383,693,175
10	Past due receivables	259,345	182,039	100,279	270,632	565,071	1,377,366
11	Other assets	-	-	-	-	40,105,353	40,105,353
	Total	362,875,568	114,084,449	95,079,615	112,801,618	97,549,986	782,391,236

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	97,407,586	30,399,991	26,765,164	692,869	-	155,265,610
2	Receivables on public sector entities	1,543,414	2,446,765	1,811,000	7,734,207	4,346,248	17,881,634
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	25,605,510	5,449,530	1,519,368	233,981	8,021,978	40,830,367
5	Loans secured by residential property	658,122	3,911,563	7,851,680	20,500,323	107,469	33,029,157
6	Loans secured by commercial real estate	1,751,786	727,525	2,428,479	5,003,737	3,434,178	13,345,705
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	6,836,429	25,955,615	15,963,731	7,747,360	1,624,425	58,127,560
9	Receivables on corporate	198,962,246	34,290,797	35,716,054	54,958,479	24,179,321	348,106,897
10	Past due receivables	242,155	104,658	75,649	151,219	534,162	1,107,843
11	Other assets	-	-	-	-	37,334,245	37,334,245
12	Exposures at Sharia based business activity unit (if any)	-	-	-	-	-	-
	Total	333,007,248	103,286,444	92,131,125	97,022,175	79,582,026	705,029,018

Table B.2.a.2. Disclosure of Net Receivables by Contractual Maturity - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	119,016,898	32,528,428	11,633,863	2,050,015	-	165,229,204
2	Receivables on public sector entities	1,740,008	1,118,161	4,133,224	9,776,071	7,505,064	24,272,528
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	30,078,939	4,833,009	2,517,995	254,559	13,552,642	51,237,144
5	Loans secured by residential property	554,677	3,755,033	11,268,622	22,863,333	89,147	38,530,812
6	Loans secured by commercial real estate	2,326,627	962,235	3,230,996	5,150,139	3,646,659	15,316,656
7	Employee/retired loans	9,918	103,347	117,702	148,598	-	379,565
8	Receivables on micro, small business & retail portfolio	10,123,413	31,189,228	22,399,481	8,909,298	1,295,134	73,916,554
9	Receivables on corporate	204,856,627	44,649,838	43,446,216	64,641,417	30,409,918	388,004,016
10	Past due receivables	312,708	234,963	110,759	274,819	565,071	1,498,320
11	Other assets	3,163	-	-	-	40,689,072	40,692,235
	Total	369,022,978	119,374,242	98,858,858	114,068,249	97,752,707	799,077,034

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	97,408,076	30,399,991	26,917,785	864,774	-	155,590,626
2	Receivables on public sector entities	1,543,420	2,446,799	1,811,018	7,734,207	4,346,248	17,881,692
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	26,109,511	5,449,632	1,519,368	233,981	8,021,978	41,334,470
5	Loans secured by residential property	658,122	3,911,563	7,851,680	20,500,323	107,469	33,029,157
6	Loans secured by commercial real estate	1,751,786	727,525	2,428,479	5,003,737	3,434,178	13,345,705
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	8,887,064	29,352,358	17,957,658	7,960,778	1,255,017	65,412,875
9	Receivables on corporate	198,839,832	35,371,313	35,987,714	54,977,268	24,179,321	349,355,448
10	Past due receivables	277,595	141,317	82,202	151,259	534,162	1,186,535
11	Other assets	3,179	-	-	-	37,768,854	37,772,033
12	Exposures at Sharia based business activity unit (if any)	2,631,308	879,875	808,327	629,537	76,754	5,025,801
	Total	338,109,893	108,680,373	95,364,231	98,055,864	79,723,981	719,934,342

Table B.3.a.1. Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Period of December 31, 2017						
1	Agriculture, hunting and forestry	-	869,253	-	-	-	
2	Fishery	-	-	-	-	-	
3	Mining and quarrying	-	-	-	-	-	
4	Manufacturing	-	1,665,072	-	-	-	
5	Electricity, gas and water	-	11,926,096	-	-	-	
6	Construction	-	145	-	-	-	
7	Wholesale and retail trading	-	10	-	-	-	
8	Hotel and food & beverage	-	-	-	-	-	
9	Transportation, warehousing and communications	-	2,008,593	-	-	-	
10	Financial intermediary	-	5,747,552	-	50,560,224	-	
11	Real estate, rental and business services	-	6	-	-	-	
12	Public administration, defense and compulsory social security	163,927,574	-	-	-	-	
13	Education services	-	-	-	-	-	
14	Human health and social work activities	-	-	-	-	-	
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-	
16	Activities of households as employers	-	-	-	-	-	
17	International institution and other extra international agencies	-	-	-	-	-	
18	Undefined activities	-	-	-	-	-	
19	Non business field	-	-	-	-	38,498,199	
20	Others	-	2,055,772	-	-	-	
	Total	163,927,574	24,272,499	-	50,560,224	38,498,199	

(in million Rupiah)

	Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	121,541	27,306,476	16,058	-	-
	-	-	32,893	720,869	129	-	-
	-	-	19,395	792,866	17,880	-	-
	-	-	646,892	103,352,994	134,066	-	-
	-	-	5,685	1,768,605	1,271	-	-
	167,902	-	199,959	13,050,083	33,012	-	-
	-	-	3,744,899	113,841,189	385,746	-	-
	-	-	147,302	13,086,099	96,806	-	-
	-	-	250,823	20,528,957	77,811	80	-
	-	-	29,861	15,103,485	66	271,270	-
	14,986,845	-	293,955	5,293,508	73,033	-	-
	-	-	-	-	-	-	-
	-	-	29,826	854,802	137	-	-
	-	-	60,275	2,194,467	302	-	-
	-	-	252,369	3,835,859	12,585	-	-
	-	-	-	-	-	-	-
	-	-	239	-	-	-	-
	-	-	-	11,452	72	-	-
	-	-	48,484,133	26,731,939	399,208	-	-
	-	-	10,482,052	35,219,525	129,184	39,834,003	-
	15,154,747	-	64,802,099	383,693,175	1,377,366	40,105,353	-

Table B.3.a.1. Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Period of December 31, 2016						
1	Agriculture, hunting and forestry	-	225,000	-	-	-	
2	Fishery	-	-	-	-	-	
3	Mining and quarrying	-	866,773	-	-	-	
4	Manufacturing	-	100,067	-	-	-	
5	Electricity, gas and water	-	9,807,972	-	-	-	
6	Construction	-	-	-	-	-	
7	Wholesale and retail trading	-	-	-	-	-	
8	Hotel and food & beverage	-	-	-	-	-	
9	Transportation, warehousing and communications	-	-	-	-	-	
10	Financial intermediary	-	4,373,089	-	40,830,367	-	
11	Real estate, rental and business services	-	-	-	-	-	
12	Public administration, defense and compulsory social security	155,265,610	-	-	-	-	
13	Education services	-	-	-	-	-	
14	Human health and social work activities	-	-	-	-	-	
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-	
16	Activities of households as employers	-	-	-	-	-	
17	International institution and other extra international agencies	-	-	-	-	-	
18	Undefined activities	-	-	-	-	-	
19	Non business field	-	-	-	-	33,029,157	
20	Others	-	2,508,733	-	-	-	
	Total	155,265,610	17,881,634	-	40,830,367	33,029,157	

(in million Rupiah)

	Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	72,113	22,398,637	30,109	-	-
	-	-	21,359	610,957	374	-	-
	-	-	17,023	618,837	16,847	-	-
	-	-	451,669	102,044,865	129,538	-	-
	-	-	2,380	715,316	2,686	-	-
	142,024	-	158,463	10,646,815	50,529	-	-
	-	-	2,507,568	100,181,514	380,049	-	-
	-	-	98,315	13,474,104	11,824	-	-
	-	-	170,660	21,463,750	78,095	80	-
	-	-	20,159	13,705,994	1,839	186,134	-
	13,203,681	-	146,882	4,034,659	67,161	-	-
	-	-	-	-	-	-	-
	-	-	23,543	850,466	9,702	-	-
	-	-	46,853	1,489,437	97	-	-
	-	-	239,840	3,435,640	5,857	-	-
	-	-	-	-	-	-	-
	-	-	373	-	-	-	-
	-	-	-	11,042	9	-	-
	-	-	44,314,320	23,863,749	275,923	-	-
	-	-	9,836,040	28,561,115	47,204	37,148,031	-
	13,345,705	-	58,127,560	348,106,897	1,107,843	37,334,245	-

Table B.3.a.2. Disclosure of Net Receivables by Economic Sectors - Consolidated

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Period of December 31, 2017						
1	Agriculture, hunting and forestry	-	869,253	-	-	-	
2	Fishery	-	-	-	-	-	
3	Mining and quarrying	-	-	-	-	-	
4	Manufacturing	-	1,665,072	-	-	-	
5	Electricity, gas and water	-	11,926,096	-	-	-	
6	Construction	-	145	-	-	-	
7	Wholesale and retail trading	-	10	-	-	-	
8	Hotel and food & beverage	-	-	-	-	350	
9	Transportation, warehousing and communications	-	2,008,622	-	-	-	
10	Financial intermediary	-	5,747,552	-	51,237,144	-	
11	Real estate, rental and business services	-	6	-	-	-	
12	Public administration, defense and compulsory social security	165,229,204	-	-	-	-	
13	Education services	-	-	-	-	-	
14	Human health and social work activities	-	-	-	-	-	
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-	
16	Activities of households as employers	-	-	-	-	-	
17	International institution and other extra international agencies	-	-	-	-	-	
18	Undefined activities	-	-	-	-	-	
19	Non business field	-	-	-	-	38,498,199	
20	Others	-	2,055,772	-	-	32,263	
	Total	165,229,204	24,272,528	-	51,237,144	38,530,812	

(in million Rupiah)

	Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	281,008	351,315	27,465,674	16,993	-	-
	-	-	78,286	817,994	477	-	-
	-	-	171,126	801,749	18,399	-	-
	746	-	1,778,806	104,330,031	142,147	-	-
	-	-	6,181	1,768,762	1,271	-	-
	192,648	-	221,775	13,181,771	35,851	-	-
	2,863	1,948	4,636,928	114,969,007	388,957	-	-
	-	-	241,291	13,088,253	97,241	-	-
	11,005	-	485,635	21,126,481	78,448	80	-
	-	-	683,227	15,664,785	415	593,574	-
	15,109,394	-	692,712	5,909,438	74,560	-	-
	-	-	320,792	50	810	-	-
	-	-	313,551	858,083	953	-	-
	-	-	239,789	2,195,117	854	-	-
	-	-	353,941	3,840,477	13,392	-	-
	-	-	1,064,387	-	72,552	-	-
	-	-	239	-	-	-	-
	-	-	2,999,403	17,207	11,232	-	-
	-	-	49,027,240	26,731,939	413,646	-	-
	-	96,609	10,249,930	35,237,198	130,122	40,098,581	-
	15,316,656	379,565	73,916,554	388,004,016	1,498,320	40,692,235	-

Table B.3.a.2. Disclosure of Net Receivables by Economic Sectors - Consolidated

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Period of December 31, 2016					
1	Agriculture, hunting and forestry	-	225,000	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and quarrying	-	866,773	-	-	-
4	Manufacturing	-	100,067	-	-	-
5	Electricity, gas and water	-	9,807,972	-	-	-
6	Construction	-	-	-	-	-
7	Wholesale and retail trading	-	2	-	-	-
8	Hotel and food & beverage	-	-	-	-	-
9	Transportation, warehousing and communications	-	56	-	-	-
10	Financial intermediary	-	4,373,089	-	41,334,470	-
11	Real estate, rental and business services	-	-	-	-	-
12	Public administration, defense and compulsory social security	155,590,626	-	-	-	-
13	Education services	-	-	-	-	-
14	Human health and social work activities	-	-	-	-	-
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-
16	Activities of households as employers	-	-	-	-	-
17	International institution and other extra international agencies	-	-	-	-	-
18	Undefined activities	-	-	-	-	-
19	Non business field	-	-	-	-	33,029,157
20	Others	-	2,508,733	-	-	-
	Total	155,590,626	17,881,692	-	41,334,470	33,029,157

(in million Rupiah)

	Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	218,123	22,470,992	32,118	-	453,347
	-	-	49,245	628,262	772	-	96,329
	-	-	110,504	695,324	17,625	-	6,705
	-	-	1,148,675	102,472,875	134,766	-	697,028
	-	-	2,380	715,458	2,686	-	817
	142,024	-	165,800	10,649,342	53,391	-	50,804
	-	-	3,044,104	100,676,426	384,127	-	716,752
	-	-	154,417	13,504,552	12,111	-	13,379
	-	-	293,445	21,555,596	78,987	80	424,912
	-	-	762,490	13,110,485	2,033	423,293	1,184,417
	13,203,681	-	342,115	4,360,906	68,298	-	269,813
	-	-	296,606	44,088	1,463	-	811,554
	-	-	310,922	883,221	10,590	-	3,907
	-	-	181,750	1,536,365	586	-	476
	-	-	303,143	3,470,677	6,538	-	10,657
	-	-	1,688,358	-	49,806	-	-
	-	-	373	-	-	-	-
	-	-	2,439,969	156,015	7,511	-	-
	-	-	44,314,320	23,863,749	275,923	-	194,280
	-	-	9,586,136	28,561,115	47,204	37,348,660	90,624
	13,345,705	-	65,412,875	349,355,448	1,186,535	37,772,033	5,025,801

Table B.4.a.1. Disclosure of Receivables and Provisioning by Region - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables	23,905,851	657,013,136	6,970,909	17,388,415	705,278,311
2	Impaired receivables	197,837	4,589,840	206,491	396,496	5,390,664
	a. Non past due	-	2,082,600	37,570	396,496	2,516,666
	b. Past due	197,837	2,507,240	168,921	-	2,873,998
3	Allowance for impairment losses - Individual	141,477	3,556,455	151,713	173,128	4,022,773
4	Allowance for impairment losses - Collective	633,652	8,998,285	152,097	310,664	10,094,698
5	Written-off receivables	2,028	1,522,438	6,765	12,198	1,543,429

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables	22,667,225	602,729,906	6,138,933	16,253,010	647,789,074
2	Impaired receivables	162,187	4,301,737	157,443	23,887	4,645,254
	a. Non past due	51,357	677,928	-	15,954	745,239
	b. Past due	110,830	3,623,809	157,443	7,933	3,900,015
3	Allowance for impairment losses - Individual	123,404	3,747,584	134,179	13,801	4,018,968
4	Allowance for impairment losses - Collective	439,048	8,486,998	204,674	300,867	9,431,587
5	Written-off receivables	41,536	867,078	5,545	21,432	935,591

Table B.4.a.2. Disclosure of Receivables and Provisioning by Region - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables	24,035,621	669,869,361	6,970,909	17,388,415	786,971	719,051,277
2	Impaired Receivables	197,837	4,632,990	206,491	396,496	40,723	5,474,537
	a. Non Past Due	-	2,105,385	37,570	396,496	40,723	2,580,174
	b. Past Due	197,837	2,527,605	168,921	-	-	2,894,363
3	Allowance for Impairment Losses - Individual	141,477	3,590,102	151,713	173,128	40,723	4,097,143
4	Allowance for Impairment Losses - Collective	634,923	9,436,512	152,097	310,664	2,829	10,537,025
5	Written-off receivables	2,028	1,736,019	6,765	12,198	-	1,757,010

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables	22,667,225	611,110,837	6,138,933	16,253,010	773,299	656,943,304
2	Impaired Receivables	162,187	4,321,737	157,443	23,887	88,249	4,753,503
	a. Non Past Due	51,357	677,928	-	15,954	40,424	785,663
	b. Past Due	110,830	3,643,809	157,443	7,933	47,825	3,967,840
3	Allowance for Impairment Losses - Individual	123,404	3,767,584	134,179	13,801	88,249	4,127,217
4	Allowance for Impairment Losses - Collective	439,048	8,794,017	204,674	300,867	-	9,738,606
5	Written-off receivables	41,536	1,115,204	5,545	21,432	-	1,183,717

Table B.5.a.1. Disclosure of Receivables and Provisioning based on Economic Sectors - Bank Only

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Period of December 31, 2017							
1	Agriculture, hunting and forestry	26,186,491	-	132,870	120,035	155,662	206
2	Fishery	664,084	-	-	-	13,524	72
3	Mining and quarrying	802,550	-	61,448	45,093	47,929	-
4	Manufacturing	95,017,163	1,226	347,765	276,783	2,488,413	81,194
5	Electricity, gas and water	13,449,184	-	18,363	17,099	145,997	-
6	Construction	11,129,721	687,685	113,070	372,159	252,315	804
7	Wholesale and retail trading	108,016,224	978,384	685,160	1,320,170	2,364,963	153,793
8	Hotel and food & beverage	12,671,143	53,483	236,854	169,034	1,001,356	23,228
9	Transportation, warehousing and communications	19,921,503	794,847	507,792	1,083,660	631,993	518,168
10	Financial intermediary	71,248,045	-	-	-	77,060	121
11	Real estate, rental and business services	17,838,790	-	257,883	188,717	662,926	1,156
12	Public administration, defense and compulsory social security	169,769,991	-	-	-	-	-
13	Education services	658,675	-	-	-	19,742	193
14	Human health and social work activities	1,791,102	-	-	-	24,707	177
15	Public, socio-culture, entertainment and other personal services	3,712,704	-	25,738	18,732	87,322	858
16	Activities of households as employee	-	-	-	-	-	-
17	International and other extra international institutions	240	-	-	-	2	-
18	Undefined activities	11,793	-	-	-	590	254
19	Non business field	114,638,188	-	-	-	1,200,371	371,016
20	Others	37,750,720	1,041	487,055	411,291	919,826	392,189
	Total	705,278,311	2,516,666	2,873,998	4,022,773	10,094,698	1,543,429

Table B.5.a.1. Disclosure of Receivables and Provisioning based on Economic Sectors - Bank Only

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Period of December 31, 2016							
1	Agriculture, hunting and forestry	20,958,594	2,049	149,727	128,199	135,824	6,268
2	Fishery	551,413	-	-	-	10,087	81
3	Mining and quarrying	1,536,646	-	64,850	48,004	42,858	670
4	Manufacturing	91,969,485	22,729	535,226	439,007	1,995,249	11,275
5	Electricity, gas and water	9,662,332	-	18,667	17,512	16,728	-
6	Construction	9,803,852	-	137,777	100,388	222,871	18,956
7	Wholesale and retail trading	92,640,584	302,479	1,304,298	1,341,831	2,255,118	210,868
8	Hotel and food & beverage	12,442,265	46,423	40,060	72,704	883,731	890
9	Transportation, warehousing and communications	21,065,009	371,559	698,369	985,413	1,143,397	2,118
10	Financial intermediary	58,690,154	-	4,114	2,290	64,635	55
11	Real estate, rental and business services	14,640,443	-	201,605	147,736	746,976	7,270
12	Public administration, defense and compulsory social security	158,257,479	-	-	-	-	30
13	Education services	736,190	-	13,951	4,513	6,811	187
14	Human health and social work activities	1,405,218	-	-	-	106,009	745
15	Public, socio-culture, entertainment and other personal services	3,319,942	-	-	-	79,473	2,222
16	Activities of households as employee	-	-	-	-	-	-
17	International and other extra international institutions	372	-	-	-	3	-
18	Undefined activities	11,160	-	-	-	418	35
19	Non business field	101,283,185	-	-	-	1,067,277	372,911
20	Others	48,814,751	-	731,371	731,371	654,122	301,010
	Total	647,789,074	745,239	3,900,015	4,018,968	9,431,587	935,591

Table B.5.a.2. Disclosure of Receivables and Provisioning based on Economic Sectors - Consolidated

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Period of December 31, 2017							
1	Agriculture, hunting and forestry	26,859,193	-	132,870	120,035	162,738	2,926
2	Fishery	807,409	-	-	-	14,329	1,000
3	Mining and quarrying	965,879	-	61,813	45,459	50,204	1,537
4	Manufacturing	97,145,418	3,769	347,765	279,326	2,512,573	91,740
5	Electricity, gas and water	13,449,835	-	18,363	17,098	146,023	-
6	Construction	11,318,399	693,887	113,070	378,362	256,291	804
7	Wholesale and retail trading	110,056,619	988,173	685,160	1,323,942	2,392,097	166,996
8	Hotel and food & beverage	12,768,664	53,483	236,854	169,033	1,003,182	24,051
9	Transportation, warehousing and communications	20,790,357	797,847	527,792	1,103,810	650,327	519,547
10	Financial intermediary	71,326,528	606	-	607	83,658	451
11	Real estate, rental and business services	18,724,608	-	257,883	188,717	676,525	3,901
12	Public administration, defense and compulsory social security	170,419,048	-	-	-	3,726	1,786
13	Education services	948,222	-	-	-	22,863	1,198
14	Human health and social work activities	1,972,880	-	-	-	26,814	584
15	Public, socio-culture, entertainment and other personal services	3,820,518	246	25,738	18,732	89,193	1,552
16	Activities of households as employee	1,199,689	-	-	-	204,068	159,546
17	International and other extra international institutions	240	-	-	-	2	-
18	Undefined activities	3,053,089	-	-	-	41,079	16,186
19	Non business field	115,217,345	-	-	-	1,278,507	371,016
20	Others	38,207,337	42,163	487,055	452,022	922,826	392,189
	Total	719,051,277	2,580,174	2,894,363	4,097,143	10,537,025	1,757,010

Table B.5.a.2. Disclosure of Receivables and Provisioning based on Economic Sectors - Consolidated

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Period of December 31, 2016							
1	Agriculture, hunting and forestry	21,181,425	2,049	149,727	128,199	139,634	9,512
2	Fishery	597,432	-	-	-	10,802	401
3	Mining and quarrying	1,709,761	-	64,850	48,004	44,943	2,422
4	Manufacturing	93,108,312	22,729	535,226	439,007	2,010,542	19,169
5	Electricity, gas and water	9,662,474	-	18,667	17,512	16,731	-
6	Construction	9,817,978	-	137,777	100,387	223,013	18,967
7	Wholesale and retail trading	93,683,342	302,479	1,304,298	1,341,831	2,268,558	215,948
8	Hotel and food & beverage	12,529,592	46,423	40,060	72,704	884,630	1,506
9	Transportation, warehousing and communications	21,889,668	371,559	718,369	1,005,413	1,149,049	3,962
10	Financial intermediary	57,468,298	-	4,114	2,290	65,637	359
11	Real estate, rental and business services	15,084,374	-	201,605	147,736	751,506	8,691
12	Public administration, defense and compulsory social security	159,460,797	-	-	-	4,671	2,087
13	Education services	1,059,180	-	13,951	4,514	11,222	1,354
14	Human health and social work activities	1,588,399	-	-	-	108,218	1,252
15	Public, socio-culture, entertainment and other personal services	3,419,968	-	-	-	81,056	3,111
16	Activities of households as employee	1,791,364	-	-	-	216,774	212,382
17	International and other extra international institutions	372	-	-	-	3	-
18	Undefined activities	2,616,597	-	-	-	27,719	8,673
19	Non business field	101,283,185	-	-	-	1,067,277	372,911
20	Others	48,990,786	40,424	779,196	819,620	656,621	301,010
	Total	656,943,304	785,663	3,967,840	4,127,217	9,738,606	1,183,717

Table B.6.a.1. Disclosure of Movements of Allowance for Impairment Losses - Bank Only

(in million Rupiah)

No.	Description	Period of December 31, 2017	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	4,018,968	9,436,524
2	Additional/reversal allowance for impairment losses during the year (Net)		
	2.a Additional allowance for impairment losses during the year	1,583,009	3,253,931
	2.b Reversal allowance for impairment losses during the year	(834,737)	(1,740,349)
3	Allowance for impairment losses used for written off receivables during the year	(889,248)	(955,142)
4	Other additional (reversal) of allowance during the year	144,781	99,734
Ending Balance - Allowance for Impairment Losses		4,022,773	10,094,698

(in million Rupiah)

No.	Description	Period of December 31, 2016	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	2,016,121	8,198,278
2	Additional/reversal allowance for impairment losses during the year (Net)		
	2.a Additional allowance for impairment losses during the year	2,342,958	4,082,390
	2.b Reversal allowance for impairment losses during the year	(216,975)	(1,955,141)
3	Allowance for impairment losses used for written off receivables during the year	(147,603)	(1,005,985)
4	Other additional (reversal) of allowance during the year	24,467	-
Ending Balance - Allowance for Impairment Losses		4,018,968	9,436,524

Table B.6.a.2. Disclosure of Movements of Allowance for Impairment Losses - Consolidated

(in million Rupiah)

No.	Description	Period of December 31, 2017	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	4,137,890	9,777,291
2	Additional/reversal allowance for impairment losses during the year (Net)		
	2.a Additional allowance for impairment losses during the year	1,715,020	3,732,149
	2.b Reversal allowance for impairment losses during the year	(964,297)	(1,858,767)
3	Allowance for impairment losses used for written off receivables during the year	(936,068)	(1,213,380)
4	Other additional (reversal) of allowance during the year	144,598	99,732
Ending Balance - Allowance for Impairment Losses		4,097,143	10,537,025

(in million Rupiah)

No.	Description	Period of December 31, 2016	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	2,114,411	8,530,257
2	Additional/reversal allowance for impairment losses during the year (Net)		
	2.a Additional allowance for impairment losses during the year	2,354,957	4,552,866
	2.b Reversal allowance for impairment losses during the year	(216,975)	(2,129,522)
3	Allowance for impairment losses used for written off receivables during the year	(147,603)	(1,282,619)
4	Other additional (reversal) of allowance during the year	22,427	116,982
Ending Balance - Allowance for Impairment Losses		4,127,217	9,787,964

Table B.7.a.1. Disclosure of Net Receivables by Portfolio and Rating Category - Bank Only

No.	Portfolio Category	Rating Company	Long-Term Rating			
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Ratings	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns		-	135,805	-	15,401,088
2	Receivables on public sector entities		20,858,812	93,997	1,129,369	353,251
3	Receivables on multilateral development banks and international institutions		-	-	-	-
4	Receivables on banks		15,798,597	14,003,305	6,133,357	430,096
5	Loans secured by residential property					
6	Loans secured by commercial real estate					
7	Employee/retired loans					
8	Receivables on micro, small business & retail portfolio					
9	Receivables on corporate		15,195,862	10,085,057	4,018,274	3,007,662
10	Past due receivables					
11	Other assets		41,910			
	Total		51,895,181	24,318,164	11,281,000	19,192,097

(in million Rupiah)

Period of December 31, 2017									
Net Receivables									
			Short-Term Rating					Unrated	Total
BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3			
BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3			
Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3			
BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)			
[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr]A3	Lower than [Idr]A3			
idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
-	-	-	-	-	-	-	-	148,390,681	163,927,574
-	-	-	-	-	-	-	-	1,837,070	24,272,499
-	-	-	-	-	-	-	-	-	-
978,667	-	-	-	-	-	-	-	13,216,202	50,560,224
								38,498,199	38,498,199
								15,154,747	15,154,747
								-	-
								64,802,099	64,802,099
87,076	22,439	-	-	-	-	-	-	351,276,805	383,693,175
								1,377,366	1,377,366
								40,063,443	40,105,353
1,065,743	22,439	-	-	-	-	-	-	674,616,612	782,391,236

Table B.7.a.1. Disclosure of Net Receivables by Portfolio and Rating Category - Bank Only

No.	Portfolio Category	Rating Company	Long-Term Rating			
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Ratings	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-
		(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns		-	608,771	-	11,793,490
2	Receivables on public sector entities		11,233,473	3,481,956	252,998	250,981
3	Receivables on multilateral development banks and international institutions		-	-	-	-
4	Receivables on banks		12,838,644	7,048,808	5,989,772	276,687
5	Loans secured by residential property					
6	Loans secured by commercial real estate					
7	Employee/retired loans					
8	Receivables on micro, small business & retail portfolio					
9	Receivables on corporate		11,708,630	2,947,874	2,758,484	366,963
10	Past due receivables					
11	Other assets					
12	Exposures at Sharia based business activity unit (if any)		-	-	-	-
	Total		35,780,747	14,087,409	9,001,254	12,688,121

(in million Rupiah)

Period of December 31, 2016									
Net Receivables									
			Short-Term Rating					Unrated	Total
BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3			
BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3			
Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3			
BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)			
[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr]A3	Lower than [Idr]A3			
idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
3,970,553	-	-	-	-	-	-	-	138,892,796	155,265,610
966,158	-	-	-	-	-	-	-	1,696,068	17,881,634
-	-	-	-	-	-	-	-	-	-
428,666	-	-	-	-	-	-	-	14,247,790	40,830,367
								33,029,157	33,029,157
								13,345,705	13,345,705
								-	-
								58,127,560	58,127,560
28,190	-	-	-	-	-	-	-	330,296,756	348,106,897
								1,107,843	1,107,843
								37,334,245	37,334,245
-	-	-	-	-	-	-	-	-	-
5,393,567	-	-	-	-	-	-	-	628,077,920	705,029,018

Table B.7.a.2. Disclosure of Net Receivables by Portfolio and Rating Category - Consolidated

No.	Portfolio Category	Rating Company	Long-Term Rating			
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Ratings	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns		-	135,805	-	15,401,088
2	Receivables on public sector entities		20,858,812	93,997	1,129,369	353,251
3	Receivables on multilateral development banks and international institutions		-	-	-	-
4	Receivables on banks		15,944,050	14,160,893	6,230,937	556,259
5	Loans secured by residential property					
6	Loans secured by commercial real estate					
7	Employee/retired loans					
8	Receivables on micro, small business & retail portfolio					
9	Receivables on corporate		15,166,091	10,174,777	4,536,676	3,007,662
10	Past due receivables					
11	Other assets		41,910			
	Total		52,010,863	24,565,472	11,896,982	19,318,260

(in million Rupiah)

Period of December 31, 2017									
Net Receivables									
			Short-Term Rating					Unrated	Total
	BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3		
	Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr]A3	Lower than [Idr]A3		
	idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	-	149,692,311	165,229,204
	-	-	-	-	-	-	-	1,837,099	24,272,528
	-	-	-	-	-	-	-	-	-
	988,206	-	-	-	-	-	-	13,356,799	51,237,144
								38,530,812	38,530,812
								15,316,656	15,316,656
								379,565	379,565
								73,916,554	73,916,554
	87,076	22,439	-	-	-	-	-	355,009,295	388,004,016
								1,498,320	1,498,320
								40,650,325	40,692,235
	1,075,282	22,439	-	-	-	-	-	690,187,736	799,077,034

Table B.7.a.2. Disclosure of Net Receivables by Portfolio and Rating Category - Consolidated

No.	Portfolio Category	Rating Company	Long-Term Rating			
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Ratings	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns		-	608,771	-	11,793,490
2	Receivables on public sector entities		11,233,473	3,481,956	252,998	250,981
3	Receivables on multilateral development banks and international institutions		-	-	-	-
4	Receivables on banks		12,839,609	7,066,622	6,095,706	406,793
5	Loans secured by residential property					
6	Loans secured by commercial real estate					
7	Employee/retired loans					
8	Receivables on micro, small business & retail portfolio					
9	Receivables on corporate		11,415,236	2,947,874	2,758,484	366,963
10	Past due receivables					
11	Other assets					
12	Exposures at Sharia based business activity unit (if any)		233,865	87,637	268,988	1,286
	Total		35,722,183	14,192,860	9,376,176	12,819,513

(in million Rupiah)

Period of December 31, 2016									
Net Receivables									
			Short-Term Rating					Unrated	Total
BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3			
BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3			
Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3			
BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)			
[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr]A3	Lower than [Idr]A3			
idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
3,970,553	-	-	-	-	-	-	-	139,217,812	155,590,626
966,158	-	-	-	-	-	-	-	1,696,126	17,881,692
-	-	-	-	-	-	-	-	-	-
500,757	-	-	-	-	-	-	-	14,424,983	41,334,470
								33,029,157	33,029,157
								13,345,705	13,345,705
								-	-
								65,412,875	65,412,875
28,190	-	-	-	-	-	-	-	331,838,701	349,355,448
								1,186,535	1,186,535
								37,772,033	37,772,033
315,091	-	-	-	-	-	-	-	4,118,934	5,025,801
5,780,749	-	-	-	-	-	-	-	642,042,861	719,934,342

Table B.8.a.1.a. Disclosure of Counterparty Credit Risk : Derivative Over the Counter Transaction - Bank Only

(in million Rupiah)

No.	Underlying Variables	Period of December 31, 2017							
		Notional Amount			Derivative Receivables	Derivative Liabilities	Net Receivables before CRM	CRM	Net Receivables after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Years	> 5 Years					
1	Interest rate	-	-	-	-	-	-	-	-
2	Foreign exchange	48,367,283	-	-	124,375	51,389	608,048	-	608,048
3	Other	-	-	-	-	-	-	-	-
	Total	48,367,283	-	-	124,375	51,389	608,048	-	608,048

(in million Rupiah)

No.	Underlying Variables	Period of December 31, 2016							
		Notional Amount			Derivative Receivables	Derivative Liabilities	Net Receivables before CRM	CRM	Net Receivables after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Years	> 5 Years					
BANK ONLY									
1	Interest rate	-	-	-	-	-	-	-	-
2	Foreign exchange	26,524,207	-	-	60,218	121,067	325,460	-	325,460
3	Other	-	-	-	-	-	-	-	-
	Total	26,524,207	-	-	60,218	121,067	325,460	-	325,460
CONSOLIDATED									
1	Interest rate	-	-	-	-	-	-	-	-
2	Foreign exchange	26,524,207	-	-	60,218	121,067	325,460	-	325,460
3	Equity	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than gold	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-
	Total	26,524,207	-	-	60,218	121,067	325,460	-	325,460

Table B.8.a.1.c. Disclosure of Counterparty Credit Risk: Reverse Repo Transaction – Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	3,908,966	3,239,863	669,103	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	4,821,015	4,286,808	534,207	109,777
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	-	-	-	-
	Total	8,729,981	7,526,671	1,203,310	109,777

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	-	-	-	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	2,196,231	1,942,939	253,292	50,659
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	-	-	-	-
7	Exposures at Sharia based business activity unit (if any)	-	-	-	-
	Total	2,196,231	1,942,939	253,292	50,659

Table B.8.a.2.a. Disclosure of Counterparty Credit Risk : Derivative Over the Counter Transaction - Consolidated

(in billion Rupiah)

No.	Underlying Variables	Period of December 31, 2017							
		Notional Amount			Derivative Receivable	Derivative Liabilities	Net Receivable before CRM	CRM	Net Receivable after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Year	> 5 Year					
1	Interest Rate	-	-	-	-	-	-	-	-
2	Foreign Exchange	48,367,283	-	-	124,375	51,389	608,048	-	608,048
3	Equity	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	1,110,072	-	-	-	-	11,100	-	11,100
	Total	49,477,355	-	-	124,375	51,389	619,148	-	619,148

Note: Table B.8.a.2.a in 2016 is not available

Table B.8.a.2.b. Disclosure of Counterparty Credit Risk: Repo Transaction – Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	-	-	-	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	103,365	99,795	3,570	714
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	-	-	-	-
	Total	103,365	99,795	3,570	714

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	-	-	-	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	172,007	134,748	37,259	7,452
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	-	-	-	-
7	Exposures at Sharia based business activity unit (if any)	-	-	-	-
	Total	172,007	134,748	37,259	7,452

Table B.8.a.2.c. Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	4,184,873	3,515,770	669,103	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	4,821,015	4,286,808	534,207	109,776
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	255,738	-	255,738	103,579
	Total	9,261,626	7,802,578	1,459,048	213,355

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	-	-	-	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	2,196,231	1,942,939	253,292	50,659
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	80,665	-	80,665	80,665
7	Exposures at Sharia based business activity unit (if any)	272,701	272,701	-	-
	Total	2,549,597	2,215,640	333,957	131,324

Table B.9.a.1. Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Bank Only

No.	Portfolio Category				
		0%	20%	35%	
(1)	(2)	(3)	(4)	(5)	
A	Balance Sheet Exposures				
1	Receivables on sovereigns	160,018,609	-	-	
2	Receivables on public sector entities	-	19,758,416	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	484	34,406,540	-	
5	Loans secured by residential property	-	-	38,284,057	
6	Loans secured by commercial real estate	583,904	324	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	499,590	78,390	-	
9	Receivables on corporate	10,404,440	21,512,141	-	
10	Past due receivable	4,618	89	-	
11	Other assets	16,726,214	-	-	
	Total Exposures - Balance Sheet	188,237,859	75,755,900	38,284,057	
B	Off Balance Sheet Commitment/Contingency Receivables Exposures				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	1,194,394	-	
3	Receivables on multilateral development banks and international institutions	8,259	-	-	
4	Receivables on banks	-	321,979	-	
5	Loans secured by residential property	34,736	-	214,142	
6	Loans secured by commercial real estate	-	-	-	
7	Employee/retired loans	133,333	-	-	
8	Receivables on micro, small business & retail portfolio	1,653,413	-	-	
9	Receivables on corporate	-	3,717,065	-	
10	Past due receivable	1,829,741	-	-	
	Total Exposures - Off Balance Sheet	3,659,482	5,233,438	214,142	
C	Counterparty Credit Risk Exposures				
1	Receivables on sovereigns	669,103	-	-	
2	Receivables on public sector entities	-	-	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	-	643,418	-	
5	Receivables on micro, small business & retail portfolio	-	-	-	
6	Receivables on corporate	-	-	-	
7	Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	
	Total Exposures - Counterparty Credit Risk	669,103	643,418	-	

(in million Rupiah)

Period of December 31, 2017								RWA	Capital Charge
Net Receivables after Calculation of Credit Risk Mitigation Impact									
	40%	45%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-	-	-	-
	-	-	3,298,175	-	-	-	-	5,600,771	448,062
	-	-	-	-	-	-	-	-	-
	-	-	10,148,491	-	-	-	-	11,955,553	956,444
	-	-	-	-	-	-	-	13,399,420	1,071,954
	-	-	-	-	12,178,743	-	-	12,178,808	974,305
	-	-	-	-	-	-	-	-	-
	-	-	-	63,606,453	-	-	-	47,720,518	3,817,641
	-	-	3,540,943	-	301,594,274	-	-	307,667,174	24,613,374
	-	-	-	-	219,330	1,153,149	-	1,949,071	155,926
	-	-	-	-	23,052,211	326,928	-	23,542,604	1,883,408
	-	-	16,987,609	63,606,453	337,044,558	1,480,077	-	424,013,919	33,921,113
	-	-	-	-	-	-	-	-	-
	-	-	21,514	-	-	-	-	249,636	19,971
	-	-	-	-	-	-	-	-	-
	-	-	377,873	-	-	-	-	253,332	20,266
	-	-	-	-	-	-	-	74,950	5,996
	-	-	-	-	2,357,040	-	-	2,357,040	188,563
	-	-	-	-	-	-	-	-	-
	-	-	-	484,333	-	-	-	363,250	29,060
	-	-	2,067,792	-	39,050,883	19,758	-	40,857,829	3,268,626
	-	-	-	-	-	180	-	270	22
	-	-	2,467,179	484,333	41,407,923	19,938	-	44,156,307	3,532,505
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	328,012	-	38,359	-	-	331,049	26,484
	-	-	-	-	-	-	-	-	-
	-	-	-	-	129,785	2,681	-	133,807	10,704
	-	-	-	-	-	-	-	19,446	1,556
	-	-	328,012	-	168,144	2,681	-	484,302	38,744

Table B.9.a.1. Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Bank Only

No.	Portfolio Category				
		0%	20%	35%	
(1)	(2)	(3)	(4)	(5)	
A	Balance Sheet Exposures				
1	Receivables on sovereigns	155,265,610	-	-	
2	Receivables on public sector entities	-	13,882,804	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	5,905	32,149,581	-	
5	Loans secured by residential property	-	-	32,761,790	
6	Loans secured by commercial real estate	487,987	35	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	419,478	11,542	-	
9	Receivables on corporate	9,607,602	13,130,121	-	
10	Past due receivable	1,072	-	-	
11	Other assets	15,925,354	-	-	
12	Exposures at Sharia based business activity unit (if any)	-	-	-	
	Total Exposures - Balance Sheet	181,713,008	59,174,083	32,761,790	
B	Off Balance Sheet Commitment/Contingency Receivables Exposures				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	832,625	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	8,105	238	-	
5	Loans secured by residential property	-	-	267,367	
6	Loans secured by commercial real estate	19,212	-	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	132,255	-	-	
9	Receivables on corporate	1,412,114	1,525,274	-	
10	Past due receivable	-	-	-	
11	Exposures at Sharia based business activity unit (if any)	-	-	-	
	Total Exposures - Off Balance Sheet	1,571,686	2,358,137	267,367	
C	Counterparty Credit Risk Exposures				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	-	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	-	286,796	-	
5	Receivables on micro, small business & retail portfolio	-	-	-	
6	Receivables on corporate	-	-	-	
7	Exposures at Sharia based business activity unit (if any)	-	-	-	
	Total Exposures - Counterparty Credit Risk	-	286,796	-	

(in million Rupiah)

Period of December 31, 2016								RWA	Capital Charge
Net Receivables after Calculation of Credit Risk Mitigation Impact									
	40%	45%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-	-	-	-
	-	-	1,975,047	-	966,158	-	-	4,730,243	378,419
	-	-	-	-	-	-	-	-	-
	-	-	5,620,211	-	-	-	-	9,240,022	739,202
	-	-	-	-	-	-	-	11,466,626	917,330
	-	-	-	-	10,591,880	-	-	10,591,887	847,351
	-	-	-	-	-	-	-	-	-
	-	-	-	57,216,736	-	-	-	42,914,860	3,433,189
	-	-	3,321,519	-	281,705,774	-	-	285,992,558	22,879,405
	-	-	-	-	112,752	994,019	-	1,603,781	128,302
	-	-	-	-	21,097,972	310,919	-	21,564,351	1,725,148
	-	-	-	-	-	-	-	-	-
	-	-	10,916,777	57,216,736	314,474,536	1,304,938	-	388,104,328	31,048,346
	-	-	-	-	-	-	-	-	-
	-	-	225,000	-	-	-	-	279,025	22,322
	-	-	-	-	-	-	-	-	-
	-	-	615,312	-	638	-	-	308,342	24,668
	-	-	-	-	-	-	-	93,578	7,486
	-	-	-	-	2,246,591	-	-	2,246,591	179,727
	-	-	-	-	-	-	-	-	-
	-	-	-	347,549	-	-	-	260,662	20,853
	-	-	1,017,354	-	36,295,825	-	-	37,109,557	2,968,765
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	1,857,666	347,549	38,543,054	-	-	40,297,755	3,223,821
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	184,701	-	15,941	-	-	165,651	13,252
	-	-	-	-	-	-	-	-	-
	-	-	-	-	91,314	-	-	91,314	7,305
	-	-	-	-	-	-	-	-	-
	-	-	184,701	-	107,255	-	-	256,965	20,557

Table B.9.a.2. Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Consolidated

No.	Portfolio Category				
		0%	20%	35%	
(1)	(2)	(3)	(4)	(5)	
A	Balance Sheet Exposures				
1	Receivables on sovereigns	161,044,332	-	-	
2	Receivables on public sector entities	-	19,758,415	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	484	34,964,790	-	
5	Loans secured by residential property	-	-	38,316,670	
6	Loans secured by commercial real estate	583,904	324	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	505,471	78,390	-	
9	Receivables on corporate	10,814,048	21,807,968	-	
10	Past due receivables	4,618	89	-	
11	Other assets	16,754,249	-	-	
	Total Exposures - Balance Sheets	189,707,106	76,609,976	38,316,670	
B	Off Balance Sheet Commitment/Contingency Receivables Exposures				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	1,194,394	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	8,259	321,979	-	
5	Loans secured by residential property	-	-	214,142	
6	Loans secured by commercial real estate	34,736	-	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	133,333	-	-	
9	Receivables on corporate	1,653,412	3,700,830	-	
10	Past due receivables	-	-	-	
	Total Exposures - Off Balance Sheets	1,829,740	5,217,203	214,142	
C	Counterparty Credit Risk Exposures				
1	Receivables on sovereigns	669,103	-	-	
2	Receivables on public sector entities	-	-	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	-	658,088	-	
5	Receivables on micro, small business & retail portfolio	-	-	-	
6	Receivables on corporate	-	-	-	
7	Exposures at Sharia based business activity unit (if any)	-	-	-	
	Total Exposures - Counterparty Credit Risk	669,103	324,055	-	

(in million Rupiah)

Period of December 31, 2017								RWA	Capital Charge
Net Receivables after Calculation of Credit Risk Mitigation Impact									
	40%	45%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-	-	-	-
	-	-	3,298,205	-	-	-	-	5,600,786	448,063
	-	-	-	-	-	-	-	-	-
	-	-	10,243,478	-	9,014	-	-	12,123,710	969,897
	-	-	-	-	-	-	-	13,410,834	1,072,867
	-	-	-	-	12,340,652	-	-	12,340,717	987,257
	-	-	379,565	-	-	-	-	189,783	15,183
	-	-	-	72,715,027	-	-	-	54,551,948	4,364,156
	-	-	4,059,345	-	304,467,473	-	-	310,858,740	24,868,699
	-	-	-	-	219,830	1,273,603	-	2,130,252	170,420
	-	-	-	-	23,594,322	343,664	-	24,109,819	1,928,785
	-	-	17,980,593	72,715,027	340,631,291	1,617,267	-	435,316,589	34,825,327
	-	-	-	-	-	-	-	-	-
	-	-	21,514	-	-	-	-	249,636	19,971
	-	-	-	-	-	-	-	-	-
	-	-	377,873	-	-	-	-	253,332	20,266
	-	-	-	-	-	-	-	74,950	5,996
	-	-	-	-	2,357,040	-	-	2,357,040	188,563
	-	-	-	-	-	-	-	-	-
	-	-	-	484,333	-	-	-	363,250	29,060
	-	-	2,067,793	-	39,025,184	19,758	-	40,828,884	3,266,311
	-	-	-	-	-	180	-	270	22
	-	-	2,467,180	484,333	41,382,224	19,938	-	44,127,362	3,530,189
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	328,012	-	38,359	-	-	333,982	26,719
	-	-	-	-	-	-	-	-	-
	-	-	-	-	385,523	2,681	-	389,545	31,163
	-	-	-	-	-	-	-	19,446	1,556
	-	-	328,012	-	423,882	2,681	-	742,973	59,438

Table B.9.a.2. Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Consolidated

No.	Portfolio Category				
		0%	20%	35%	
(1)	(2)	(3)	(4)	(5)	
A	Balance Sheet Exposures				
1	Receivables on sovereigns	155,590,626	-	-	
2	Receivables on public sector entities	-	13,882,804	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	5,905	32,431,256	-	
5	Loans secured by residential property	-	-	32,761,790	
6	Loans secured by commercial real estate	487,987	35	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	419,478	11,542	-	
9	Receivables on corporate	9,607,602	13,130,121	-	
10	Past due receivables	1,072	-	-	
11	Other assets	15,937,601	-	-	
12	Exposures at Sharia based business activity unit (if any)	908,086	717,020	48,130	
	Total Exposures - Balance Sheets	182,958,357	60,172,778	32,809,920	
B	Off Balance Sheet Commitment/Contingency Receivables Exposures				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	832,625	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	8,105	238	-	
5	Loans secured by residential property	-	-	267,367	
6	Loans secured by commercial real estate	19,212	-	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	132,255	-	-	
9	Receivables on corporate	1,412,114	1,525,275	-	
10	Past due receivables	-	-	-	
11	Exposures at Sharia based business activity unit (if any)	-	-	-	
	Total Exposures - Off Balance Sheets	1,571,686	2,358,138	267,367	
C	Counterparty Credit Risk Exposures				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	-	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	-	324,055	-	
5	Receivables on micro, small business & retail portfolio	-	-	-	
6	Receivables on corporate	-	-	-	
7	Exposures at Sharia based business activity unit (if any)	-	-	-	
	Total Exposures - Counterparty Credit Risk	-	324,055	-	

(in million Rupiah)

Period of December 31, 2016								RWA	Capital Charge
Net Receivables after Calculation of Credit Risk Mitigation Impact									
	40%	45%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-		-	-
	-	-	1,975,105	-	966,158	-		4,730,272	378,422
	-	-	-	-	-	-		-	-
	-	-	5,733,612	-	71,768	-		9,424,825	753,986
	-	-	-	-	-	-		11,466,626	917,330
	-	-	-	-	10,591,880	-		10,591,887	847,351
	-	-	-	-	-	-		-	-
	-	-	-	64,502,051	-	-		48,378,847	3,870,308
	-	-	3,321,519	-	282,893,004	-		287,179,788	22,974,383
	-	-	-	-	112,752	1,072,711		1,721,819	137,745
	-	-	-	-	21,523,513	310,919		21,989,892	1,759,191
	-	-	639,226	296,583	2,138,444	-		2,840,743	227,260
	-	-	11,669,462	64,798,634	318,297,519	1,383,630	-	398,324,699	31,865,976
	-	-	-	-	-	-		-	-
	-	-	225,000	-	-	-		279,025	22,322
	-	-	-	-	-	-		-	-
	-	-	615,312	-	638	-		308,342	24,668
	-	-	-	-	-	-		93,578	7,486
	-	-	-	-	2,246,591	-		2,246,591	179,727
	-	-	-	-	-	-		-	-
	-	-	-	347,549	-	-		260,662	20,853
	-	-	1,017,353	-	36,276,481	-		37,090,213	2,967,217
	-	-	-	-	-	-		-	-
	-	-	-	-	5,612	-		5,612	449
	-	-	1,857,665	347,549	38,529,322	-	-	40,284,023	3,222,722
	-	-	-	-	-	-		-	-
	-	-	-	-	-	-		-	-
	-	-	-	-	-	-		-	-
	-	-	184,701	-	15,941	-		173,103	13,848
	-	-	-	-	-	-		-	-
	-	-	-	-	171,979	-		171,979	13,758
	-	-	-	-	-	-		-	-
	-	-	184,701	-	187,920	-	-	345,082	27,606

Table B.10.a.1. Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3) - [(4)+(5)+(6)+(7)]
A	Balance Sheet Exposures						
1	Receivables on sovereigns	160,018,609	-	-	-		160,018,609
2	Receivables on public sector entities	23,056,591	-	-	-		23,056,591
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	44,555,515	484	-	-		44,555,031
5	Loans secured by residential property	38,284,057	-	-	-		38,284,057
6	Loans secured by commercial real estate	12,762,971	584,228	-	-		12,178,743
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	64,184,433	577,980	-	-		63,606,453
9	Receivables on corporate	337,051,798	11,901,531	-	-		325,150,267
10	Past due receivables	1,377,186	4,707	-	-		1,372,479
11	Other assets	40,105,353	-	-	-		40,105,353
	Total Exposures - Balance Sheet	721,396,513	13,068,930	-	-	-	708,327,583
B	Off Balance Sheet Commitment/Contingency Receivables Exposures						
1	Receivables on sovereigns	-	-	-	-		1,215,908
2	Receivables on public sector entities	1,215,908	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	8,259	-	-		699,852
4	Receivables on banks	708,111	-	-	-		214,142
5	Loans secured by residential property	214,142	34,736	-	-		2,357,040
6	Loans secured by commercial real estate	2,391,776	-	-	-		-
7	Employee/retired loans	-	133,333	-	-		484,333
8	Receivables on micro, small business & retail portfolio	617,666	1,753,989	-	-		44,754,922
9	Receivables on corporate	46,508,911	-	-	-		180
10	Past due receivables	180	-	-	-		-
	Total Exposures - Off Balance Sheets	51,656,694	1,930,317	-	-	-	49,726,377
C	Counterparty Credit Risk Exposures						
1	Receivables on sovereigns	3,908,965	3,239,862	-	-		669,103
2	Receivables on public sector entities	-	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	5,296,598	4,286,809	-	-		1,009,789
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	132,466	-	-	-		132,466
	Total Exposures - Counterparty Credit Risk	9,338,029	7,526,671	-	-	-	1,811,358
Total (A+B+C)		782,391,236	22,525,918	-	-	-	759,865,318

Table B.10.a.1. Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3) - [(4)+(5)+(6)+(7)]
A	Balance Sheet Exposures						
1	Receivables on sovereigns	155,265,610	-	-	-		155,265,610
2	Receivables on public sector entities	16,824,009	-	-	-		16,824,009
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	37,775,697	5,905	-	-		37,769,792
5	Loans secured by residential property	32,761,790	-	-	-		32,761,790
6	Loans secured by commercial real estate	11,079,902	488,022	-	-		10,591,880
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	57,647,756	431,020	-	-		57,216,736
9	Receivables on corporate	307,765,016	11,091,346	-	-		296,673,670
10	Past due receivables	1,107,843	1,072	-	-		1,106,771
11	Other assets	37,334,245	-	-	-		37,334,245
12	Exposures at Sharia based business activity unit (if any)	-	-	-	-		-
	Total Exposures - Balance Sheet	657,561,868	12,017,365	-	-	-	645,544,503
B	Off Balance Sheet Commitment/Contingency Receivables Exposures						
1	Receivables on sovereigns	-	-	-	-		-
2	Receivables on public sector entities	1,057,625	-	-	-		1,057,625
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	624,293	8,105	-	-		616,188
5	Loans secured by residential property	267,367	-	-	-		267,367
6	Loans secured by commercial real estate	2,265,803	19,212	-	-		2,246,591
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	479,804	132,255	-	-		347,549
9	Receivables on corporate	40,250,567	1,512,978	-	-		38,737,589
10	Past due receivables	-	-	-	-		-
11	Exposures at Sharia based business activity unit (if any)	-	-	-	-		-
	Total Exposures - Off Balance Sheets	44,945,459	1,672,550	-	-	-	43,272,909
C	Counterparty Credit Risk Exposures						
1	Receivables on sovereigns	-	1,672,550	-	-		-
2	Receivables on public sector entities	-	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	2,430,377	-	-	-		487,438
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	91,314	1,942,939	-	-		91,314
7	Exposures at Sharia based business activity unit (if any)	-	-	-	-		-
	Total Exposures - Counterparty Credit Risk	2,521,691	1,942,939	-	-	-	578,752
Total (A+B+C)		705,029,018	15,632,854	-	-	-	689,396,164

Table B.10.a.2. Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3) - [(4)+(5)+(6)+(7)]
A Balance Sheet Exposures							
1	Receivables on sovereigns	161,044,332	-	-	-	-	161,044,332
2	Receivables on public sector entities	23,056,620	-	-	-	-	23,056,620
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	45,217,765	484	-	-	-	45,217,281
5	Loans secured by residential property	38,316,670	-	-	-	-	38,316,670
6	Loans secured by commercial real estate	12,924,880	584,228	-	-	-	12,340,652
7	Employee/retired loans	379,565	-	-	-	-	379,565
8	Receivables on micro, small business & retail portfolio	73,298,888	583,861	-	-	-	72,715,027
9	Receivables on corporate	341,148,835	12,311,139	-	-	-	328,837,696
10	Past due receivables	1,498,140	4,707	-	-	-	1,493,433
11	Other assets	40,692,235	-	-	-	-	40,692,235
	Total Exposures - Balance Sheet	737,577,930	13,484,419	-	-	-	724,093,511
B Off Balance Sheet Commitment/Contingency Receivables Exposures							
1	Receivables on sovereigns	-	-	-	-	-	-
2	Receivables on public sector entities	1,215,908	-	-	-	-	1,215,908
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	708,111	8,259	-	-	-	699,852
5	Loans secured by residential property	214,142	-	-	-	-	214,142
6	Loans secured by commercial real estate	2,391,776	34,736	-	-	-	2,357,040
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	617,666	133,333	-	-	-	484,333
9	Receivables on corporate	46,466,977	1,753,988	-	-	-	44,712,989
10	Past due receivables	180	-	-	-	-	180
	Total Exposures - Off Balance Sheets	51,614,760	1,930,316	-	-	-	49,684,444
C Counterparty Credit Risk Exposures							
1	Receivables on sovereigns	4,184,872	3,515,769	-	-	-	669,103
2	Receivables on public sector entities	-	-	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	5,311,268	4,286,809	-	-	-	1,024,459
5	Receivables on micro, small business & retail portfolio	-	-	-	-	-	-
6	Receivables on corporate	388,204	-	-	-	-	388,204
	Total Exposures - Counterparty Credit Risk	9,884,344	7,802,578	-	-	-	2,081,766
	Total (A+B+C)	799,077,034	23,217,313	-	-	-	775,859,721

Table B.10.a.2. Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3) - [(4)+(5)+(6)+(7)]
A	Balance Sheet Exposures						
1	Receivables on sovereigns	155,590,626	-	-	-		155,590,626
2	Receivables on public sector entities	16,824,067	-	-	-		16,824,067
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	38,242,541	5,905	-	-		38,236,636
5	Loans secured by residential property	32,761,790	-	-	-		32,761,790
6	Loans secured by commercial real estate	11,079,902	488,022	-	-		10,591,880
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	64,933,071	431,020	-	-		64,502,051
9	Receivables on corporate	308,952,246	11,091,346	-	-		297,860,900
10	Past due receivables	1,186,535	1,072	-	-		1,185,463
11	Other assets	37,772,033	-	-	-		37,772,033
12	Exposures at Sharia based business activity unit (if any)	4,747,489	363,025	-	-	-	4,384,464
	Total Exposures - Balance Sheet	672,090,300	12,380,390	-	-	-	659,709,910
B	Off Balance Sheet Commitment/Contingency Receivables Exposures						
1	Receivables on sovereigns	-	-	-	-		-
2	Receivables on public sector entities	1,057,625	-	-	-		1,057,625
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	624,293	8,105	-	-		616,188
5	Loans secured by residential property	267,367	-	-	-		267,367
6	Loans secured by commercial real estate	2,265,803	19,212	-	-		2,246,591
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	479,804	132,255	-	-		347,549
9	Receivables on corporate	40,231,223	1,512,978	-	-		38,718,245
10	Past due receivables	-	-	-	-		-
11	Exposures at Sharia based business activity unit (if any)	5,611	-	-	-	-	5,611
	Total Exposures - Off Balance Sheets	44,931,726	1,672,550	-	-	-	43,259,176
C	Counterparty Credit Risk Exposures						
1	Receivables on sovereigns	-	-	-	-		-
2	Receivables on public sector entities	-	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	2,467,636	1,942,939	-	-		524,697
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	171,979	-	-	-		171,979
7	Exposures at Sharia based business activity unit (if any)	272,701	272,701	-	-	-	-
	Total Exposures - Counterparty Credit Risk	2,912,316	2,215,640	-	-	-	696,676
Total (A+B+C)		719,934,342	16,268,580	-	-	-	703,665,762

Table B.13.a.1.a. Disclosure of On Balance Sheet Assets Exposures - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	160,018,609	-	-
2	Receivables on public sector entities	23,056,591	5,600,771	5,600,771
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	44,555,515	11,955,795	11,955,553
5	Loans secured by residential property	38,284,057	13,399,420	13,399,420
6	Loans secured by commercial real estate	12,762,971	12,762,971	12,178,808
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	64,184,433	48,138,325	47,720,518
9	Receivables on corporate	337,051,798	318,821,307	307,667,174
10	Past due receivable	1,377,186	1,956,114	1,949,071
11	Other assets	40,105,353	-	23,542,604
	Total	721,396,513	412,634,703	424,013,919

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	155,265,610	-	-
2	Receivables on public sector entities	16,824,009	4,730,243	4,730,243
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	37,775,697	9,242,974	9,240,022
5	Loans secured by residential property	32,761,790	11,466,626	11,466,626
6	Loans secured by commercial real estate	11,079,902	11,079,902	10,591,887
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	57,647,756	43,235,817	42,914,860
9	Receivables on corporate	307,765,016	296,342,272	285,992,558
10	Past due receivable	1,107,843	1,605,389	1,603,781
11	Other assets	37,334,245	-	21,564,351
	Total	657,561,868	377,703,223	388,104,328

Table B.13.a.1.b. Disclosure of On Balance Sheet Assets Exposures - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	1,215,908	249,636	249,636
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	708,111	257,462	253,332
5	Loans secured by residential property	214,142	74,950	74,950
6	Loans secured by commercial real estate	2,391,776	2,391,776	2,357,040
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	617,666	463,250	363,250
9	Receivables on corporate	46,508,911	42,515,408	40,857,829
10	Past due receivable	180	270	270
	Total	51,656,694	45,952,752	44,156,307

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	1,057,625	279,025	279,025
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	624,293	312,395	308,342
5	Loans secured by residential property	267,367	93,578	93,578
6	Loans secured by commercial real estate	2,265,803	2,265,803	2,246,591
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	479,804	359,853	260,662
9	Receivables on corporate	40,250,567	38,568,866	37,109,557
10	Past due receivable	-	-	-
	Total	44,945,459	41,879,520	40,297,755

Table B.13.a.1.c. Disclosure of Counterparty Credit Risk Exposures - Bank Only

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	3,908,965	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	5,296,598	1,212,173	331,049
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	132,466	133,807	133,807
7	Eksposur tertimbang dari Credit Valuation Adjustment (CVA)			19,446
	Total	9,338,029	1,345,980	484,302

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	2,430,377	554,239	165,651
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	91,314	91,314	91,314
	Total	2,521,691	645,553	256,965

Table B.13.a.1.f. Disclosure of Total Credit Risk Measurement - Bank Only

(in million Rupiah)

	Period of December 31, 2017
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	468,654,528
TOTAL CAPITAL CHARGE FACTOR	-

(in million Rupiah)

	Period of December 31, 2016
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	428,659,048
TOTAL CAPITAL CHARGE FACTOR	-

Table B.13.a.2.a. Disclosure of On Balance Sheet Assets Exposures - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	161,044,332	-	-
2	Receivables on public sector entities	23,056,620	5,600,786	5,600,786
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	45,217,766	12,123,952	12,123,710
5	Loans secured by residential property	38,316,670	13,410,834	13,410,834
6	Loans secured by commercial real estate	12,924,880	12,924,880	12,340,717
7	Employee/retired loans	379,565	189,783	189,783
8	Receivables on micro, small business & retail portfolio	73,298,888	54,974,166	54,551,948
9	Receivables on corporate	341,148,834	322,422,480	310,858,740
10	Past due receivables	1,498,140	2,137,295	2,130,252
11	Other assets	40,692,235		24,109,819
	Total	737,577,930	423,784,176	435,316,589

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	155,590,626	-	-
2	Receivables on public sector entities	16,824,067	4,730,272	4,730,272
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	38,242,541	9,427,778	9,424,825
5	Loans secured by residential property	32,761,790	11,466,626	11,466,626
6	Loans secured by commercial real estate	11,079,902	11,079,902	10,591,887
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	64,933,071	48,699,803	48,378,847
9	Receivables on corporate	308,952,246	297,529,502	287,179,788
10	Past due receivables	1,186,535	1,723,427	1,721,819
11	Other assets	37,772,033	-	21,989,892
	Total	667,342,811	384,657,310	395,483,956

Table B.13.a.2.b. Disclosure of Off Balance Sheets Commitment/Contingency Receivables Exposures - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	1,215,908	249,636	249,636
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	708,111	257,462	253,332
5	Loans secured by residential property	214,142	74,950	74,950
6	Loans secured by commercial real estate	2,391,776	2,391,776	2,357,040
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	617,666	463,250	363,250
9	Receivables on corporate	46,466,977	42,486,463	40,828,884
10	Past due receivables	180	270	270
	Total	51,614,760	45,923,807	44,127,362

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	1,057,625	279,025	279,025
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	624,293	312,395	308,342
5	Loans secured by residential property	267,367	93,578	93,578
6	Loans secured by commercial real estate	2,265,803	2,265,803	2,246,591
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	479,804	359,853	260,662
9	Receivables on corporate	40,231,223	38,549,522	37,090,213
10	Past due receivables	-	-	-
	Total	44,926,115	41,860,176	40,278,411

Table B.13.a.2.c. Disclosure of Counterparty Credit Risk Exposures - Consolidated

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	4,184,872	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	5,311,268	1,215,106	333,982
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	388,204	389,545	389,545
7	Credit Valuation Adjustment (CVA risk weighted assets)			19,446
	Total	9,884,344	1,604,651	742,973

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2016		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	2,467,636	561,691	173,103
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	171,979	171,979	171,979
	Total	2,639,615	733,670	345,082

Table B.13.a.2.f. Disclosure of Total Credit Risk Measurement - Consolidated

(in million Rupiah)

	Period of December 31, 2017
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	480,186,924
TOTAL CAPITAL CHARGE FACTOR	-

(in million Rupiah)

	Period of December 31, 2016
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	438,953,804
TOTAL CAPITAL CHARGE FACTOR	-

Table C.1. Disclosure of Market Risk Using Standardized Method

(in million Rupiah)

No.	Type of Risk	Period of December 31, 2017			
		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest rate risk				
	a. Specific risk	3,830	47,875	3,830	47,875
	b. General risk	189,049	2,363,112	189,049	2,363,113
2	Foreign exchange risk	52,236	652,956	24,445	305,563
3	Equity risk				
	a. Specific risk			467	5,838
	b. General risk			467	5,838
4	Commodity risk			-	-
5	Option risk	-	-	-	-
	Total	245,115	3,063,943	218,258	2,728,225

(in million Rupiah)

No.	Type of Risk	Period of December 31, 2016			
		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest rate risk				
	a. Specific risk	38,064	475,800	38,064	475,800
	b. General risk	93,387	1,167,335	93,387	1,167,338
2	Foreign exchange risk	13,390	167,374	67,148	839,350
3	Equity risk				
	a. Specific risk			246	3,075
	b. General risk			246	3,075
4	Commodity risk			-	-
5	Option risk	-	-	-	-
	Total	144,841	1,810,509	199,091	2,488,638

Table C.2. Disclosure of Interest Rate Risk in Banking Book (IRRBB) Exposures

(in million Rupiah)

(1)	31 December 2017	
	Earning Approach	Economic Value Approach
	(2)	(3)
Decrease in net interest income growth due to interest rate increase of 1%	(1,262,074)	(3,609,375)
Increase in net interest income growth due to interest rate decrease of 1%	1,262,074	3,609,375

(in million Rupiah)

(1)	31 December 2016	
	Earning Approach	Economic Value Approach
	(2)	(3)
Decrease in net interest income growth due to interest rate increase of 1%	(1,005,516)	(3,047,025)
Increase in net interest income growth due to interest rate decrease of 1%	1,005,516	3,047,025

Table D.1.a.1.a. Disclosure of Rupiah Maturity Profile - Bank Only

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017					
			Maturity					
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I.	BALANCE SHEET							
A.	Assets							
	1. Cash	15,849,465	15,849,465	-	-	-	-	-
	2. Placement with Bank Indonesia	67,929,307	41,911,601	2,774,180	18,236,419	5,007,107	-	-
	3. Placement with other banks	8,050,677	2,466,281	1,690,879	1,318,290	1,530,711	1,044,516	-
	4. Marketable securities	94,498,799	24,193,947	10,924,108	2,318,869	3,281,123	53,780,752	-
	5. Loans	439,498,805	17,419,047	39,048,008	43,175,842	79,974,356	259,881,552	-
	6. Other receivables	11,622,093	7,699,841	2,527,229	1,390,467	4,556	-	-
	7. Others	9,703,250	9,666,805	7,498	28,947	-	-	-
	Total Asset	647,152,396	119,206,987	56,971,902	66,468,834	89,797,853	314,706,820	
B.	Liabilities							
	1. Deposits from customer	536,753,640	73,404,724	4,439,409	615,029	313,016	457,981,462	-
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577	-
	3. Liabilities with other banks	4,342,980	4,306,380	36,500	100	-	-	-
	4. Securities issued	-	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-	-
	6. Other liabilities	826,418	363,121	368,180	89,928	5,189	-	-
	7. Others	14,152,836	14,152,836	-	-	-	-	-
	Total Liabilities	556,076,451	92,227,061	4,844,089	705,057	318,205	457,982,039	
	On Balance Sheet Asset and Liabilities Differences	91,075,945	26,979,926	52,127,813	65,763,777	89,479,648	(143,275,219)	
II.	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	-	-	-	-	-	-	-
	2. Contingency	-	-	-	-	-	-	-
	Total Administrative Account Receivable	-	-	-	-	-	-	
B.	Off Balance Sheet Liabilities							
	1. Commitment	172,524,333	10,287,696	27,293,817	28,498,724	51,165,603	55,278,493	-
	2. Contingency	-	-	-	-	-	-	-
	Total Off Balance Sheet Liabilities	172,524,333	10,287,696	27,293,817	28,498,724	51,165,603	55,278,493	
	Off Balance Sheet Asset and Liabilities Differences	(172,524,333)	(10,287,696)	(27,293,817)	(28,498,724)	(51,165,603)	(55,278,493)	
	Differences [(IA - IB)+(IIA-IIB)]	(81,448,388)	16,692,230	24,833,996	37,265,053	38,314,045	(198,553,712)	
	Cumulative Differences	-	16,692,230	41,526,226	78,791,279	117,105,324	(81,448,388)	

Table D.1.a.1.a. Disclosure of Rupiah Maturity Profile - Bank Only

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2016					
			Maturity					
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I.	BALANCE SHEET							
A.	Assets							
	1. Cash	14,980,455	14,980,455	-	-	-	-	-
	2. Placement with Bank Indonesia	71,508,643	56,323,546	3,957,800	8,065,207	3,162,090	-	-
	3. Placement with other banks	7,401,244	3,519,970	710,795	-	1,128,519	2,041,960	-
	4. Marketable securities	83,569,231	10,634,852	2,233,357	3,200,035	6,435,946	61,065,041	-
	5. Loans	390,008,811	14,097,133	33,916,708	47,522,147	73,331,050	221,141,773	-
	6. Other receivables	4,368,099	2,827,511	952,756	586,417	1,415	-	-
	7. Others	7,562,113	7,547,037	13,591	1,485	-	-	-
	Total Asset	579,398,596	109,930,504	41,785,007	59,375,291	84,059,020	284,248,774	
B.	Liabilities							
	1. Deposits from customer	480,715,355	69,531,484	2,601,875	280,347	273,858	408,027,791	-
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577	-
	3. Liabilities with other banks	2,935,677	2,899,077	36,500	100	-	-	-
	4. Securities issued	-	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-	-
	6. Other liabilities	1,165,642	403,804	540,961	219,465	1,412	-	-
	7. Others	12,613,456	12,613,456	-	-	-	-	-
	Total Liabilities	497,430,707	85,447,821	3,179,336	499,912	275,270	408,028,368	
	On Balance Sheet Asset and Liabilities Differences	81,967,889	24,482,683	38,605,671	58,875,379	83,783,750	(123,779,594)	
II.	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	-	-	-	-	-	-	-
	2. Contingency	-	-	-	-	-	-	-
	Total Administrative Account Receivable	-	-	-	-	-	-	
B.	Off Balance Sheet Liabilities							
	1. Commitment	143,664,236	142,731,991	851,203	37,807	43,235	-	-
	2. Contingency	-	-	-	-	-	-	-
	Total Off Balance Sheet Liabilities	143,664,236	142,731,991	851,203	37,807	43,235	-	
	Off Balance Sheet Asset and Liabilities Differences	(143,664,236)	(142,731,991)	(851,203)	(37,807)	(43,235)	-	
	Differences [(IA - IB)+(IIA-IIIB)]	(61,696,347)	(118,249,308)	37,754,468	58,837,572	83,740,515	(123,779,594)	
	Cumulative Differences	-	(118,249,308)	(80,494,840)	(21,657,268)	62,083,247	(61,696,347)	

Table D.1.a.2.a. Disclosure of Rupiah Maturity Profile - Consolidated

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017					
			Maturity					
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I.	BALANCE SHEET							
A.	Assets							
	1. Cash	15,867,985	15,867,985	-	-	-	-	-
	2. Placement with Bank Indonesia	68,598,839	42,581,133	2,774,180	18,236,419	5,007,107	-	-
	3. Placement with other banks	9,295,947	3,273,551	1,952,879	1,414,290	1,610,711	1,044,516	-
	4. Marketable securities	95,869,280	24,359,817	10,924,108	2,328,869	3,672,769	54,583,717	-
	5. Loans	439,139,799	17,419,464	39,048,008	43,035,954	79,755,532	259,880,841	-
	6. Other receivables	25,412,713	8,352,530	3,141,697	2,471,489	1,492,234	9,954,763	-
	7. Others	10,575,688	10,539,243	7,498	28,947	-	-	-
	Total Asset	664,760,251	122,393,723	57,848,370	67,515,968	91,538,353	325,463,837	
B	Liabilities							
	1. Deposits from customer	541,146,226	77,289,671	4,867,144	653,027	354,922	457,981,462	-
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577	-
	3. Liabilities with other banks	4,338,412	4,301,812	36,500	100	-	-	-
	4. Securities issued	610,498	-	421,540	-	-	188,958	-
	5. Borrowings	1,797,189	-	192,500	395,000	806,311	403,378	-
	6. Other liabilities	829,101	365,804	368,180	89,928	5,189	-	-
	7. Others	17,053,316	17,053,316	-	-	-	-	-
	Total Liabilities	565,775,319	99,010,603	5,885,864	1,138,055	1,166,422	458,574,375	
	On Balance Sheet Asset and Liabilities Differences	98,984,932	23,383,120	51,962,506	66,377,913	90,371,931	(133,110,538)	
II.	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	1,902,204	1,902,204	-	-	-	-	-
	2. Contingency	-	-	-	-	-	-	-
	Total Administrative Account Receivable	1,902,204	1,902,204	-	-	-	-	
B.	Administrative Account Payable							
	1. Commitment	173,183,403	10,946,766	27,293,817	28,498,724	51,165,603	55,278,493	-
	2. Contingency	-	-	-	-	-	-	-
	Total Administrative Account Payable	173,183,403	10,946,766	27,293,817	28,498,724	51,165,603	55,278,493	
	Off Balance Sheet Asset and Liabilities Differences	(171,281,199)	(9,044,562)	(27,293,817)	(28,498,724)	(51,165,603)	(55,278,493)	
	Differences [(IA - IB)+(IIA-IIIB)]	(72,296,267)	14,338,558	24,668,689	37,879,189	39,206,328	(188,389,031)	
	Cumulative Differences	-	14,338,558	39,007,247	76,886,436	116,092,764	(72,296,267)	

Table D.1.a.2.a. Disclosure of Rupiah Maturity Profile - Consolidated

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2016				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	BALANCE SHEET						
A.	Assets						
	1. Cash	14,998,064	14,998,064	-	-	-	-
	2. Placement with Bank Indonesia	72,047,458	56,862,361	3,957,800	8,065,207	3,162,090	-
	3. Placement with other banks	8,555,424	4,370,650	890,295	68,000	1,184,519	2,041,960
	4. Marketable securities	84,331,429	10,792,599	2,236,357	3,225,029	6,596,090	61,481,354
	5. Loans	389,397,555	14,097,550	33,804,208	47,313,992	73,040,923	221,140,882
	6. Other receivables	16,852,190	3,366,767	1,379,632	1,412,264	1,425,028	9,268,499
	7. Others	8,481,669	8,466,593	13,591	1,485	-	-
	Total Asset	594,663,789	112,954,584	42,281,883	60,085,977	85,408,650	293,932,695
B.	Liabilities						
	1. Deposits from customer	484,520,953	72,889,052	3,017,191	306,717	280,202	408,027,791
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577
	3. Liabilities with other banks	2,933,558	2,896,958	36,500	100	-	-
	4. Securities issued	2,332,170	-	534,480	1,198,300	-	599,390
	5. Borrowings	1,911,895	-	249,999	510,000	762,030	389,866
	6. Other liabilities	2,228,901	1,467,063	540,961	219,465	1,412	-
	7. Others	14,859,130	14,859,130	-	-	-	-
	Total Liabilities	508,787,184	92,112,203	4,379,131	2,234,582	1,043,644	409,017,624
	On Balance Sheet Asset and Liabilities Differences	85,876,606	20,842,382	37,902,752	57,851,395	84,365,006	(115,084,929)
II.	OFF BALANCE SHEET						
A.	Off Balance Sheet Receivables						
	1. Commitment	2,140,009	2,140,009	-	-	-	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	2,140,009	2,140,009	-	-	-	-
B.	Administrative Account Payable						
	1. Commitment	144,132,657	143,200,412	851,203	37,807	43,235	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	144,132,657	143,200,412	851,203	37,807	43,235	-
	Off Balance Sheet Asset and Liabilities Differences	(141,992,648)	(141,060,403)	(851,203)	(37,807)	(43,235)	-
	Differences [(IA - IB)+(IIA-IIB)]	(56,116,042)	(120,218,021)	37,051,549	57,813,588	84,321,771	(115,084,929)
	Cumulative Differences	-	(120,218,021)	(83,166,472)	(25,352,884)	58,968,887	(56,116,042)

Table D.1.a.1.b. Disclosure of Foreign Exchange Maturity Profile - Bank Only

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017					
			Maturity					
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I.	BALANCE SHEET							
A.	Assets							
	1. Cash	876,734	876,734	-	-	-	-	-
	2. Placement with Bank Indonesia	24,700,116	7,308,100	4,598,473	12,123,104	670,438	-	-
	3. Placement with other banks	9,300,222	9,088,338	211,884	-	-	-	-
	4. Marketable securities	7,051,430	983,258	1,295,941	764,163	940,854	3,067,215	-
	5. Loans	28,120,753	1,356,359	5,881,859	1,534,868	7,720,349	11,627,318	-
	6. Other receivables	7,548,330	2,018,066	2,612,738	2,470,990	264,537	182,001	-
	7. Others	281,631	241,592	40,039	-	-	-	-
	Total Asset	77,879,216	21,872,447	14,640,934	16,893,124	9,596,178	14,876,534	
B	Liabilities							
	1. Deposits from customer	44,429,856	4,418,618	122,001	40,360	67,250	39,781,627	-
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-	-
	3. Liabilities with other banks	1,420,002	1,420,002	-	-	-	-	-
	4. Securities issued	-	-	-	-	-	-	-
	5. Borrowings	392	392	-	-	-	-	-
	6. Other liabilities	5,205,778	1,754,343	2,085,709	928,764	254,961	182,001	-
	7. Others	736,873	736,873	-	-	-	-	-
	Total Liabilities	51,792,901	8,330,227	2,207,710	969,124	322,211	39,963,628	
	On Balance Sheet Asset and Liabilities Differences	26,086,315	13,542,219	12,433,224	15,924,000	9,273,966	(25,087,094)	
II.	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	11,356,718	6,709,084	3,962,774	399,943	284,918	-	-
	2. Contingency	-	-	-	-	-	-	-
	Total Administrative Account Receivable	11,356,718	6,709,084	3,962,774	399,943	284,918	-	
B.	Off Balance Sheet Liabilities							
	1. Commitment	60,302,099	13,441,609	14,556,856	27,747,419	2,582,176	1,974,039	-
	2. Contingency	-	-	-	-	-	-	-
	Total Administrative Account Payable	60,302,099	13,441,609	14,556,856	27,747,419	2,582,176	1,974,039	
	Off Balance Sheet Asset and Liabilities Differences	(48,945,381)	(6,732,526)	(10,594,082)	(27,347,476)	(2,297,258)	(1,974,039)	
	Differences [(IA - IB)+(IIA-IIB)]	(22,859,066)	6,809,694	1,839,141	(11,423,477)	6,976,708	(27,061,133)	
	Cumulative Differences	-	6,809,694	8,648,835	(2,774,641)	4,202,067	(22,859,066)	

Table D.1.a.1.b. Disclosure of Foreign Exchange Maturity Profile - Bank Only

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2016					
			Maturity					
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I.	BALANCE SHEET							
A.	Assets							
	1. Cash	944,883	944,883	-	-	-	-	-
	2. Placement with Bank Indonesia	19,717,213	15,159,336	4,251,222	306,654	-	-	-
	3. Placement with other banks	12,707,619	12,707,619	-	-	-	-	-
	4. Marketable securities	8,805,321	617,139	659,821	2,966,161	-	4,562,201	
	5. Loans	26,270,125	670,246	4,047,749	3,473,956	7,781,599	10,296,575	
	6. Other receivables	5,234,271	1,531,513	2,342,978	1,237,472	100,155	22,152	
	7. Others	242,438	228,515	12,984	939	-	-	
	Total Asset	73,921,869	31,859,250	11,314,754	7,985,182	7,881,754	14,880,928	
B	Liabilities							
	1. Deposits from customer	49,449,961	17,563,038	87,232	34,627	74,839	31,690,225	
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-	
	3. Liabilities with other banks	1,967,384	1,967,384	-	-	-	-	
	4. Securities issued	-	-	-	-	-	-	
	5. Borrowings	808,706	356	646,680	161,670	-	-	
	6. Other liabilities	3,264,716	1,113,119	1,509,510	529,465	90,471	22,152	
	7. Others	598,667	598,667	-	-	-	-	
	Total Liabilities	56,089,435	21,242,564	2,243,422	725,762	165,310	31,712,377	
	On Balance Sheet Asset and Liabilities Differences	17,832,433	10,616,687	9,071,332	7,259,419	7,716,444	(16,831,449)	
II.	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	4,861,083	2,442,743	2,380,860	36,132	1,347	-	
	2. Contingency	-	-	-	-	-	-	
	Total Administrative Account Receivable	4,861,083	2,442,743	2,380,860	36,132	1,347	-	
B.	Off Balance Sheet Liabilities							
	1. Commitment	42,555,991	24,130,434	14,403,011	3,807,843	197,496	17,208	
	2. Contingency	-	-	-	-	-	-	
	Total Administrative Account Payable	42,555,991	24,130,434	14,403,011	3,807,843	197,496	17,208	
	Off Balance Sheet Asset and Liabilities Differences	(37,694,908)	(21,687,691)	(12,022,151)	(3,771,711)	(196,148)	(17,208)	
	Differences [(IA - IB)+(IIA-IIB)]	(19,862,475)	(11,071,004)	(2,950,819)	3,487,709	7,520,296	(16,848,657)	
	Cumulative Differences	-	(11,071,004)	(14,021,823)	(10,534,114)	(3,013,818)	(19,862,475)	

Table D.1.a.2.b. Disclosure of Foreign Exchange Maturity Profile - Consolidated

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	BALANCE SHEET						
A.	Assets						
	1. Cash	886,304	886,304	-	-	-	-
	2. Placement with Bank Indonesia	24,700,116	7,308,100	4,598,473	12,123,104	670,438	-
	3. Placement with other banks	9,403,615	9,163,396	211,884	28,335	-	-
	4. Marketable securities	7,494,530	996,172	1,364,831	764,163	940,854	3,428,511
	5. Loans	28,369,026	1,356,359	5,881,859	1,681,672	7,750,213	11,698,923
	6. Other receivables	7,548,330	2,018,066	2,612,738	2,470,990	264,537	182,001
	7. Others	266,951	226,912	40,039	-	-	-
	Total Asset	78,668,872	21,955,309	14,709,824	17,068,263	9,626,042	15,309,435
B	Liabilities						
	1. Deposits from customer	44,425,628	4,414,390	122,001	40,360	67,250	39,781,627
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-
	3. Liabilities with other banks	1,420,002	1,420,002	-	-	-	-
	4. Securities issued	-	-	-	-	-	-
	5. Borrowings	1,242,835	392	224,575	-	1,017,868	-
	6. Other liabilities	5,302,003	1,850,568	2,085,709	928,764	254,961	182,001
	7. Others	752,188	752,188	-	-	-	-
	Total Liabilities	53,142,656	8,437,540	2,432,285	969,124	1,340,079	39,963,628
	On Balance Sheet Asset and Liabilities Differences	25,526,215	13,517,768	12,277,539	16,099,139	8,285,962	(24,654,193)
II.	OFF BALANCE SHEET						
A.	Off Balance Sheet Receivables						
	1. Commitment	13,414,086	8,766,452	3,962,774	399,943	284,918	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	13,414,086	8,766,452	3,962,774	399,943	284,918	-
B.	Off Balance Sheet Liabilities						
	1. Commitment	60,302,099	13,441,609	14,556,856	27,747,419	2,582,176	1,974,039
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	60,302,099	13,441,609	14,556,856	27,747,419	2,582,176	1,974,039
	Off Balance Sheet Asset and Liabilities Differences	(46,888,013)	(4,675,158)	(10,594,082)	(27,347,476)	(2,297,258)	(1,974,039)
	Differences [(IA - IB)+(IIA-IIB)]	(21,361,798)	8,842,611	1,683,456	(11,248,338)	5,988,704	(26,628,232)
	Cumulative Differences	-	8,842,611	10,526,067	(722,270)	5,266,434	(21,361,798)

Table D.1.a.2.b. Disclosure of Foreign Exchange Maturity Profile - Consolidated

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2016					
			Maturity					
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I.	BALANCE SHEET							
A.	Assets							
	1. Cash	945,789	945,789	-	-	-	-	-
	2. Placement with Bank Indonesia	19,717,213	15,159,336	4,251,222	306,654	-	-	-
	3. Placement with other banks	12,789,687	12,786,200	3,487	-	-	-	-
	4. Marketable securities	9,279,687	664,964	680,218	3,012,099	-	4,922,407	
	5. Loans	26,498,689	670,246	4,047,749	3,608,703	7,852,172	10,319,819	
	6. Other receivables	5,234,271	1,531,513	2,342,978	1,237,472	100,155	22,152	
	7. Others	242,946	229,023	12,984	939	-	-	
	Total Asset	74,708,281	31,987,071	11,338,638	8,165,867	7,952,327	15,264,378	
B.	Liabilities							
	1. Deposits from customer	49,444,434	17,557,511	87,232	34,627	74,839	31,690,225	
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-	
	3. Liabilities with other banks	1,967,384	1,967,384	-	-	-	-	
	4. Securities issued	-	-	-	-	-	-	
	5. Borrowings	876,080	356	646,680	229,044	-	-	
	6. Other liabilities	3,399,464	1,247,867	1,509,510	529,465	90,471	22,152	
	7. Others	611,099	611,099	-	-	-	-	
	Total Liabilities	56,298,462	21,384,216	2,243,422	793,136	165,310	31,712,377	
	On Balance Sheet Asset and Liabilities Differences	18,409,819	10,602,854	9,095,216	7,372,730	7,787,017	(16,447,999)	
II.	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	6,391,670	4,010,809	2,380,860	-	-	-	
	2. Contingency	-	-	-	-	-	-	
	Total Administrative Account Receivable	6,391,670	4,010,809	2,380,860	-	-	-	
B.	Off Balance Sheet Liabilities							
	1. Commitment	42,555,991	24,130,434	14,403,011	3,807,843	197,496	17,208	
	2. Contingency	-	-	-	-	-	-	
	Total Administrative Account Payable	42,555,991	24,130,434	14,403,011	3,807,843	197,496	17,208	
	Off Balance Sheet Asset and Liabilities Differences	(36,164,322)	(20,119,625)	(12,022,151)	(3,807,843)	(197,496)	(17,208)	
	Differences [(IA - IB)+(IIA-IIIB)]	(17,754,502)	(9,516,771)	(2,926,935)	3,564,888	7,589,522	(16,465,207)	
	Cumulative Differences	-	(9,516,771)	(12,443,705)	(8,878,817)	(1,289,295)	(17,754,502)	

Table D.2.a. Disclosure of Liquidity Coverage Ratio (LCR)

	Liquidity Coverage Ratio (%)			
	Quarter I	Quarter II	Quarter III	Quarter IV
(1)	(2)	(3)	(4)	(5)
Period of 2017				
Bank Only	386	366	362	353
Consolidated	379	355	354	343
	Liquidity Coverage Ratio (%)			
	Quarter I	Quarter II	Quarter III	Quarter IV
(1)	(2)	(3)	(4)	(5)
Period of 2016				
Bank Only	401	394	408	391
Consolidated	392	382	400	384

Table E.1.a. Quantitative Disclosure of Operational Risk - Bank Only

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2017		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	44,322,648	6,648,397	83,104,965
Total		44,322,648	6,648,397	83,104,965

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2016		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	38,809,231	5,821,385	72,767,308
Total		38,809,231	5,821,385	72,767,308

Table E.1.b. Quantitative Disclosure of Operational Risk - Consolidated

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2017		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	46,690,138	7,003,521	87,544,008
Total		46,690,138	7,003,521	87,544,008

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2016		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	40,718,580	6,107,787	76,347,337
Total		40,718,580	6,107,787	76,347,337

Business Support

Human Resources

Employee contributions at each level of the organization are key to maintaining customer trust and providing quality services, supporting the Bank's solid performance amid changing trends.



Reliable human resources are a major factor in the success of BCA's long-term strategy. The Bank is committed to developing employee skills and competencies at each level of the organization through training and development programs. Succession process is one of BCA priorities to ensure continuous regeneration and organization succession. The Bank is committed to being the employer of choice among job seekers and working to build a conducive working environment.

BCA has received numerous awards for its commitment to human resource development. In 2017 it was given the Great Workplace Award by Gallup, a global performance-management consulting company – BCA was the sole Indonesian representative among 37 winners from around the world. BCA was also ranked second in Indonesia's Best Companies in Creating Leaders from Within 2017 by SWA magazine and the NBO consulting group and 40th in the Forbes' Global 2000 – World's Best Employers.

These awards and achievements represent BCA's commitment to human resource development. BCA adheres and implements strategies on recruitment; training and development; remuneration; and on the building of innovation culture.

Recruitment Strategy

Regeneration is essential to maintaining and developing BCA's competitive advantage in human resources. The process begins with the selection of the best graduates from local and overseas universities. Before being deployed in the various work units, the new employees are given intensive and thorough trainings.

To attract qualified candidates, BCA actively collaborates with leading universities in Indonesia and participates in job fairs, introducing its company profile and accepting student visits. To recruit candidates for BCA Banker Program, in 2017 BCA hosted a Director Insight event, an experience sharing event about the Bank's career path, attended by the Director of Human Resources.

In 2017, BCA hosted the 'Future Marketeer Camp', a two-day training course preparing final-year students and fresh graduates interested in marketing in the banking sector. Through this event, the Bank conducted on the spot interviews to obtain qualified candidates for account officers and relationship officers.

The Bankers Program, which began in 2016, is a continuously enhanced BCA management trainee program. The Bank provides opportunities for participants to acquire comprehensive banking knowledge, on the job training experience at various BCA work units, and the opportunity to be directly involved in handling a project. After graduation, potential participants occupy various managerial positions at BCA. The Bank recruits employees to fulfill a number of vacancies, such as marketing, frontline and support personnel, including IT support.

BCA also leverages on technology to expand employee recruitment, to help job seekers obtain employment information about the Bank through its website and social media. Job seekers can use the easily accessible BCA website facilities to submit job applications. The Bank recruited 1,861 new employees and 3,766 people in 2017 to work as tellers and in customer services through the BCA Magang Bakti program.

Training and Development Strategy

To ensure human resources are ready and able to promptly adapt to changes in business strategy direction, especially with influence of digitalization, BCA nurtures an agile learning and working culture. The learning model in traditional classes format continues to be developed but enriched with digital platforms, enabling employees to quickly obtain knowledge and implement what they have learned.

Business Support

Human Resources

In-class Trainings

There were 56,830 employees in 1,968 classes over a total of 192,424 training days covering a number of learning areas in 2017. The majority of the in-class trainings are conducted in BCA Learning Institute in Sentul, Bogor for new employees, trainees, or permanent employees. One of the focuses of BCA's training programs is in the area of customer relationship management, in particular to provide total customer solution training for relationship officer and account officer. The Bank also emphasizes the development of employee soft skills, which have the same importance as improving technical skills. BCA conducts a number of leadership programs, personality development and coaching practices.

BCA supports employees to participate in enrichment programs, including overseas training to enhance specific competencies. Through overseas training, employees obtain broader insights, including understanding the development of the banking business internationally. The enrichment program is intended to empower work unit leaders to adapt and have the ability and flexibility to occupy various positions within the organization.

Digital Training

With the increasing number of millennial employees and in support of the effectiveness and efficiency of the learning process, BCA enhances its blended & experiential learning methods, and utilizes the use of digital learning tools structured across a number of layers of the organization and work units. The Bank has provided trainings through e-learning platforms since 2009, enabling the delivery of training materials to large numbers of employees. E-learning training materials are regularly enriched and updated, ensuring their relevance and high quality, and are combined with effective learnings in classes or after classes (Blended Learning). BCA also uses interactive training methods, such as video learning and video conference, which continues to grow and attract more participants outside the big cities. There were 34,827 e-learning participants in 2017, an increase from 34,307 in 2016.

BCA develops the Morning BCA, a mobile learning tool accessible via smartphones which is constantly updated through the provision of learning facilities with video and games. Gamification is a learning approach using educational games, and is designed to make the process more attractive, thereby increasing the number of participants. In 2017, BCA renewed its BCA Library Management System (BLIMS) to increase employees' fondness of reading.

Career Development

The Bank periodically reviews career path and progress based on the individual's achievement of targets and the performance of the work unit. Employees have equal job opportunities, with quality and competence as the main determinants. BCA conducts a leadership promotion program to prepare candidates for upper management positions. Through a panel-based assessment system in the work unit, it identifies employees most suitable to be promoted and eligible for special education programs. Following the programs, BCA evaluates candidate performance and prepares them for sustainable self-development and targeted promotion programs. In 2017, 1,045 employees completed career development programs.

Remuneration Strategy

BCA pays attention to employee welfare, and maintains a competitive remuneration policy in line with work performance to show appreciation for employee contributions, and increase employee loyalty. This is shown by BCA's remuneration scheme which covers financial aspects including salary, bonuses and other benefits; as well as non-financial aspects. BCA provides health facilities, including participation in BPJS health insurance to support the health of employees and their families.

To ensure that employees receive competitive financial rewards, BCA constantly conducts comparative studies through surveys to see BCA's remuneration position compared to competitors and other industries. Since 2012, the Bank provides share bonuses through the Indonesia Stock Exchange with a three-year lock-up period before employees have the right to monetize, to increase the sense of belonging among employees. In addition, BCA also prioritizes the development of work life balance.

Work–Life Balance

BCA emphasizes the importance of work-life balance for all employees. The Bank believes that balance between the demands of work and personal life increases productivity, and improves employee welfare. BCA consistently conducts programs, including training on financial planning, healthy lifestyle activities, child care, and pension planning.

BCA also supports recreational activities, sporting events and employee hobbies, such as photography, preservation of wayang (Indonesia's puppetry culture), and choirs. The Bank conducts health training and counseling services to help employees find solutions to personal life difficulties. For employees with toddlers, BCA provides lactation rooms in several offices to facilitate breastfeeding. Through these various work-life balance activities, the Bank builds engagement and cooperation among employees.

In 2016, BCA initiated a flexible work hours pilot project, with employees given the flexibility to determine their own working hours based on the number of hours worked, rather than depending on fixed office operating hours. Flexible working hours are available for employees in the information technology group in accordance with the unit's needs. This initiative helps promote more efficient work productivity.

The work-life balance program provides convenience for employees in their work, increasing their productivity, while maintaining balance with other aspects of their lives. The Bank's efforts to develop a culture of engagement have been successful in raising employee involvement, as reflected in the results of the team engagement survey.

Strategy in Building a Culture of Innovation

BCA consistently works to build a culture of innovation towards becoming a learning organization capable of responding to external change dynamics. The Bank strives to form agile employees with a fast learning ability, are ready for new challenges, and can adapt to increasingly complex business trends.

BCA conducts the Community of Practice (COP) program to build a learning culture and share knowledge in improving employee competence. COP facilitates knowledge and skill sharing among co-workers for the benefit of employees in all work units. Employees also receive socialization of new products and services and the latest developments related to the banking business and other industries related to BCA. COP is also for senior leaders, inviting external speakers and experts to share their views on current topics and management practices, to improve the knowledge and skills required by the Bank's senior officers.

To support employee self-development, in 2017 the Bank hosted the BCA Innovation Awards (BIA) to encourage the innovation and self-expression of employees. Held regularly since 2014, this event provides an opportunity for employees at all levels to encourage creativity and innovation and develop banking services and solutions, as well as improving internal processes. As a development of BIA, in 2017 BCA conducted 2 Financial Technology Hackaton (Finhacks), in which one is held for public (non-employees) and the other one, Finhack BCA, is for employees who have innovations in digital technology. The innovations delivered at BIA are first conveyed and discussed in COP to receive input from work unit colleagues, and then submitted to an independent judge for assessment. BCA constantly implements Kaizen, a philosophy that emphasizes continuous change to improve achievements. Through these programs, BCA encourages employees to foster a culture of innovation and continuous improvement.

BCA has developed a number of internal communication tools, including official correspondence, as well as utilizing technology developments in Internet and mobile apps, to facilitate the provision of information to employees.

BCA hosted the Indonesia Knowledge Forum (IKF) in 2017, to share knowledge and experience, attended by BCA employees at certain levels, customers and some public groups. Held annually since 2012, the theme of 2017's IKF was 'Moving Our Nation to the Next Level - Elevating Creativity and Innovation

Business Support

Human Resources

through Digital Collaboration', and focused on technology disruptions that drive lifestyle changes to digitalization. The event generated a positive public response, with around 1,200 participants, including businessmen, students, customers and bank employees.

Looking Ahead

BCA constantly adjusts its human resource policies in accordance with business development and customer needs. In line with the Bank's efforts to maximize the benefits of digital technology and improve process automation, human resource development is focused on supporting innovations in digital banking services and strengthening customer relationships.

Going forward, trainings on customer relationship management and the introduction of digital technology will be further expanded. By utilizing and processing existing customer data (data analytics), account officers, relationship officers and frontline employees are expected to increase their product and service knowledge to support the offering of products and services to customers. Digital competence will be one of BCA's long-term primary focuses, ensuring employees are prepared for the implementation of digital services and automation initiatives.

Development of human resources covers employee competence and character. BCA has updated its guidelines on employee competency and circulated it to all levels of management and employees. The Bank has developed a roadmap for new competency training, enabling educational programs to be implemented by all work units. Thus, it is expected that the competencies of each employee will be more focused, improving the company's performance. BCA will also continue the process of developing a mobile application that facilitates employees to communicate with each other and obtain information about human resources policy, and as a medium of learning.

BCA has developed plans to ensure sufficient human resources through continuous recruitment and leadership succession by looking closely at employee demographic. The Bank continues to support the creation of a conducive working environment and to strengthen its image as the company of choice, in an effort to maintain employee loyalty and attract more new candidates with great potential.

Employee by Organization Level

	2017	2016
Non Staff	1,187	1,337
Staff	19,994	19,661
Managers	4,176	4,000
Senior Officers (Including the Board of Commissioners and Directors)	82	75
Total	25,439	25,073

Employee by Seniority

	2017	2016
≤ 1 Year	1,712	2,052
> 1 – 5 Year	7,048	6,286
> 5 – 10 Years	1,802	1,348
> 10 – 15 Years	621	668
> 15 – 20 Years	1,936	4,754
> 20 Years	12,320	9,965
Total	25,439	25,073

Employee by Age

	2017	2016
≤ 25 Years	3,387	3,067
> 25 – 30 Years	5,706	5,163
> 30 – 35 Years	1,629	1,490
> 35 – 40 Years	1,595	1,868
> 40 – 45 Years	4,278	4,563
> 45 – 50 Years	5,429	5,471
> 50 Years	3,415	3,451
Total	25,439	25,073

Employee by Education Level

	2017	2016
Up to Senior High School	4,868	5,232
Diploma and Undergraduate	19,771	19,099
Graduate and Doctorate	800	742
Total	25,439	25,073

Employee by Status

	2017	2016
Permanent	24,343	23,817
Non Permanent*	1,096	1,256
Total	25,439	25,073

* including contract employee, probationary and trainee

Employee Training

	2017			2016		
	Number of Classes	Number of Days	Number of Participants	Number of Classes	Number of Days	Number of Participants
Managerial Leadership & Personal Development	617	43,598	18,082	843	73,032	27,566
Credit Management	115	7,240	2,624	113	14,890	2,794
Risk Management Certification Program	21	635	437	16	404	342
Sales	118	6,730	4,004	166	81,231	2,651
Service	25	1,718	1,350	70	5,234	3,099
Operations & Information Technology	904	122,056	22,404	926	205,670	22,802
Other	168	10,448	7,929	140	7,314	4,206
Total	1,968	192,424	56,830	2,274	387,775	63,460

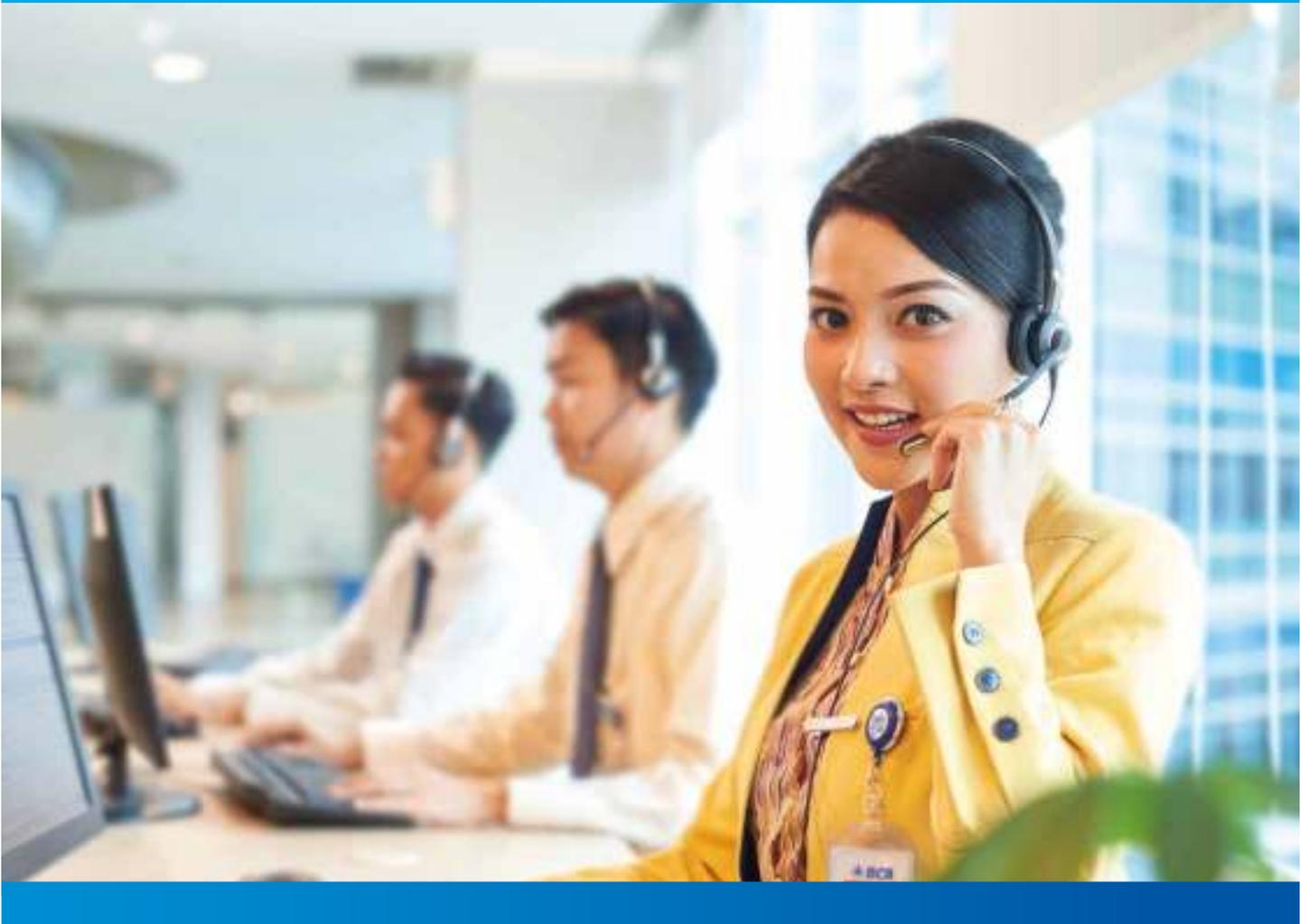
Employee Training Expenses (in million Rupiah)

	2017	2016
Total Employee Training Expenses	297,826	242,987

Business Support

Network and Operation

BCA has enhanced its branches to focus on building relationships with customers while its integrated electronic networks support improvement in operational efficiency.



BCA consistently makes measured investment in its network infrastructure, in response to customer transaction growth and changing transaction preferences. By maintaining convenience in its digital banking network, BCA notes the shift in customer banking preference from branch-based banking models to digital banking. Transactions made through digital networks were 97% of total BCA transactions in 2017.

Branch offices continue to play an important role, considering the significantly higher value of transactions made there compared to digitally. Branches focus on their strategic function to build direct customer relationships and facilitate large transactions. BCA continuously improves the capabilities of its human resources, particularly frontliners. Training on relationship-building skills and knowledge of BCA products is consistently conducted, giving frontliners the necessary knowledge and skills to offer the wide variety of BCA's financial products in accordance with specific customer needs. BCA introduced automation in transaction processing and developed mobile applications to support branch network services and improve operational efficiency.

Enhancing an Integrated and Efficient Network Infrastructure

BCA continuously strengthens its integrated multi-channel network by improving the synergy between its branches and digital networks. The Bank enhanced its branches and digital networks in 2017, supporting the growth of and improvements to its core transaction banking business. BCA added 24 branch offices for a total of 1,235 (136 main branches, 856 sub-branches and 243 cash offices). BCA had 17,658 Automated Teller Machines (ATMs) in 2017 and more than 470,000 Electronic Data Captures (EDCs).

BCA is constantly improving the capacity and capabilities of internet and mobile banking services, to capture growth opportunities in digital transactions. Supported by reliable internet and mobile banking services, BCA has seen a significant increase in the number of transactions through these services.

The focus of BCA's branch network expansion is on cash offices, located in potential areas such as business centers or commercial and residential areas in big cities. New potential areas emerging with the progress of government infrastructure projects are also a factor influencing the expansion of the network. BCA has standardized branch network development to improve efficiency and ensure consistency of customer services.

BCA increased the number of Cash Recycling Machines (CRM) in its ATM network in 2017, continuing the previous year's program, by replacing conventional ATMs and Cash Deposit Machines (CDM) with CRMs, adding 1,361 CRMs to the network. CRM expansion improves cash replenishment efficiency across the ATM network. BCA optimizes existing ATMs by relocating them to places with higher demand for their services. Some 451 ATMs were added in 2017. BCA also invests in EDC units and Flazz card readers. BCA has expanded its card-based payment transaction services due to growing customer preference for cashless payment, supported by regulatory policy.

Branch offices are focused on building customer relationships, in line with the shift in customer preference to digital networks, offering comprehensive financial solutions and facilitating a high value of cash or cheque transactions. BCA also operates a range of branches dedicated to providing specific services for designated segments, such as Solitaire services to meet the needs of high net-worth individual customers; Prioritas services to assist the transactions of affluent customers; and BCABIZZ for small and medium-sized business customers. BCA also provides weekend banking services.

Utilization of Digital Technology, the Internet and Social Media

BCA constantly refines and utilizes digital technology due to the increased transaction frequency of digital banking services. The rapid development and strong adoption of digital technology encouraged BCA to develop cutting-edge digital and internet technology and social media platforms in its services, enabling it to adapt to and meet the evolving needs of its customers.

Business Support

Network and Operation

BCA also continuously innovates its digital network to accommodate changes in customer needs. It has improved the BCA Mobile service, a smartphone app to access internet banking platform KlikBCA and mobile banking platform M-BCA. KlikBCA and M-BCA are equipped with payment features for e-commerce transactions to capture opportunities in growing online shopping activities. BCA added a cardless cash withdrawal feature using the BCA Mobile app to its ATM services in 2017. To increase transaction volume across electronic channels, the Bank continues to develop internet and mobile banking features and proactively educates customers and employees on new digital payment solutions.

BCA also utilizes technology in the development of its physical branch network. It provides human resources in its branch offices with self-service machines, facilitating the automation of transaction processing, such as Star Teller machines, which assist tellers in cash withdrawals and deposits; CS Digital, a non-cash self-service machine; video banking/call for account opening; an e-form machine for electronically completing forms; and the e-branch service, a mobile application supporting branch services, including electronic forms for account opening, time reservation for branch services and the provision of product and service information.

BCA has MyBCA digital banking centers in shopping centers in Jakarta and Surabaya, in accordance with the specific needs of digitally oriented customers in large cities. MyBCA operational hours conform to those of the shopping centers or locations where the branches are located. MyBCA is equipped with self-service facilities, including ATMs, CRMs, non-cash ATM kiosks, internet banking connections and vending machines for purchasing Flazz cards. Customers can access the Halo BCA call center through video calls. BCA has also developed 'BCA Express', a compact non-permanent branch, which operates with minimal reliance on human resources, equipped with various digital services, and mostly located around universities, offices and apartments.

The Bank introduced new innovations in products and services such as 'Sakuku', 'KlikPay' and 'VIRA'. Sakuku is a server-based electronic money application used for retail payments, both for online merchants and other general merchants. 'Sakuku Plus' provides additional functions such as transfers, ATM

cash withdrawals and split bills with other Sakuku Plus users. 'KlikPay' is a payment platform developed for the e-commerce industry. Integrated with the websites of BCA's merchants, KlikPay is a payment solution allowing customers to make payments with their savings account or their BCA private label credit card.

BCA launched the 'VIRA' Virtual Assistant chat banking service in 2017, due to increasing smartphone users and to accommodate the millennial generation's preference for communicating through chat applications, BCA launched the VIRA Virtual Assistant, a BCA Chat banking service in 2017. VIRA was developed utilizing chatbot technology that processes data into information. It is accessible through several popular chat apps and can be accessed anytime, anywhere to obtain information on BCA promotions, exchange rates and ATM locations. The Bank also has social media accounts that actively respond to information requests and handle customer feedback and complaints.

Customer Service Focus

BCA emphasizes customer experience and service quality and has built a strong service culture through its SMART SOLUTION program. The program has run since 2010 and is an elaboration on the original SMART program, which started in 2001. SMART stands for *Sigap* (active), *Menarik* (attractive), *Antusias* (enthusiastic), *Ramah* (friendly) and *Teliti* (thorough), and focuses on service excellence. SMART SOLUTION focuses on customer needs and the delivery of qualified financial solutions, with SOLUTION representing *Simak* (attentiveness), Open-mindedness, *Lengkap* (completeness), *Utamakan kebutuhan nasabah* (prioritization of customers), Telling solutions; *Inisiatif* (initiative); and On-time follow-up. SMART SOLUTION also fosters closer relationships with customers and enhances customer engagement. BCA appreciates the performance of individuals, teams, divisions and regional offices throughout the organization in the implementation of the SMART SOLUTION program. It has consistently received positive feedback and supports stronger corporate values.

BCA constantly improves the competence of its relationship officers, frontline tellers and customer officers through training programs focusing on products, services, and relationship skills. The Banks developed data analysis to



support the understanding of customer profiles and needs. BCA periodically reviews the number of relationship officers and frontline staff needs. It recruits qualified university graduates, who are equipped with a sound knowledge of its products and services, and the capabilities necessary for developing relationships with customers.

BCA provides Halo BCA, a call and solution center, to facilitate customers in communicating with the Bank. Halo BCA is available 24 hours to provide information on products and services, facilitate technical assistance, manage complaints and suggestions and various other services. Halo BCA also serves as a call center for BCA subsidiaries. The Bank supported the government's tax amnesty program by providing education for participants through Halo BCA. BCA established a dedicated work unit, the Digital Services Center, which is responsible for managing MyBCA services and the Halo BCA call center, due to the importance of maintaining high service quality for customers.

Halo BCA continuously maintains its solid presence on domestic, regional and international stages. It consistently receives reputable rewards, in appreciation of its excellent service quality. It received the 2017 Contact Center Service Excellence Award from Service Excellence Magazine and Carre – CCSL. Halo BCA also received 30 awards from Contact

Center World – APAC Awards 2017 for the Asia Pacific region and won 11 award in the Contact Center Service Excellence Awards (CCSEA) 2017, initiated by Carre Center for Customer Satisfaction Loyalty and Service Excellence Magazine.

Looking Ahead

Going forward, BCA will continue to invest in network infrastructure to accommodate transaction growth and customer banking preferences. Utilization of technology will be increasingly important for the future development of its services to improve efficiency and adapt to changes in customer behavior. The Bank will continue to take the initiative in service development and automation and optimize synergy between human resources and supporting technology.

BCA will continue to enhance the capabilities of frontline staff to build stronger relationships with customers, enabling them to offer suitable products, including bancassurance and investment products. BCA personnel will have a deeper understanding of customer profiles through the use of data analysis, and be better able to provide services and financial solutions as per the specific needs of customers.

Business Support

Information Technology

Information technology is increasingly important for BCA as a business enabler, supporting ongoing business growth. The development of information technology is aligned with the Bank's strategy and policies.



BCA continuously invests in its Information Technology (IT) infrastructure to ensure reliability, capacity and capability in developing its business. IT development is directed toward the provision of quality services, and focuses on accommodating customer needs. IT plays a role in increasing the efficiency and productivity of BCA's internal processes, in addition to providing convenience in customer transactions.

BCA has seen opportunities from the rapid growth of IT and the increase in smartphone users and internet services in Indonesia in recent years. The Bank continuously capitalizes on advanced technologies in developing its products and services. It has built a dedicated work unit to learn and develop new technologies for innovations. BCA also follows and utilizes digital technology to implement automation for increased efficiency. The Bank captures investment opportunities and develops collaborations with fintech companies to strengthen the ecosystem of BCA group's financial services through its venture capital subsidiary, PT Central Capital Ventura.

Increasing Information Technology Infrastructure Capabilities

BCA constantly increases the capacity, reliability and security of its network, in line with growing customer transactions. Periodically, it reviews and updates its hardware and core systems network. Software and mainframe operating systems are continuously upgraded as needed.

BCA manages a real-time network infrastructure operation supported by a redundancy system to ensure the reliability of its network system. The redundancy system mitigates system failures and enables automatic network recovery in the event of hardware damage, without disrupting banking services. The redundancy system comprises two mirrored data centers in Jakarta, enabling business continuity if one of the locations experiences a system failure. BCA has a disaster recovery center in Surabaya in anticipation of larger disturbances and natural disasters, which is fully integrated with the two data centers. The Bank is committed to maintaining operational continuity with minimal downtime.

BCA has implemented a service-oriented architecture system since 2010, in line with operational and business needs, that can be re-applied and re-used across similar projects, improving the efficiency and speed of application development. The Bank adopted an Application Programming Interface (API) in line with the rapid growth of demand for digital services. API implementation allows BCA's systems to be integrated with a number of other systems, including those of fast-growing e-commerce and fintech companies. This approach plays an important role in involving BCA's payment system for users of these companies' applications or websites.

BCA closely monitors the development of cloud computing technology, which is the utilization of information technology facilitated by the internet, such as data storage and usage of application systems. The Bank has developed a number of potential IT pilot projects to capitalize on these opportunities in supporting the Bank's business. BCA is developing a big data system, which will be utilized for analyzing enormous amounts of data. Big data will support the Bank's data analysis, enabling it to develop products and services that best suit the specific needs of customers. BCA is learning about the concept of big data, its information technology infrastructure and data management, which will allow it to shift from a conventional data warehouse system to a big data system, and incorporate other supporting data.

BCA supported the implementation of the Bank Indonesia National Payment Gateway (NPG) policy in 2017 to manage national debit card and electronic money-based payment systems. The Bank prepared the information technology infrastructure necessary to implement this policy. BCA also expanded its infrastructure to support Flazz cards as a means of payment on national toll roads.

The quality and reliability of BCA's information technology is reflected in the ISO certifications received in 2017: ISO 20000-1:2011 on Service Management Systems for BCA's information technology services to internal customers and its various internet and intranet networks; and ISO 22301:2012 on

Business Support

Information Technology

Business Continuity Management for the Bank's management system of data center operations. BCA continues to review the utilization of possible digital technology in strengthening payment service systems and simplifying processes.

Customer Solutions

IT plays an important role in supporting innovations developed by BCA's business units in providing suitable financial solutions for customers. The increasingly competitive market prompted BCA to bring innovations to its various payment system products and services, in line with IT development. To support growing customer preference for digital transactions, the Bank continued to improve internet and mobile banking services and e-commerce payment systems in 2017. BCA enhanced the KlikBCA integrated solution internet banking service with new features, to provide a more comprehensive corporate cash management service.

The BCA IT team supported the development of the virtual assistant VIRA and e-branch applications in 2017. VIRA is a chat based service accessed through several popular chat apps utilizing chatbot technology, an artificial intelligence that processes data into information. VIRA offers product information services, promotions and allows customers to check balances and bank statements. The e-branch is a mobile device application that supports branch office services, such as reserving branch services, submitting information for the opening of new accounts, obtaining product information, checking transaction summaries and registering for transaction reminder services. Customers can also contact Halo BCA, the Bank's contact center through the e-branch pilot project. New features will continuously be added to develop both the e-branch and VIRA applications. The development of cardless payment tools is also a priority for BCA, including further enhancement of the Sakuku smartphone app, a server-based electronic wallet. Sakuku's available features, among others, are split bill, transfer, cash withdrawal at BCA ATMs and payments using QR technology.

BCA has held an annual finhack event for the last two years, which facilitates creativity in technology using talented Indonesian IT developers. This brings new innovations and the Bank works with IT developers to build financial services to meet customer needs.

Strengthening IT Security

Transaction security is one of BCA's top priorities to maintain customer trust in banking services. The threat of cyber-crime and potential for fraud is growing with the development of technology and increasing reliance on the internet. BCA implements reliable IT security systems based on international standards to prevent cyber-crime and detect suspicious transactions.

BCA continues to improve transaction security systems across all networks, including internet banking. The weakest link in online transactions is customer computers or digital devices, which can be easily infiltrated by malware. To mitigate the risk of theft and misuse of information, the Bank's systems are capable of detecting malware on client computers when connected via BCA internet banking. BCA established a security monitoring center unit in 2017 to monitor notifications and alerts of attacks and malware that are generated from its threat detection systems, and to follow up on necessary steps to maintain system and network security at BCA. To maximize awareness of security issues, BCA proactively educates customers on the importance of exercising caution in their transactions.

The Bank also socializes its internal employees to have secured practices in the workplace, including upholding data confidentiality. Improved user ID management, access authorization systems and periodic upgrades to security applications, such as antivirus and Intrusion Preventing Systems (IPS), are constantly being implemented to ensure network security.

Business Continuity

BCA has a business continuity plan to ensure the durability of its core services, even in the event of significant disruptions. The plan supports BCA to keep serving customers in the midst of emergency scenarios, such as national-scale natural disaster.

To ensure the operation of business functions, BCA constantly evaluates and updates emergency guidelines and procedures at all operational levels. The Bank updated its manual for business continuity plans in 2017, in line with changes to the



business environment and developing work processes. BCA also periodically organizes seminars, training programs and simulations to ensure readiness in the face of disasters and other events with the potential to disrupt business activities.

BCA implemented the secondary work place initiative to support operational continuity in the event of regional disruption, providing a secondary workplace for each regional office. The Bank also has a centralized secondary operations center, a substitute workplace for head office work units in case of disruption. There is a command and crisis center available at the secondary operations and disaster recovery centers, to be used by the management and crisis teams for crisis command in the event of disruption at headquarters or in Jakarta region.

Looking Ahead

BCA continuously capitalizes on digital technology in developing its business and to further improve efficiency. The Bank's internet and mobile banking services continue to be enhanced to fulfill customer needs and accommodate the fast

growing number of transactions. The IT department supports data analytics and machine learning to develop products and services that accommodate changing customer needs and behavior, and provide comprehensive financial solutions.

BCA believes a more agile IT infrastructure supports the increasing demand in online and digital transactions. The Bank continues to develop its API facilities to increase the connectivity between its banking system and third party systems. BCA also sees the importance of developments in cloud computing technology infrastructure and data management using big data systems. The development of cardless payments will be a priority for BCA in the future, to efficiently increase the speed of transactions and enhance customer experiences.

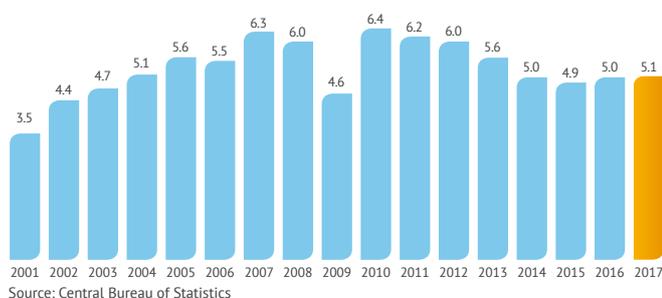
Financial Review



OVERVIEW OF INDONESIA'S MACRO ECONOMY 2017

Indonesia's economic growth rate has been modest since the end of the commodities boom, in line with stagnant domestic consumption and the ongoing recovery of export performance. Indonesia posted economic growth of 5.1% in 2017, from 5.0% in 2016, Indonesia's growth remained as one of the highest rises among G-20 countries.

Growth in Indonesia's Gross Domestic Product (GDP) (%)



With the implementation of strategic policies in 2017, we saw Government and regulator efforts to stimulate national economic recovery and maintain macroeconomic and financial system stability. The development of infrastructure projects continues to be a Government focus, to enable the acceleration of Indonesia's economy, especially once the key infrastructure projects have been completed. Investment flows improved and contributed to a number of business activities. Export performance increased, in line with the improvement of Indonesia's key commodity prices from their lowest level.

Economic growth was influenced by positive improvement in the global economy, although the recovery is slower than expected. One positive that drew attention was the growth of the US economy, which showed progressive signs, including domestic consumption growth and the declining unemployment rate. These positive indicators influenced the US Federal Reserve (FED) to increase its interest rate several times, and again in the foreseeable future. The Chinese economy is moving toward a new equilibrium, with lower economic growth of 6.7%-6.9%, accompanied by the risk of high corporate debt. The slowdown in China's economy has affected the global economy, especially

its trading partners, including Indonesia. However, China's rebalancing and deleveraging processes have been well managed and its economy is heading for a soft landing. The economy in Europe began to show improvement and is now one of the pillars of global economic growth.

Targeted domestic macroeconomic policies successfully supported a number of key economic parameters, despite moderate national economic growth. The Rupiah exchange rate against the US dollar (USD) was relatively stable in 2017, although it experienced pressure in the second semester of 2017, closing 2017 at Rp 13,555 per 1 USD, from Rp 13,473 per 1 USD at the end of 2016. Inflation also remained within the Government's target range, at 3.6% in 2017, from 3.0% in 2016.

Rupiah Exchange Rate Against USD (in Rupiah)



Indonesia's economy saw a number of achievements in 2017, providing foundations for long-term economic growth. The tax amnesty program, which ran from July 2016 to March 2017, recorded redemption payments of Rp 134.8 trillion, equivalent to 1.1% of GDP, and total declared net assets of Rp 4,881 trillion, equal to 39.3% of GDP. The tax amnesty was the most successful in the world compared with other countries implementing such a program. Around 965,900 taxpayers took part in the amnesty.

Standard & Poor's upgraded Indonesia's debt rating to investment grade in 2017 in light of its stable fiscal and monetary conditions, while Fitch Ratings increased its debt rating from BBB- to BBB. The outlook of Indonesia's investment grade was improved to positive from stable by Moody's.

Bank Indonesia (BI) issued several monetary policies to stimulate economic growth, including cutting interest rates. In second semester 2017, BI lowered its seven-day reverse repo rate in August and September by 25 bps each, standing at 4.25% at the end of year. This was due to the stability of inflation, Rupiah exchange rates and investment flow. Indonesia's interest rates were relatively low compared to long-term historical data. However, national banks need to pay attention to the direction of global interest rates, especially the impact of the increased FED rate in the US and the European Central Bank's (ECB) plan to reduce its stimulus in the Eurozone. The normalization of the FED rate, both in terms of magnitude and implementation schedule, will impact emerging countries, including Indonesia. The rate of reduction of the ECB's monetary stimulus program will depend on economic recovery in European countries. The prevailing macroeconomic conditions of large countries will affect the monetary policies of the major central banks and impact global capital flow.

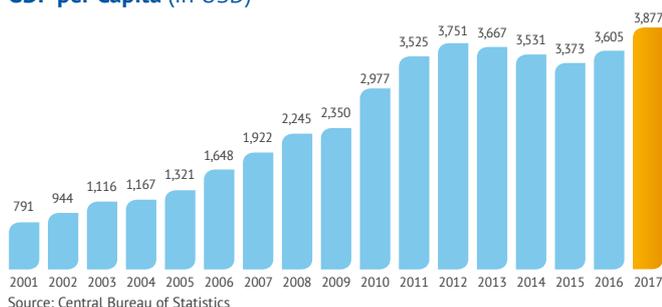
Inflation and BI Rate (%)



Source: Central Bureau of Statistics and Bank Indonesia

Indonesia's GDP per capita saw significant growth for more than a decade, hitting USD 3,877 in 2017. This increase will continue to play an important role in attracting foreign capital investment, which drives national economic growth. The GDP ratio is expected to increase in the future, in accordance with improving economic prospects in Indonesia.

GDP per Capita (in USD)



Source: Central Bureau of Statistics

INDONESIAN BANKING SECTOR PERFORMANCE OVERVIEW 2017

The banking sector experienced moderate assets growth of 9.8% to Rp 7,387 trillion in line with ongoing economic recovery. Banking sector profitability continued to grow, shown by the Banks' Return on Assets (ROA) growth of 2.5% in 2017, from 2.2% in 2016.

The sector's loans grew 8.2% to Rp 4,738 trillion, 46.9% of which were working capital loans, while consumption and investment loans contributed 28.2% and 24.9%, respectively. Working capital was Rp 2,223 trillion, growth of 8.5% from 2016, consumption loans were Rp 1,335 trillion, up by 11.0%, and investment loans grew 4.9% to Rp 1,180 trillion by the end of 2017.

Third party funds grew 9.3% to Rp 5,289 trillion as of December 31, 2017 from Rp 4,837 the previous year, also supported by the success of the tax amnesty program, which drew funds into the Indonesian financial industry. Current accounts and savings accounts (CASA) grew 9.6% to Rp 2,934 trillion at the end of 2017. Current and savings accounts grew 9.7% and 9.6%, respectively, to Rp 1,233 trillion and Rp 1,701 trillion. Time deposits grew 9.0% to Rp 2,355 trillion.

The banking sector recorded positive Net Income, in line with easing pressure on the quality of Non-Performing Loans (NPL), resulting in declining expenses for loan loss reserves from 2016. NPL ratio improved to 2.6% at the end of 2017 from 2.9% in 2016. Net Interest Income grew 4.4% to Rp 358 trillion from Rp 343 trillion in 2016, despite the downward trend in the banking sector's Net Interest Margin (NIM), which was 5.3%, lower than 5.6% in 2016, in line with the decline in interest rates. Other Operating Income decreased by 8.3% to Rp 133 trillion. Total Operating Income (Net Interest Income and Other Operating Income combined) slightly increased by 0.6% to Rp 491 trillion. Banking sector Operational Expenses, including NPL Provision Expenses, fell by 7.4% to Rp 326 trillion from Rp 352 trillion the previous year. As a result, the Bank's Net Income in 2017 grew 22.4% to Rp 131 trillion from Rp 107 trillion in 2016. The sector's capital position remained solid, with a CAR ratio of 23.2% in 2017, increased from 22.9% in 2016.

BCA is optimistic about the prospects of the Indonesian banking industry, supported by the relatively positive industry growth amid challenges in recent years. Overall, the national sector is in a solid financial position. The regulator has conducted proactive and sustainable supervision of the banking industry in recent years, applying policies with a balance between business growth and prudent risk management.

Indonesian Banking Sector Performance Highlights (in trillion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Total Assets	7,387	6,730	657	9.8%
Loans	4,738	4,377	361	8.2%
Working Capital	2,223	2,049	174	8.5%
Investment	1,180	1,125	55	4.9%
Consumer	1,335	1,203	132	11.0%
Third Party Funds	5,289	4,837	452	9.3%
Current Accounts	1,233	1,124	109	9.7%
Savings Accounts	1,701	1,552	149	9.6%
Time Deposits	2,355	2,161	194	9.0%
Net Interest Income	358	343	15	4.4%
Other Operating Income	133	145	(12)	-8.3%
Operating Expense	(326)	(352)	26	-7.4%
Income Before Tax	167	137	30	21.9%
Net Income	131	107	24	22.4%
Net Interest Margin (NIM)	5.3%	5.6%	na	-30 bps
Return on Assets (ROA)	2.5%	2.2%	na	30 bps
Operating Expenses to Operating Revenues (BOPO)	78.6%	82.2%	na	-360 bps
Loan to Deposit Ratio (LDR)	90.0%	90.7%	na	-70 bps
Non-Performing Loans (NPL)	2.6%	2.9%	na	-30 bps
Capital Adequacy Ratio (CAR)	23.2%	22.9%	na	30 bps
Number of Banks (Unit)	115	116	(1)	-0.9%

Source: Financial Services Authority (OJK)

BCA FINANCIAL PERFORMANCE OVERVIEW 2017

BCA recorded a positive performance in 2017, marked by loan and third party funds growth as well as increased profitability. Loans grew 12.4%, higher than the industry average, to Rp 467.5 trillion, and third party funds grew 9.6% to Rp 581.1 trillion, supported by current accounts and saving accounts (CASA) and time deposit growth.

BCA grew Net Income by 13.1% to Rp 23.3 trillion, amid the NIM decline, supported by its lending and third party funds growth, operational efficiency programs and lower provision expenses in line with well maintained loan quality. NIM recorded at 6.2%, decreased 60 basis points from the previous year. The easing pressure on NIM subsided in the fourth quarter of 2017.

BCA's Return on Assets (ROA) and Return on Equity (ROE) remained solid compared to 2016 at 3.9% and 19.2%, respectively.

BCA's capital and liquidity maintained adequate positions, with a Capital Adequacy Ratio (CAR) of 23.1% and a Loan to Funding Ratio (LFR) of 78.2%. The CAR was higher than the minimum regulatory requirement and also above the required level of the maximum buffer on the BASEL III calculation. The Bank's NPL was recorded at tolerable level of 1.5% in 2017.

FINANCIAL POSITION

BCA recorded a solid financial position, supported by a healthy capital and liquidity position and its quality asset portfolio.

ASSETS

BCA remained as one of Indonesia's leading banks with total assets of Rp 750.3 trillion at the end of 2017, grew 10.9% from Rp 676.7 trillion the year before.

Total Assets

	2017		2016		Increase / (decrease)	
	billion Rupiah	% to Total Assets	billion Rupiah	% to Total Assets	billion Rupiah	Percentage
Earning Assets	672,235	89.6%	604,049	89.3%	68,186	11.3%
Placements with Bank Indonesia and Other Banks	18,969	2.5%	35,364	5.2%	(16,395)	-46.4%
Securities	140,578	18.8%	111,948	16.5%	28,630	25.6%
Investment Securities*	131,316	17.5%	109,398	16.1%	21,918	20.0%
Securities Purchased under Agreements to Resell	9,262	1.3%	2,550	0.4%	6,712	263.2%
Loans	467,509	62.3%	415,896	61.5%	51,613	12.4%
Consumer Financing and Investment in Finance Leases	9,068	1.2%	8,670	1.3%	398	4.6%
Others	36,111	4.8%	32,171	4.8%	3,940	12.2%
Non Earning Assets	78,085	10.4%	72,690	10.7%	5,395	7.4%
Cash and Current Accounts with Bank Indonesia	60,227	8.0%	56,541	8.4%	3,686	6.5%
Fixed Assets - net	16,869	2.3%	16,991	2.5%	(122)	-0.7%
Allowance for Impairment Losses on Financial Assets	(14,634)	-2.0%	(13,915)	-2.1%	(719)	5.2%
Others	15,623	2.1%	13,073	1.9%	2,550	19.5%
Total Assets	750,320	100.0%	676,739	100.0%	73,581	10.9%

* In audited Consolidated Financial Statements, Investment Securities (gross) was recorded at Rp 131,611 billion in 2017 and Rp 109,585 billion in 2016 including investment in shares amounting to Rp 295 billion in 2017 and Rp 187 billion in 2016.

Earning assets grew 11.3% or Rp 68.2 trillion to Rp 672.2 trillion at end 2017, from Rp 604.0 trillion the previous year. Earning assets were 89.6% of total assets. Loans were the Bank's largest asset component at 62.3%, to total assets. BCA loans were Rp 467.5 trillion at the end of 2017, an increase of 12.4% from the previous year.

CASH AND CURRENT ACCOUNTS WITH BANK INDONESIA

Cash and current accounts with Bank Indonesia were Rp 60.2 trillion at the end of 2017, 6.5% growth from 2016. The cash balance was Rp 16.7 trillion, while current accounts with Bank Indonesia were Rp 43.5 trillion.

BCA's cash balance is always maintained at a level adequate to fulfill the needs of customer cash transactions. Current accounts with Bank Indonesia comply with BI's minimum reserves requirements. BCA's primary reserves were 7.0% for Rupiah and 8.5% for foreign currency at the end of 2017.

PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

Placements with Bank Indonesia and other banks fell by 46.4% to Rp 19.0 trillion at end of 2017 from Rp 35.4 trillion the previous year, due to the shift of funds placement in securities with higher yields, including Certificates of Bank Indonesia (consists of Bank Indonesia Deposit Certificates – SDBI in Rupiah and Bank Indonesia FX Bills – SBBI in foreign currencies) as well as government bonds under Securities accounts. This supports BCA's yield optimization strategy, while remaining within its risk appetite.

SECURITIES

BCA's securities portfolio was Rp 140.6 trillion at the end of 2017, up by 25.6% from Rp 111.9 trillion the previous year. The portfolio mostly consisted of investment securities of Rp 131.3 trillion, up by 20.0%.

Investment Securities* (in billion Rupiah)

	2017	2016	Increase / (decrease)		Composition	
			Nominal	Percentage	2017	2016
Government Bonds (excluding Trading Account)	70,261	66,416	3,845	5.8%	53.5%	60.7%
Certificates of Bank Indonesia	35,587	20,163	15,424	76.5%	27.1%	18.4%
Other Securities	25,468	22,819	2,649	11.6%	19.4%	20.9%
Total	131,316	109,398	21,918	20.0%	100.0%	100.0%

* In audited Consolidated Financial Statements, Investment Securities (gross) was recorded at Rp 131,611 billion in 2017 and Rp 109,585 billion in 2016, including investment in shares amounting to Rp 295 billion in 2017 and Rp 187 billion in 2016.

BCA made placements in instruments with higher yields, including investment securities, in line with its solid liquidity position and modest loan demand. The increased placement was primarily certificates of bank indonesia, which grew 76.5% to Rp 35.6 trillion at the end of 2017. Government bonds remained the largest component of investment securities, at Rp 70.3 trillion, increased 5.8%. Other securities grew 11.6% to Rp 25.4 trillion, primarily due to an increase in corporate bonds and mutual funds.

Placements in securities purchased under agreements to resell grew significantly by 263.2% to Rp 9.3 trillion. BCA placed its funds in higher-yielding instruments, in response to the decline in the benchmark interest rate.

Government Bonds

Government bonds in investment securities (excluding trading accounts) were Rp 70.3 trillion, up 5.8% from 2016's Rp 66.4 trillion.

The majority of government bond investments were held in the 'available-for-sale' category at Rp 47.3 trillion or 66.9% of the total portfolio. Government bonds in the 'held-to-maturity' category were Rp 23.0 trillion, 32.6% of the total. BCA also held government bonds in the 'trading' category of Rp 0.3 trillion, 0.5% of the total portfolio in 2017.

Most government bonds were fixed rate, at Rp 70.5 trillion, 99.9% of the total, and variable-rate government bonds were Rp 0.1 trillion, the remaining 0.1% of the total portfolio.

Government bonds were predominantly denominated in Rupiah, at Rp 66.4 trillion, 94.0% of the total portfolio. The remaining 6.0% were government bonds in foreign currencies Rp 4.2 trillion. Yield grew 6.8% in 2017, from 6.6% in 2016. The majority of government bonds owned by BCA have a lower than six-year tenor.

Government Bonds (in billion Rupiah)

Type of Bonds	2017	2016	Increase / (decrease)		Composition	
			Nominal	Percentage	2017	2016
Based on Purpose of Ownership	70,621	66,585	4,036	6.1%	100.0%	100.0%
Trading	360	169	191	113.0%	0.5%	0.2%
Available for Sale	47,255	41,527	5,728	13.8%	66.9%	62.4%
Held to Maturity	23,006	24,889	(1,883)	-7.6%	32.6%	37.4%
Based on Interest Rates	70,621	66,585	4,036	6.1%	100.0%	100.0%
Fixed Rates	70,522	66,486	4,036	6.1%	99.9%	99.9%
Variable Rates	99	99	-	0.0%	0.1%	0.1%

Government Bonds Maturity Profile (in billion Rupiah)

Type of Bonds	Carrying Value	Value of Government Bonds to Mature in																		
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2031	2032	2033	2034	2036	2038	2047	2048
Trading	360	157	16	43	-	9	40	11	2	-	1	8	-	4	49	-	-	6	4	10
Available for Sale	47,255	15,606	13,073	8,693	7,763	178	1,794	-	-	-	31	-	41	21	-	-	45	-	-	10
Held to Maturity	23,006	9,202	1,391	8,693	3,348	9	128	40	42	28	-	-	10	-	-	49	41	10	-	15
Total	70,621	24,965	14,480	17,429	11,111	196	1,962	51	44	28	32	8	51	25	49	49	86	16	4	35

LOANS

BCA's loan portfolio grew 12.4% to Rp 467.5 trillion in 2017, higher than the 8.2% banking sector average, supported by growth in all segments. The Bank remained the third largest loan provider in Indonesia, with a 9.9% market share from 9.5% in 2016. BCA took advantage of opportunities in every increasing seasonal loan demand, conducting attractive promotional events and programs, and offering competitive lending rates.

Corporate loans grew 14.5% to Rp 177.3 trillion, and consumer loans increased 12.1% to Rp 122.8 trillion. Corporate loans were disbursed to industry sectors with positive potential such as plantations and agriculture, financial services, as well as power generation. BCA stimulated consumer loan demand conducting numerous events with attractive interest rates and promotion programs on mortgages, vehicle loans and credit cards. Commercial and SME loans grew 10.3% to Rp 164.7 trillion. This increase was partly due to Rp 5.4 trillion in consumer loans reclassified as business loans.

Growth of Loan Portfolio

(in billion Rupiah)



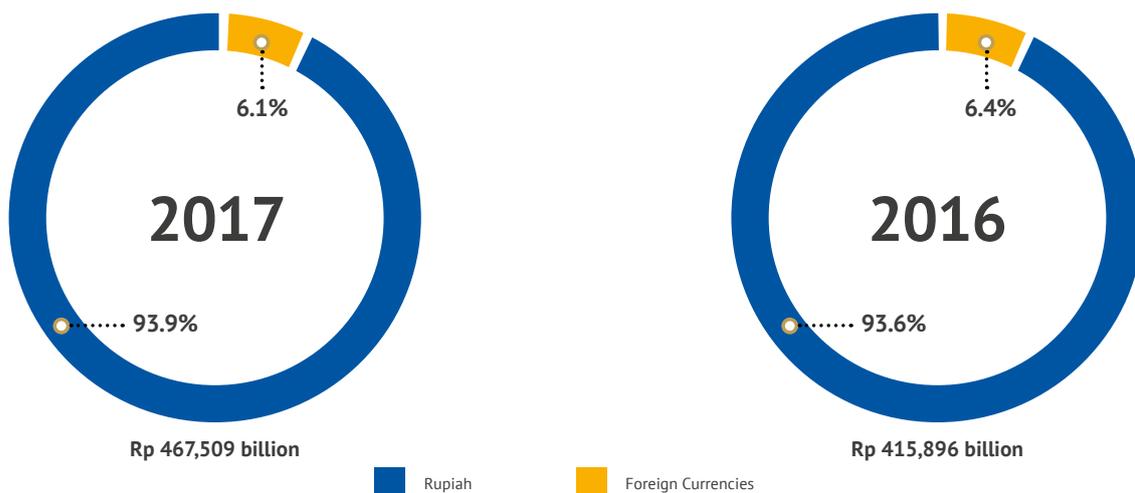
BCA's loan yield fell to 9.4% in 2017 from 10.2% in 2016, in line with the declining benchmark interest rate and increasing competition in banking sector lending.

Rupiah and Foreign Currency Loans

The majority of loans were in Rupiah at 93.9%, with foreign currency loans at 6.1% at the end of 2017, consistent with BCA's source of funds, which are mainly in Rupiah.

Rupiah loans rose 12.8% to Rp 439.1 trillion by the end of 2017, and foreign currency loans grew 7.1% to Rp 28.4 trillion (USD 2.1 billion). BCA used a prudent approach by limiting total foreign currency loan exposure and foreign currency lending focused on customers with primary revenue in foreign currencies, to minimize exchange rate risk.

Loan Composition based on Currency Denomination



Loans based on Industrial Sector

BCA diversifies loans across industries to minimize concentration risk. The largest 10 industry sectors represented 56.1% of total business loans in 2017. Distributors, wholesalers and retailers made the largest contribution with 9.0% of total loans, followed by plantations and agriculture at 7.1%, and the building materials and other construction related sector at 6.4%.

Top 10 Industry Sectors in Corporate, Commercial and SME Segment (based on the Bank's internal classification)*

	2017	2016
Distributor, Wholesaler and Retailer	9.0%	7.3%
Plantation and Agriculture	7.1%	6.9%
Building Material and Other Construction Related	6.4%	7.3%
Automotive and Transportation	5.7%	5.6%
Financial Services	5.5%	4.0%
Properties and Construction	5.2%	4.9%
Food and Beverages	4.7%	5.2%
Textile and Garment	4.4%	4.6%
Chemicals and Plastics	4.1%	5.4%
Transportation and Logistics	4.0%	4.9%
Total	56.1%	56.1%

* Excluding consumer loans and employee loans

Note: For the purpose of analysis, the above loan categories are based on industry sectors used internally by BCA. In the note of audited Financial Statements, loan groupings are done with reference to Commercial Bank Report categories in accordance with regulations.

Loan Composition based on Type of Loan

Working capital loans made the largest contribution to total loans at 47.2% at the end of 2017, with consumer and investment loans contributing 26.3% and 25.9%, respectively.

Working capital loans grew 13.3% in 2017 to Rp 220.6 trillion, while investment loans increased 11.1% to Rp 121.2 trillion, and consumer and employee loans grew 12.2% and 10.4% to Rp 122.8 trillion and Rp 2.8 trillion, respectively.

Loan Composition based on Type of Loan

	2017		2016		Increase / (decrease)	
	billion Rupiah	Composition	billion Rupiah	Composition	billion Rupiah	Percentage
Working Capital	220,604	47.2%	194,697	46.8%	25,907	13.3%
Investment	121,223	25.9%	109,136	26.3%	12,087	11.1%
Consumer (including Credit Card)	122,855	26.3%	109,503	26.3%	13,352	12.2%
Employee	2,827	0.6%	2,560	0.6%	267	10.4%
Total	467,509	100.0%	415,896	100.0%	51,613	12.4%

Loan Receivables Collectability

Loan growth was balanced by healthy loan quality in 2017. BCA continuously applies a prudent approach to lending and monitors business, economic conditions and other factors that may affect loan quality and repayment capability. 2017 lending prioritized customers with good relationships with the Bank, proven track records and positive business prospects.

BCA's Non-Performing Loans (NPL) ratio was 1.5% at the end of 2017, from 1.3% the previous year, but much lower than the 2.6% national banking sector average. Loan quality was maintained at a healthy level and within BCA's predetermined risk appetite. The net NPL ratio was relatively stable at 0.4%.

Loan Collectability* (non consolidated)

	2017		2016	
	billion Rupiah	% to Total Loans	billion Rupiah	% to Total Loans
Performing Loan	460,675	98.5%	410,827	98.7%
Current	453,953	97.1%	404,385	97.1%
Special Mention	6,722	1.4%	6,442	1.6%
NPL	6,945	1.5%	5,452	1.3%
Substandard	1,987	0.4%	535	0.1%
Doubtful	686	0.2%	523	0.1%
Loss	4,272	0.9%	4,394	1.1%
Total Loans	467,620	100.0%	416,279	100.0%
NPL Ratio – gross	1.5%	na	1.3%	na
NPL Ratio – net	0.4%	na	0.3%	na
Provision / NPL	190.7%	na	229.4%	na

* Although allowance for impairment losses is not calculated based on collectability, the calculation remains necessary to determine the Capital Adequacy Ratio (CAR) according to Bank Indonesia Regulation.

BCA had adequate loan reserves of Rp 13.2 trillion, growth of 5.9%, sufficient to cover all NPLs with a ratio of reserves to NPL at 190.7%.

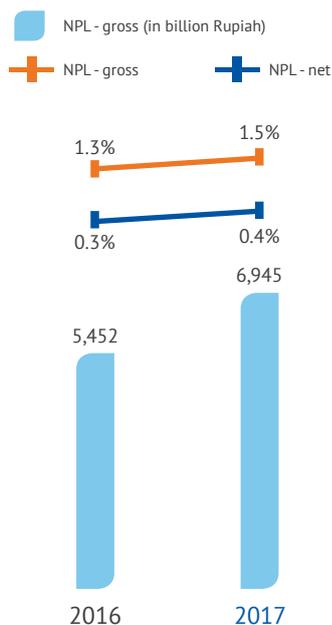
Special Mention Loans. Special mention loans were Rp 6.7 trillion at the end of 2017, growth of 4.3% on the previous year. The majority were consumer loans, contributing 59.2%, due to the increasing value of consumer loans and the installment repayment process where one day of late payment was automatically considered a special mention loan. Majority of these late payments did not result in lower loan quality or the shifting of collectability status to NPL.

Non-Performing Loans (NPL). BCA's NPL were Rp 6.9 trillion by the end of 2017, an increase of 27.4% over the previous year. This increase was mainly attributable to the corporate segment, primarily from the transportation & logistics sectors, as well as property and construction. As information, BCA has never written-off corporate loans in recent years. The quality of commercial and SME loans improved, with NPLs in 2017 of 1.8% compared to 2.2% in 2016, supported by settlement of previously non-performing loans and write-offs in the segment.

BCA closely monitored loan quality throughout 2017, conducting stress testing under various scenarios and carefully examining the factors and parameters of the testing. The results of the tests show BCA's loan quality was at a healthy level in the face of potential risks, according to the scenarios used.

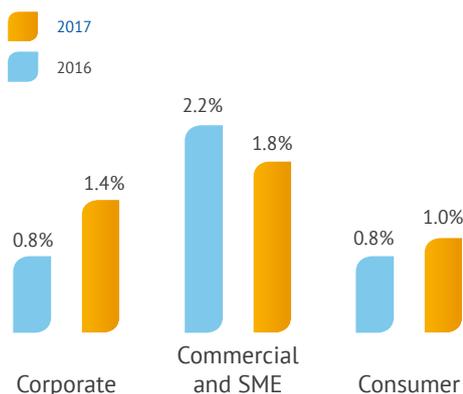
Non-Performing Loans (NPL)

(non consolidated)



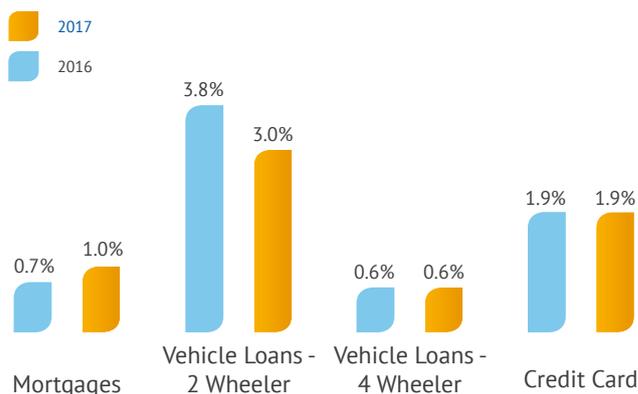
NPL Ratio by Segment

(non consolidated)



NPL Ratio of Consumer Loans

(non consolidated)



Restructured Loans

BCA continuously monitored business development and built communication with its customers throughout 2017. The Bank restructured loans to qualified customers experiencing temporary financial difficulties, in consideration of commercial terms, which was mostly extended loan periods, thereby reducing customer installment amounts.

BCA's restructurization was relatively lower than in 2016, in line with easing pressure on the sea freight, property and transportation facilities sectors. This led to a stable amount of restructured loans at Rp 6.6 trillion at the end of 2017, up only by 0.6% from Rp 6.5 trillion in 2016 whereas the increase in 2016 was 112.8%. Most of the restructured loans were collectability status of 1 and 2 ('current' and 'special mention') and mainly from the corporate and commercial segments.

Restructured Loan Outstanding (non consolidated, in billions Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Performing Loan	4,371	5,200	(829)	-15.9%
Current	3,141	3,946	(805)	-20.4%
Special Mention	1,230	1,254	(24)	-1.9%
NPL	2,197	1,331	866	65.1%
Substandard	726	255	471	184.7%
Doubtful	274	166	108	65.1%
Loss	1,197	910	287	31.5%
Total Restructured Loan	6,568	6,531	37	0.6%
Total Loan Portfolio	467,620	416,279	51,341	12.3%
% Restructured Loans to Total Loans Portfolio	1.4%	1.6%	na	na

Allowance for Impairment Losses on Loans

BCA established additional allowance for impairment losses on loans at Rp 1.8 trillion, down 59.2% from Rp 4.5 trillion in 2016, in line with lower deteriorating loan quality pressure in 2017 than 2016. BCA's total impairment allowance was Rp 13.2 trillion at the end of 2017, 190.7% of total NPLs and 2.8% of total loans.

Movement of Allowance for Impairment Losses on Loans Receivable (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Beginning Balance	12,505	9,027	3,478	38.5%
Addition of allowance during the year	1,832	4,494	(2,662)	-59.2%
Loans written-off during the year (-/-)	1,334	1,154	180	15.6%
Recoveries on loans previously written-off	235	146	89	61.0%
Exchange rate differences	6	(8)	14	175.0%
Ending Balance	13,244	12,505	739	5.9%

Loans Written Off

BCA wrote-off Rp 1.3 trillion in loans in 2017, relatively stable compared to Rp 1.2 trillion the previous year, primarily due to commercial loans and credit cards. BCA's ratio of loans written off against outstanding loans was 0.29% at the end of 2017, relatively similar to 2016.

Loans Written Off (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Corporate	-	-	-	-
Commercial	378	148	230	155.4%
SME	72	181	(109)	-60.2%
Consumer	884	825	59	7.2%
Mortgage	21	3	18	600.0%
4 Wheeler	157	177	(20)	-11.3%
2 Wheeler	255	293	(38)	-13.0%
Credit Card	451	352	99	28.1%
Total	1,334	1,154	180	15.6%

LIABILITIES

BCA's liabilities were Rp 618.9 trillion in 2017, an increase of 9.7% or Rp 54.9 trillion from Rp 564.0 trillion in 2016. Third party funds were 93.9% of total liabilities.

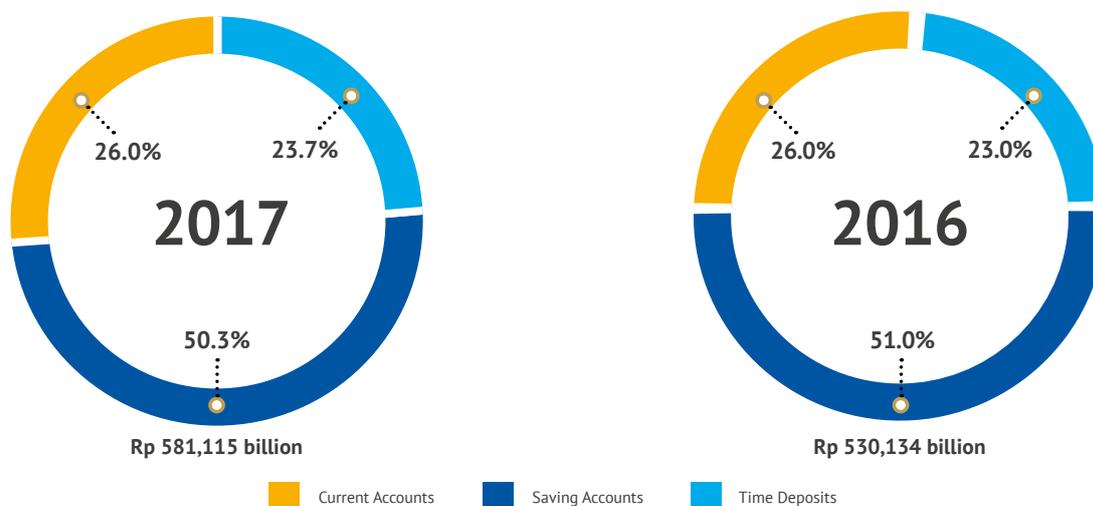
Third Party Funds

Third Party Funds

	2017		2016		Increase / (decrease)		Average Interest Rate		
	billion Rupiah	Composition	billion Rupiah	Composition	billion Rupiah	Percentage	2017	2016	Increase / (decrease)
Current Accounts	151,250	26.0%	137,853	26.0%	13,397	9.7%			
Rupiah	132,751	22.8%	113,237	21.4%	19,514	17.2%	1.0%	1.0%	0.0%
Foreign Currency	18,499	3.2%	24,616	4.6%	(6,117)	-24.8%	0.1%	0.1%	0.0%
Savings Accounts	292,416	50.3%	270,352	51.0%	22,064	8.2%			
Rupiah	278,716	48.0%	255,942	48.3%	22,774	8.9%	1.0%	1.0%	0.0%
Foreign Currency	13,700	2.3%	14,410	2.7%	(710)	-4.9%	0.2%	0.1%	0.1%
Total Transactional Account Balance (CASA)	443,666	76.3%	408,205	77.0%	35,461	8.7%			
Time Deposits	137,449	23.7%	121,929	23.0%	15,520	12.7%			
Rupiah	125,223	21.6%	111,511	21.0%	13,712	12.3%	5.2%	5.0%	0.2%
Foreign Currency	12,226	2.1%	10,418	2.0%	1,808	17.4%	0.6%	0.3%	0.3%
Total Third Party Funds	581,115	100.0%	530,134	100.0%	50,981	9.6%			
Rupiah	536,690	92.4%	480,690	90.7%	56,000	11.6%	2.0%	1.9%	0.1%
Foreign Currency	44,425	7.6%	49,444	9.3%	(5,019)	-10.2%	0.3%	0.2%	0.1%

BCA's third party funds grew 9.6% to Rp 581.1 trillion in 2017, from Rp 530.1 trillion in 2016, derived from CASA and time deposits. The turnover of tax amnesty funds also supported third party funds' growth. CASA was the main source of third party funds at 76.3%, with time deposits at 23.7%.

Composition of Third Party Funds



Current and Savings Accounts (CASA)

BCA's preeminence in transaction banking and continuous efforts in strengthening its payment settlement services supports the solidity of CASA funds. The Bank continues to make measured investments in developing network infrastructure and new products and services, according to customer needs. The Bank's broad and integrated customer base, connected with its payment system, supported CASA growth in the midst of ongoing economic recovery.

CASA funds grew 8.7% to Rp 443.7 trillion in 2017. BCA's CASA market share was 15.1% in 2017 compared to 15.3% in 2016. Current accounts grew 9.7% to Rp 151.3 trillion in 2017 from Rp 137.9 trillion in 2016, with 87.8% in Rupiah and 12.2% in foreign currencies. Current account products are intended to fulfill the needs of business owner transactions and are equipped with payment facilities using cheques and electronic banking facilities such as internet and mobile banking.

Savings accounts grew 8.2% to Rp 292.4 trillion in 2017, with 95.3% in Rupiah and 4.7% in foreign currencies. BCA continues to develop products and services in line with customer segment needs and technological developments.

CASA provides advantages for BCA in gathering funds with low interest rates. To manage CASA funds, BCA has high operating expenses for facilitating daily customer services, and has to continuously improve banking infrastructure, including investing in information technology and developing branches, EDCs and ATMs. BCA's 2012-2015 operating expenses grew 15%–25%, as a result of its core business in transaction banking services. The business model is different for banks whose funding depends on time deposits that do not require transaction services. BCA worked to increase automation and digitalization in recent years, leveraging advanced technology as part of its internal efficiency process, and the simplification of systems and procedures. This was reflected by slower operating expense growth in the last two years which were lower than 10%.

Time Deposits

BCA's time deposits grew 12.7% to Rp 137.4 trillion in 2017 from Rp 121.9 trillion in 2016, mainly in the first half of the year, in line with the increase in time deposit interest rates at the end of December 2016.

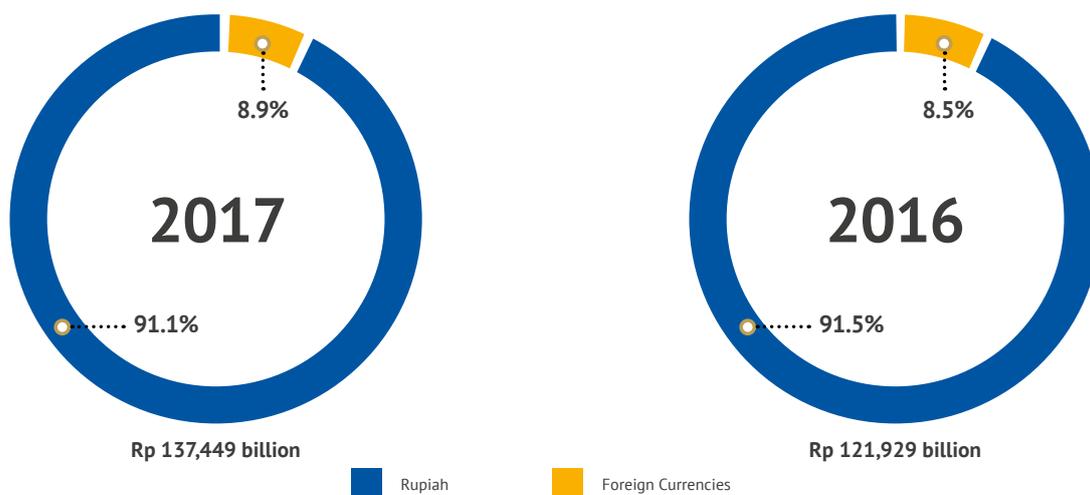
Time deposits play an important role in balancing the Bank’s funding position. BCA gradually lowered its time deposits rates in the second half of 2017, given its increasing liquidity and declining market interest rates. The maximum interest rate of one-month Rupiah time deposits fell 275 basis points from 6.75%, the highest in 2017, to 4.0% by the end of the year. With these strategies, BCA reduced cost of funds particularly in the second half of 2017.

Time Deposits based on Maturity Period



Overall, time deposits in 2017 continued to grow, due to customer trust in BCA. The composition of time deposits based on currency and maturity is as follows.

Time Deposits Composition based on Currency Denomination



Debt Service Ability

BCA and its subsidiaries met their financial liabilities throughout 2017, the majority of which were third party funds in the form of current accounts, savings accounts and time deposits. BCA, as a parent company, issued no bonds or other securities. The majority of the payments on the Bank’s financial obligations were interest payments on third party funds. BCA implemented adequate liquidity management to anticipate customer need for fund withdrawals.

BCA’s total liabilities were Rp 618.9 trillion in 2017, up 9.7% or Rp 54.9 trillion from Rp 564.0 trillion in 2016. Third party funds contributed 93.9%, while deposits from other banks, acceptance payables, debt securities issued and borrowings were at Rp 15.2 trillion, up 7.0% from Rp 14.2 trillion in 2016. The Bank’s consolidated liability to assets ratio was 82.5% at the end of 2017, from 83.3% the previous year, while the consolidated liability to equity ratio was 471.0%, down from 500.4%.

Summary of Liabilities (in billion Rupiah)

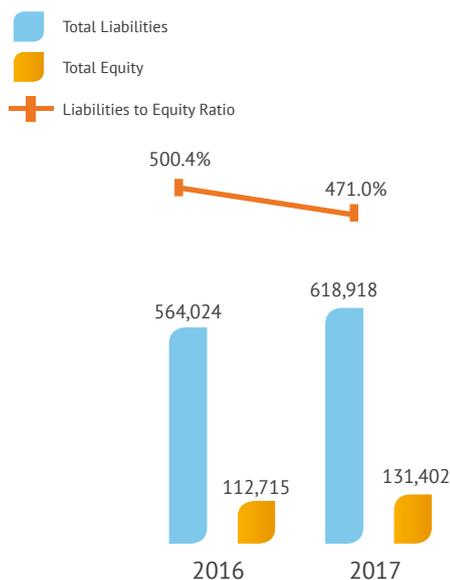
	2017	2016
Total Assets	750,320	676,739
Liabilities		
Third Party Funds	581,115	530,134
Current Accounts	151,250	137,853
Savings Accounts	292,416	270,352
Time Deposits	137,449	121,929
Deposits from Other Banks	5,758	4,901
Acceptance Payables	5,800	4,187
Debt Securities Issued	610	2,332
Borrowings	3,041	2,789
Other Liabilities	22,594	19,681
Total Liabilities	618,918	564,024
Total Equity	131,402	112,715
Consolidated		
Liabilities to Equity Ratio	471.0%	500.4%
Liabilities to Assets Ratio	82.5%	83.3%
Non Consolidated		
Liabilities to Equity Ratio	479.3%	507.5%
Liabilities to Assets Ratio	82.7%	83.5%

On a consolidated basis, debt securities issued were Rp 0.6 trillion in 2017, lower than Rp 2.3 trillion in 2016. These were bonds issued by BCA Finance, BCA's subsidiary engaged in four-wheel vehicle financing, and the fall in 2017 was due to matured BCA Finance bonds.

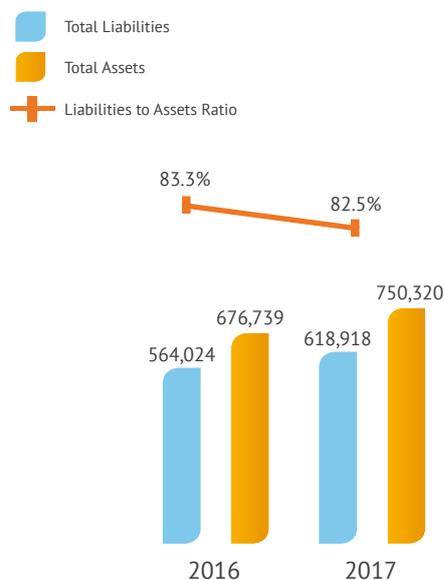
BCA Finance has a solid financial position and adequate debt repayment capability, reflected by a 53.9% liability to assets ratio and a liability to equity ratio of 116.8%. BCA Finance bonds received an idAAA rating from Pefindo and AAA (idn) from Fitch Ratings Indonesia at the end of 2017. BCA Finance's offered bonds coupon rate was 8.15%-9.0% for tenures between three and four years.

Liabilities to Equity Ratio

(consolidated - in billion Rupiah)

**Liabilities to Assets Ratio**

(consolidated - in billion Rupiah)



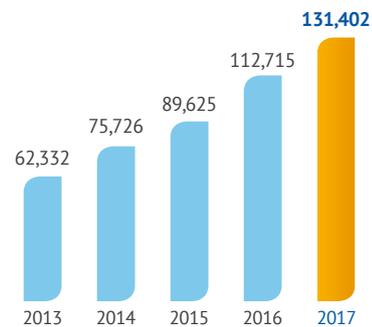
EQUITY

BCA's total equity grew 16.6% or Rp 18.7 trillion to Rp 131.4 trillion in 2017, consistent with the recent years' increase in profitability and policy of dividend payments. This further strengthened BCA's capital position, which was at a healthy level with a Capital Adequacy Ratio (CAR) of 23.1%, 120 basis points higher than 21.9% in 2016.

To strengthen its capital position, BCA adjusted its dividend payout ratio over the last six years at 20%–25%, from 30%–50%. The Return on Equity (ROE) was adequate at 19.2% at the end of 2017.

Equity

(in billion Rupiah)



PROFIT OR LOSS STATEMENTS

Profitability growth in 2017 was consistent with the increase in both lending and fund raising, particularly in current and savings accounts. BCA's profitability was further supported by operational efficiency programs and lower provisions expense in line with well-maintained loan quality.

Net Interest Income (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Interest Income	53,768	50,426	3,342	6.6%
Loans	40,014	38,882	1,132	2.9%
Placements with Bank Indonesia and Other Banks	874	815	59	7.2%
Securities	8,603	6,815	1,788	26.2%
Consumer Financing and Investment in Finance Leases	3,077	2,903	174	6.0%
Others (Including Sharia revenue sharing)	1,200	1,011	189	18.7%
Interest Expense	11,941	10,347	1,594	15.4%
Current Accounts	1,274	1,157	117	10.1%
Savings Accounts	2,632	2,462	170	6.9%
Time Deposits	6,346	5,123	1,223	23.9%
Others (Including Sharia expenses)	1,689	1,605	84	5.2%
Net Interest Income	41,827	40,079	1,748	4.4%

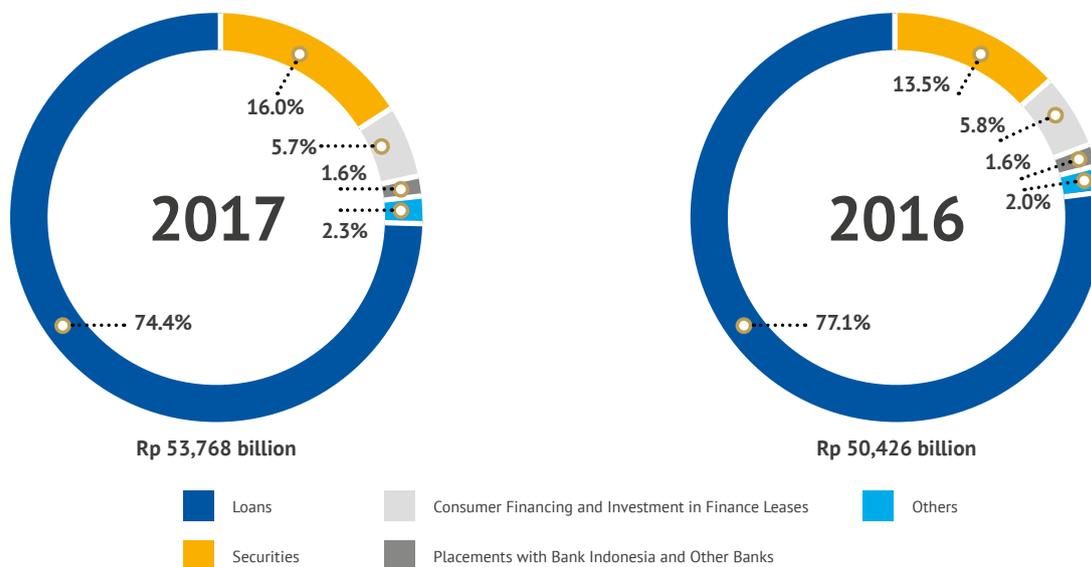
Interest Income from Securities (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Investment Securities	7,084	5,963	1,121	18.8%
Certificates of Bank Indonesia	1,478	1,965	(487)	-24.8%
Government Bonds	4,479	3,258	1,221	37.5%
Other Securities	1,127	740	387	52.3%
Securities Purchased Under Agreements to Resell	1,519	852	667	78.3%
Total Interest Income from Securities	8,603	6,815	1,788	26.2%

Interest Income

Interest Income grew 6.6% or Rp 3.3 trillion to Rp 53.8 trillion in 2017, supported by the earning assets growth. Loan Interest Income was the largest contributor at 74.4%, while the increased placement in securities contributed to the optimization of Interest Income amid moderate loan growth.

Composition of Interest Income



Interest Income from Loans grew 2.9% to Rp 40.0 trillion in 2017, due to moderate loan growth and declining lending rates in almost all segments. Loan yield was 9.4%, down 80 basis points from 10.2% in 2016.

Interest Income from Placements with Bank Indonesia and Other Banks grew 7.2% to Rp 874 billion in 2017, supported by higher yield of 3.5% compared with 3.2% in 2016.

Interest Income from Securities grew 26.2% to Rp 8.6 trillion in 2017, derived mainly from Interest Income from Government Bonds and Securities Purchased under Resale Agreements. In line with higher volume and the increase in yield, Interest Income from Government Bonds increased 37.5% to Rp 4.5 trillion in 2017. Interest Income from Securities Purchased

under Resale Agreements grew 78.3% to Rp 1.5 trillion, in line with the increase in volume of placements in these instruments.

Interest Income from Consumer Financing and Leasing grew 6.0% to Rp 3.1 trillion, derived mainly from Interest Income from Consumer Financing under BCA Finance, a subsidiary of BCA engaged in four-wheeler financing. Leasing was focused on financing large machinery for business needs, such as tractors.

Other interest Income increased by 18.7% to Rp 1.2 trillion in 2017. Included in this posting was Sharia revenue, which grew 15.9% to Rp 497 billion, consistent with the growing Sharia financing portfolio.

Earning Assets Yield (non consolidated)

	2017	2016
Loans	9.4%	10.2%
Placement with Bank Indonesia and Other Banks	3.5%	3.2%
Securities	5.7%	5.7%
Earning Assets	7.9%	8.5%

Earning Assets Yield. BCA's yield on earning assets was 7.9% in 2017, from 8.5% in 2016, in line with the downward trend in interest rates, particularly for loans.

BCA has adjusted interest rates in all loan segments since 2016, responding to declining interest rates and the tight competition between banks. To maintain profitability, the adjustment of lending rates has been offset by lower interest rates on time deposits and savings.

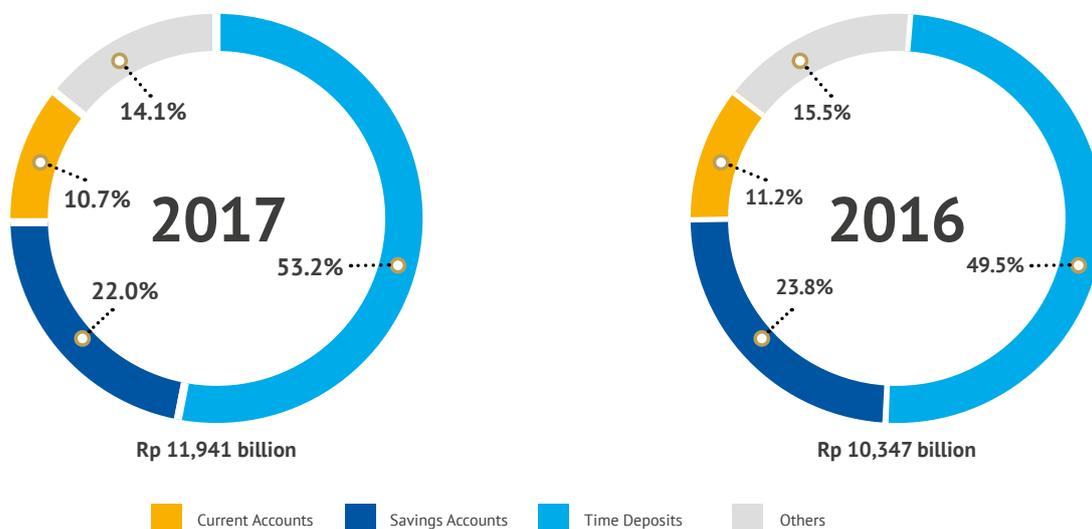
The overall loan yield was 9.4% in 2017, from 10.2% in 2016. Securities' yield stabilized at 5.7%. Yield on placements with Bank Indonesia and other banks was 3.5% in 2017 higher than 3.2% in 2016.

Interest Expense

BCA recorded Interest Expense growth of 15.4% to Rp 11.9 trillion, from Rp 10.3 trillion in 2016, primarily due to an increase in time deposit interest rates since the end of 2016 – which fueled time deposit growth – which began to reverse in mid-2017. Time deposit Interest Expense grew 23.9% to Rp 6.3 trillion in 2017. Interest Expense from current and savings accounts was Rp 3.9 trillion, growth of 7.9% from 2016.

BCA raised interest rates in December 2016 by 150 basis points for large time deposits, anticipating liquidity needs in accommodating expectations of a higher loan growth in 2017. However, in the first half of 2017, the expected increase in loan demand did not happen, with the loan portfolio only growing 4.2% YTD in the first semester of 2017, although time deposits continued to grow at 19.2% in the same period. BCA gradually reduced its time deposit rates, starting in June 2017. Cumulatively, one-month time deposit rates fell 275 basis points and to 4.0% at the end of 2017. Customer trust in BCA's time deposits remained high, with growth of 12.7% to Rp 137.4 trillion at the end of 2017.

Composition of Interest Expense



BCA also cut its savings account interest rates by 10 basis points in 2017. In line with the growth of funds, Interest Expenses of current and savings accounts grew by 10.1% and 6.9% to Rp 1.3 trillion and Rp 2.6 trillion respectively. Current and Savings Accounts cost of funds was relatively stable at 0.9% and 1.0%, respectively in 2017. BCA's core strategy is to strengthen the features and capacity of its transaction banking services

to drive the growth of CASA funds. While CASA cost of funds was low, BCA incurred substantial operational and investment expenses to increase capabilities and support the ongoing expansion of its network, to ensure it offers the best service to customers.

With careful liquidity management, BCA reduced cost of funds, particularly in the second half 2017, and relatively stable on full year basis at 2.0% in 2017.

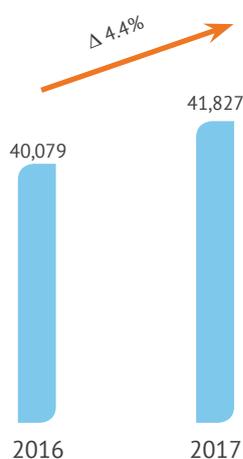
Net Interest Income and Net Interest Margin

BCA's Net Interest Income increased 4.4% to Rp 41.8 trillion in 2017. The Net Interest Margin (NIM) fell, ending the year at 6.2%, from 6.8% in 2016. The relatively significant decrease in lending rates and the increased volume of time deposits led the NIM to fall by 60 basis points.

In the second half of 2017, NIM downward pressure eased, supported by BCA's proactive moves in cost of funds management and subsiding decline in loan yield.

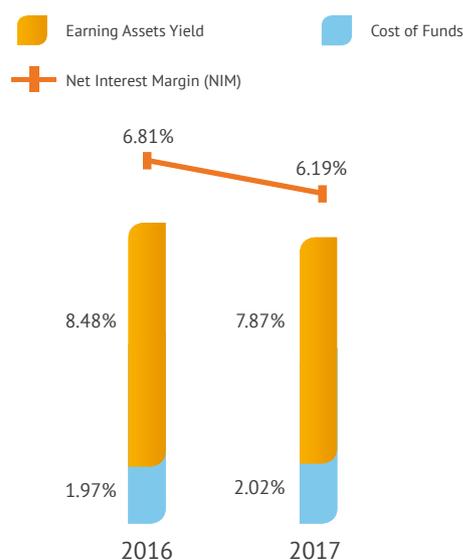
Net Interest Income

(in billion Rupiah)



Net Interest Margin - NIM

(non consolidated)



Operating Income other than Interest

Operating Income other than Interest grew 10.6% to Rp 15.2 trillion in 2017. Fee and Commission Income was the biggest share at 68.5%, while Net Trading Income and Other Operational Income contributed 11.9% and 19.6% respectively.

Operating Income Other than Interest (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Net Fee and Commission Income	10,386	9,400	986	10.5%
Net Trading Income	1,803	2,346	(543)	-23.1%
Other Operating Income	2,966	1,954	1,012	51.8%
Operating Income other than Interest	15,155	13,700	1,455	10.6%

Net Fee and Commission Income (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Deposits from customers*	3,584	3,296	288	8.7%
Loans receivable	1,354	1,298	56	4.3%
Payment settlement	1,472	1,421	51	3.6%
Credit cards	2,772	2,418	354	14.6%
Remittances, clearings, and collections	300	287	13	4.5%
Others	906	684	222	32.5%
Total	10,388	9,404	984	10.5%
Fee and commission expense	(2)	(4)	2	-50.0%
Net Fee and Commission Income	10,386	9,400	986	10.5%

* Mostly derived from monthly administration income from savings accounts

Fee and Commission Income. Fee and Commission Income grew 10.5% to Rp 10.4 trillion in 2017, mainly from monthly administration from savings accounts, administration from loans and credit cards, as well as commission on transaction banking services.

Customer deposit income in 2017 consisted mostly of administrative income on savings accounts, growing 8.7% to Rp 3.6 trillion, consistent with the increase in customer accounts, which on average grew 9.8% annually in the last two years. Income from payment settlement grew by 3.6% to Rp 1.5 trillion in 2017, including income from transactions made through the BCA network including digital platforms.

An 14.6% increase in administrative income from credit cards to Rp 2.8 trillion in 2017 was mainly driven by the growing number of credit cards and an increase in network switching revenue. Income from loans grew 4.3% to Rp 1.4 trillion in 2017.

Trading Income. Net Trading Income fell 23.1% to Rp 1.8 trillion, primarily due to lower Gains on Spot and Derivative Transactions than in 2016, in line with the decrease in swap income. BCA's activity in the swap market in 2017 was lower than in the previous two years.

BCA purchased and placed US Dollars with Bank Indonesia and correspondent banks while simultaneously hedging placement through the swap market via a sell forward of USD, which generates swap premium income.

Other Operating Income increased significantly by 51.8% to Rp 3.0 trillion in 2017. There was a non-recurring gain from the sale of fixed assets, amounting to Rp 483 billion before tax. Meanwhile, other operating income from the subsidiaries, including BCA Insurance, BCA Sekuritas and BCA Finance, increased in 2017.

Operating Expenses

In line with the various efficiency efforts, BCA successfully managed the Operating Expenses at 7.7% or Rp 1.8 trillion to Rp 25.2 trillion in 2017 from Rp 23.4 trillion in 2016, in line with efforts to improve efficiency. The cost efficiency ratio was relatively stable at 44.4% in 2017, from 43.9% the previous year.

BCA consistently implements cost management in line with business growth and investment needs in the transaction banking franchise. It continues to improve efficiency through the utilization of technology and automation. The operational processes and administrative procedures are constantly being reviewed and refined or simplified without eliminating the Bank's prudent approach to business. This has yielded positive results. In the past two years, the growth of operating expenses was below 10%, compared to the previous five years, where growth was 15–25%. In the last two years, there has been a significant decrease in expense growth from daily operating transaction support, depreciation of fixed assets and amortization and promotion expenses.

Operating Expenses (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
General and Administrative Expenses	12,306	11,229	1,077	9.6%
Personnel Expenses	11,335	10,630	705	6.6%
Others	1,549	1,520	29	1.9%
Total	25,190	23,379	1,811	7.7%

General and Administrative Expenses. In 2017, General and Administrative Expenses grew 9.6% to Rp 12.3 trillion, consistent with daily banking operations, development of electronic network infrastructure and investments in the branch network and information technology.

Daily banking transactions of operating expenses, booked under office supplies, grew 11.8% to Rp 4.0 trillion in 2017. This expense mainly came from outsourcing expense for cash replenishment in ATMs or for other supporting operating

expenses. Communication expenses grew 25.4% to Rp 1.2 trillion mainly for the payment of credit card transaction fees overseas through international network. In line with rising fixed asset investment such as mainframes, ATMs and information technology devices, depreciation of fixed assets and amortization expenses increased 10.9% to Rp 1.8 trillion.

Employee Expenses grew 6.6% to Rp 11.3 trillion in 2017, particularly from employee annual salary and benefit adjustments, bonuses, health benefits and pension funds.

General and Administrative Expenses (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Office supplies	4,015	3,590	425	11.8%
Depreciation of fixed assets and amortization of intangible assets	1,821	1,642	179	10.9%
Repair and Maintenance	1,427	1,270	157	12.4%
Rental	1,349	1,333	16	1.2%
Communication	1,230	981	249	25.4%
Promotion	998	1,015	(17)	-1.7%
Professional fees	545	504	41	8.1%
Water, electricity and fuel	281	275	6	2.2%
Computer and software	160	140	20	14.3%
Tax	112	109	3	2.8%
Others	368	370	(2)	-0.5%
Total	12,306	11,229	1,077	9.6%

Number of Employees and Distribution Channels

	2017	2016
Total Employees	25,439	25,073
Branches (including cash offices)	1,235	1,211
ATMs	17,658	17,207

Allowance for Impairment Losses on Financial Assets

BCA continues to form adequate Allowance for Impairment Losses on Financial Assets, in accordance with applicable accounting standards and the quality of financial assets. The allowance was Rp 14.6 trillion at the end of 2017, an increase of 5.2%. Expense was Rp 2.6 trillion in 2017, lower than the previous year's Rp 4.6 trillion. In 2016 BCA established a higher allowance to accommodate the increase in the NPL ratio in 2016. In 2017, the pressure on NPLs began to subside, at 1.5% in 2017 from 1.3% in 2016 and 0.7% in 2015.

Despite the increase, NPLs remained relatively low compared to the banking sector average. The ratio of loan loss reserve to NPL was 190.7% in 2017, and the ratio of loan loss reserve to total loans 2.8%, an adequate position to anticipate declining loan quality.

Allowance for Impairment Losses on Financial Assets refers to the application of SFAS 50 and 55 regulations, in effect since January 1, 2010, assessed individually and collectively on the loan portfolio. Individual assessment is conducted on loans that have individually significant value and where there is objective evidence of impairment. The objective evidence covers breach of contract, including delayed payments by debtors, or a strong indication that the debtor will be unable to meet its obligations.

Individual assessment is performed to determine the estimate of the present value of the cash flows expected to be received should the loan depreciate or show signs of impairment. In estimating these cash flows, management makes judgments about the counterparty's financial condition and the net realizable value of any underlying collateral.

Collective assessment is conducted on loans that have no significant value individually, or on loans that have a significant value individually but no objective evidence of impairment. Based on these criteria, the collective assessment is conducted on: (a) loans for Small & Medium Enterprises (SME) and consumer loans including credit cards, and (b) loans to corporate and commercial segments classified as current and special mention loans.

The collective assessment of impairment allowances covers credit losses inherent in portfolios of receivables with similar economic characteristics, when there is objective evidence to suggest the portfolio contains impaired receivables that cannot be identified individually.

Management considers credit quality, portfolio size, credit concentrations, and economic factors in determining the need for making collective allowances.

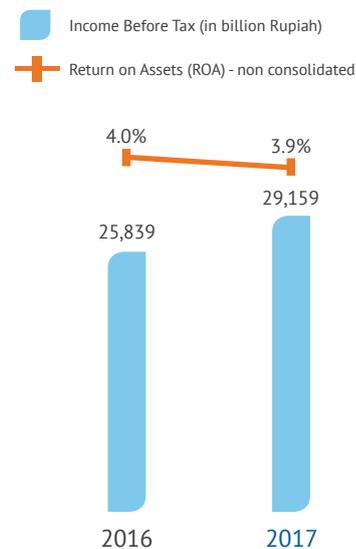
Movement of Allowance for Impairment Losses on Financial Assets (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Beginning Balance	13,915	10,645	3,270	30.7%
Addition of Allowance During the Year	2,624	4,561	(1,937)	-42.5%
Assets Written-off During the Year (-/-)	2,149	1,430	719	50.3%
Recoveries on Assets Previously Written-off	235	146	89	61.0%
Exchange Rate Differences	9	(7)	16	228.6%
Ending Balance	14,634	13,915	719	5.2%

Income Before Tax

BCA recorded Income Before Tax of Rp 29.2 trillion in 2017, an increase of 12.8% from Rp 25.8 trillion in 2016, driven by a 4.4% increase in Net Interest Income, Operating Income other than Interest of 10.6% and lower Provisions Expenses than the previous year. For Operating Income other than Interest - Others, BCA saw gains on the sale of fixed assets (in the form of unused land). Return on Assets (ROA) was relatively stable, at 3.9% in 2017.

Income Before Tax and ROA



Net Income

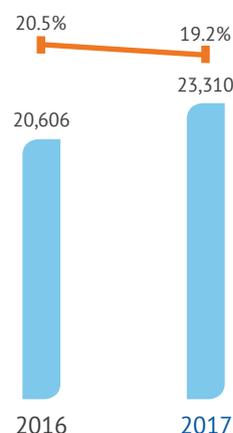
The Net Income attributable to the equity holders of the parent entity was Rp 23.3 trillion in 2017, growth of 13.1% from the previous year, resulting in a rise in Earnings Per Share (EPS) to Rp 945 per share in 2017 from Rp 836 per share in 2016. Return on Equity (ROE) was 19.2% in 2017, from 20.5% the year before.

To determine the dividend payout ratio, BCA maintains the balance between capital needs and stakeholder interests. BCA has maintained its dividend payout ratio at 20%–25% of Net Income over the past few years, to support its capital position in accommodating business growth.

Net Income and ROE

attributable to the parent entity

■ Net Income - Attributable to the Parent Entity (in billion Rupiah)
 + Return on Equity (ROE) - non consolidated



Statements of Comprehensive Income

The Statements of Comprehensive Income records changes in equity within a certain period, other than changes resulting from transactions with shareholders in their capacity as shareholders.

The Comprehensive Income Statements of BCA for the years ending December 31, 2017 and December 31, 2016 are as follows:

Comprehensive Income (in billion Rupiah)

	2017	2016
Net Income	23,321	20,632
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability	(850)	289
Income tax	213	(72)
Revaluation surplus of fixed assets	(4)	6,592
Items that will be reclassified to profit or loss		
Unrealized (gains) losses for available-for-sale financial assets	1,875	(37)
Income tax	(468)	8
Foreign exchange differences arising from translation of financial statements in foreign currency	(2)	(11)
Others	(9)	3
Total Other Comprehensive Income	755	6,772
Total Comprehensive Income	24,076	27,404
Net Income attributable to:		
Equity holders of parent entity	23,310	20,606
Non-controlling interest	11	26
Comprehensive Income attributable to:		
Equity holders of parent entity	24,064	27,378
Non-controlling interest	12	26
Earning per Share attributable to Equity Holders of The Parent Entity (in Rupiah)	945	836

The Total Comprehensive Income Attributable to Equity Holders of the Parent Entity decreased 12.1% to Rp 24.1 trillion in 2017. This decrease was primarily due to the previous year's revaluation surplus of fixed assets recorded at Rp 6.6 trillion. Without taking into account this revaluation, the Total Comprehensive Income grew 15.7%.

In Other Comprehensive Income, BCA recorded an Unrealized Gain on Available-for-Sale Financial Assets of Rp 1.9 trillion in 2017 compared to a loss of Rp 37 billion in 2016. This gain was due to an increase in portion of placements in Available-for-Sale Financial Assets and an interest rate reduction in 2017 that resulted in a higher market value than the fair value of the instrument. The placement of financial assets is carried out conservatively and prudently by placing funds in sovereign and Bank Indonesia instruments. As of December 31, 2017, BCA has a portfolio of Financial Assets in the Available-for-Sale category—mostly Bank Indonesia Certificates—of Rp 35.6 trillion, an increase compared to the portfolio in the previous year, which amounted to Rp 20.2 trillion.

In 2017, BCA booked an actuarial loss of Rp 850 billion in the Re-measurements of Defined Benefit Liability. This loss is consistent with the adjustment of assumptions used in the actuarial calculation in 2017 in accordance with the applicable Indonesian Financial Accounting Standards.

There were income tax adjustment in accordance with applicable tariffs in line with gains from fair value of Available-for-Sale Financial Assets and actuarial losses recorded in Remeasurement of Defined Benefits Liability Loss.

CASH FLOW

Cash flow statements are prepared using the direct method of classifying cash flows into operating, investing and financing. A more detailed cash flow statement can be seen in the Consolidated Statements of Cash Flow in the Audited Consolidated Financial Statements section, pages 502–503.

BCA managed a cash and cash equivalent position of Rp 83.4 trillion in 2017, from Rp 100.3 trillion in 2016. Major cash flow items are as follows.

Cash Flows (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Cash Flows from Operating Activities	9,659	43,473	(33,814)	-77.8%
Receipts of interest and sharia income, fees and commissions	62,896	57,249	5,647	9.9%
Payment of interest and sharia expenses, fees and commissions	(11,900)	(10,314)	(1,586)	15.4%
Gain (loss) from foreign exchange transactions - net	201	1,764	(1,563)	-88.6%
Other operating expenses	(22,390)	(20,632)	(1,758)	8.5%
Financial assets held for trading	(523)	(3,335)	2,812	-84.3%
Securities purchased under agreements to resell	(6,712)	(2,034)	(4,678)	230.0%
Loans receivable	(52,854)	(29,289)	(23,565)	80.5%
Deposits from customers	50,982	56,467	(5,485)	-9.7%
Others	(10,041)	(6,403)	(3,638)	56.8%
Cash Flows from Investing Activities	(20,620)	(58,402)	37,782	-64.7%
Acquisition of investment securities	(90,070)	(138,128)	48,058	-34.8%
Proceeds from investment securities that had matured during the year	70,915	82,344	(11,429)	-13.9%
Others	(1,465)	(2,618)	1,153	-44.0%
Cash Flows from Financing Activities	(6,656)	(3,662)	(2,994)	81.8%
(Decrease) increase in debt securities issued - net	(1,722)	(489)	(1,233)	252.1%
Increase (decrease) in borrowings - net	252	1,045	(793)	-75.9%
Payment of cash dividends	(5,178)	(4,315)	(863)	20.0%
Others	(8)	97	(105)	-108.2%
Net (Decrease) Increase in Cash and Cash Equivalents	(17,617)	(18,591)	974	-5.2%
Cash and Cash Equivalents, Beginning of Year	100,320	118,661	(18,341)	-15.5%
Effect of Foreign Exchange Rate Fluctuations on Cash and Cash Equivalents	674	250	424	169.6%
Cash and Cash Equivalents, End of Year	83,377	100,320	(16,943)	-16.9%

Cash Flow from Operating Activities

Cash flow received from operating activities in 2017 was Rp 9.7 trillion, from Rp 43.5 trillion in 2016. The differences in cash flow from operating activities in 2017 compared to 2016 are as follows:

- The Bank received cash inflow from interest and sharia income, provisions and commission of Rp 62.9 trillion in cash in 2017, from Rp 57.2 trillion the previous year. BCA recorded net cash inflow from customer deposits of Rp 51.0 trillion, from Rp 56.5 trillion in 2016.
- Cash outflow for operating activities was primarily derived from lending; other operating expenses; and payments of interest and sharia expenses, fees and commissions. Cash outflow for lending was Rp 52.9 trillion in 2017 from the previous year's Rp 29.3 trillion. Cash outflow for other operating expenses was Rp 22.4 trillion, from Rp 20.6 trillion in 2016. Cash outflow for interest and sharia expenses, fees and commissions was Rp 11.9 trillion, from Rp 10.3 trillion the previous year.

Cash Flow from Investment Activities

Cash outflow for investment during 2017 was Rp 20.6 trillion, down from Rp 58.4 trillion in 2016, mainly due to decreased cash outflow for placements in investment securities. Cash outflow for the purchase of investment securities was Rp 90.1 trillion in 2017 from Rp 138.1 trillion in 2016. Receipts from matured investment securities were Rp 70.9 trillion in 2017, from Rp 82.3 trillion in 2016.

Cash Flow from Financing Activities

Cash outflow from financing activities in 2017 was Rp 6.7 trillion, from Rp 3.7 trillion in 2016, primarily used for BCA's dividend payment of Rp 5.2 trillion, from Rp 4.3 trillion in 2016. There was also a cash outflow fall from debt securities issued of Rp 1.7 trillion from Rp 0.5 trillion in 2016.

FINANCIAL RATIOS

Financial Ratios (non consolidated)

	2017	2016	2015	2014	2013
Capital					
Capital Adequacy Ratio - CAR	23.1%	21.9%	18.7%	16.9%	15.7%
CAR Tier 1	22.1%	21.0%	17.8%	16.0%	14.8%
CAR Tier 2	1.0%	0.9%	0.9%	0.9%	0.9%
Fixed Assets to Capital	19.8%	22.4%	18.6%	21.2%	21.8%
Assets Quality					
Non Performing Earning Assets and Non Earning Assets to Total Earning Assets and Non Earning Assets	0.9%	0.8%	0.6%	0.5%	0.4%
Non Performing Earning Assets to Total Earning Assets	1.1%	1.1%	0.7%	0.6%	0.5%
Allowance Provision on Earning Assets to Total Earning Assets	2.1%	2.3%	2.0%	1.6%	1.5%
Non Performing Loans (NPL) - gross	1.5%	1.3%	0.7%	0.6%	0.4%
Non Performing Loans (NPL) - net	0.4%	0.3%	0.2%	0.2%	0.2%
Rentability					
Return on Assets (ROA)	3.9%	4.0%	3.8%	3.9%	3.8%
Return on Equity (ROE)	19.2%	20.5%	21.9%	25.5%	28.2%
Net Interest Margin (NIM)	6.2%	6.8%	6.7%	6.5%	6.2%
Cost Efficiency Ratio (CER)	44.4%	43.9%	46.5%	44.2%	42.9%
Operating Expenses to Operating Revenues (BOPO)	58.6%	60.4%	63.2%	62.4%	61.5%
Liquidity					
Loan to Funding Ratio (LFR)	78.2%	77.1%	81.1%	76.8%	75.4%
Current Accounts & Savings Accounts (CASA) Ratio	76.3%	77.0%	76.1%	75.1%	78.9%
Liabilities to Equity Ratio	479.3%	507.5%	570.4%	635.8%	701.2%
Liabilities to Assets Ratio	82.7%	83.5%	85.1%	86.4%	87.5%
Liquidity Coverage Ratio (LCR)	353.0%	391.3%	363.3%	na	na
Compliance					
Percentage of Violation of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage Lending in Excess of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Minimum Reserve Requirement					
a. Primary Reserve Requirement - Rupiah	7.0%	7.3%	7.5%	8.4%	8.3%
b. Reserve Requirement - Foreign Currency	8.5%	8.5%	9.1%	8.6%	8.5%
Net Open Position (NOP)	0.5%	0.2%	0.4%	0.6%	0.2%

Solvability and Collectability

• Capital Adequacy Ratio (CAR)

BCA continued to strengthen its capital position in 2017, reflected in 23.1% Capital Adequacy Ratio (CAR), growth by 120 basis points from 21.9% in 2016, above the minimum requirement of the risk profile set by the regulator. On a consolidated basis, CAR was 23.6%, growing 140 basis points from 22.2% the previous year. BCA and its subsidiaries had an integrated CAR of 236.7%, above the minimum requirement of 100% of total minimum, in accordance with Financial Services Authority Regulation POJK 26/POJK.03/2015, at the conglomerate level.

The Bank's non consolidated core capital grew 16.3% to Rp 122.7 trillion, contributing 95.9% to total capital supplementary capital grew by 12.6% to Rp 5.3 trillion or 4.1% of total capital in 2017. Consolidated core capital was Rp 129.2 trillion, 96.0% of BCA's total capital, with supplementary capital contributing to the remaining 4.0% at Rp 5.4 trillion.

• Non-Performing Loans Ratio (NPL)

The Bank's gross NPL ratio was 1.5% in 2017, from 1.3% in 2016, and below the industry average of 2.6%. BCA established an adequate NPL reserve with a ratio of reserves to NPL of 190.7% in 2017, in anticipation of the financial impact of NPLs.

Rentability

• Return on Assets (ROA)

ROA was relatively stable at 3.9%, higher than the banking sector average of 2.5%.

• Return on Equity (ROE)

ROE was 19.2% in 2017, from 20.5% in 2016, consistent with BCA's policy to maintain its solid capital position by accumulating retained earnings to support long-term business development and prepare for the implementation

of Basel III regulations in Indonesia. BCA has adjusted its dividend payout ratio in recent years to strengthen its capital position. The dividend payout ratio was 20–25% over the last six years, from 30–50% previously.

• Net Interest Margin (NIM)

BCA's NIM fell by 60 basis points to 6.2% from 6.8% in 2016, in line with falling interest rates. The NIM was perceived to be at a relatively low point and its fall subsided in the second half of 2017, supported by BCA's proactive measures in managing its cost of funds, growth in loan volume and optimizing the yield of secondary reserve instruments.

• Operating Expenses to Operating Revenue (BOPO)

The BOPO ratio was 58.6% in 2017, a decrease from 60.4% the previous year. BCA recorded lower expense of allowance for impairment losses in 2017, thus reducing the BOPO ratio with the support of well-maintained asset quality. BCA continues to maintain the growth balance in operating income and operating expenses, while consistently making measured investments to strengthen transaction banking. The cost efficiency ratio was maintained below 50%, at 44.4% in 2017, from 43.9% in 2016.

Liquidity

• Secondary Reserves

BCA maintained an adequate liquidity position in 2017, with CASA remaining its major source of funds. Secondary reserves were Rp 63.6 trillion, growth of 5.5%, and 10.9% of total third party funds.

BCA increased its allocation of secondary reserve fund placements to higher yields instrument, such as certificates of bank indonesia, in line with the downward trend of interest rate in Indonesia in recent years. Placement of funds in secondary reserves focused on risk-free or low risk instruments offering sufficient returns.

Secondary Reserves*

	2017		2016		Increase / (decrease)	
	billion Rupiah	Composition	billion Rupiah	Composition	billion Rupiah	Percentage
Securities Purchased under Agreements to Resell**	4,185	6.6%	273	0.5%	3,912	1433.0%
Certificates of Bank Indonesia***	40,415	63.5%	24,207	40.1%	16,208	67.0%
Bank Indonesia Term Deposits	6,770	10.6%	6,737	11.2%	33	0.5%
Bank Indonesia Deposit Facility	2,641	4.2%	20,224	33.5%	(17,583)	-86.9%
Placement with Other Banks	9,606	15.1%	8,879	14.7%	727	8.2%
Total Secondary Reserves	63,617	100.0%	60,320	100.0%	3,297	5.5%

* Internally, BCA defines placements in short-term instruments with no or low risk characteristic as the Bank's secondary reserves.

** Consists of Securities Purchased Under Agreements to Resell from Bank Indonesia and excluding from other banks which amounted to Rp 5.1 trillion in 2017 and Rp 2.2 trillion in 2016.

*** For investment purpose stood at Rp 35.6 trillion in 2017 and Rp 20.2 trillion in 2016. As Financial Assets Held for Trading amounted to Rp 4.8 trillion in 2017 and Rp 4.0 trillion in 2016.

- Loan to Funding Ratio (LFR)**
 BCA recorded an LFR of 78.2% in 2017, from 77.1% in 2016, in line with higher loan growth recorded by the Bank throughout 2017.

The LFR ratio includes eligible Bank issued securities. BCA, as a parent company, issued no securities, so BCA's LFR is equal to its LDR. The Bank successfully maintained a balance between its liquidity position and loan growth.

TARGET ACHIEVEMENTS IN 2017

BCA recorded positive results in 2017, with the support of customers, management, employees and all stakeholders. Overall, financial performance in 2017 exceeded initial targets. CASA funds grew 8.7% to Rp 443.7 trillion, higher than the 5%–7% target. BCA recorded loan growth of 12.4% to Rp 467.5 trillion, exceeding the 8%–10% target.

Net Income was Rp 23.3 trillion in 2017, growing 13.1%. BCA recorded a Return on Assets (ROA) and Return on Equity (ROE) of 3.9% and 19.2%, respectively, outperforming the targets.

BCA's financial highlights compared with initial targets is as follows.

	Target	Achievement
Loan Growth	8%-10%	12.4%
CASA Growth	5%-7%	8.7%
ROA	≤3.5%	3.9%
ROE	18%-20%	19.2%

CAPITAL STRUCTURE AND MANAGEMENT POLICY

Capital Policy

BCA prepared its capital plan based on a review of capital adequacy requirements set by the regulator, and in consideration of the latest economic developments, business growth and stress testing results. The capital plan was prepared by the Board of Directors as part of the Bank's business plan, and was approved by the Board of Commissioners. The capital plan sets a healthy capital structure to support business development of the Bank and its subsidiaries and investment plan. Policy on capital structure refers to Financial Services Authority Regulation No. 11/POJK.03/2016 dated February 2, 2016 and No. 34/POJK.03/2016 dated September 26, 2016 regarding Minimum Capital Requirements for Commercial Banks.

BCA maintained its solid capital structure derived from core capital (Tier I), supported by sustained profitability growth. All capital requirements were met in 2017 from organic capital growth supported by the Bank's healthy financial performance.

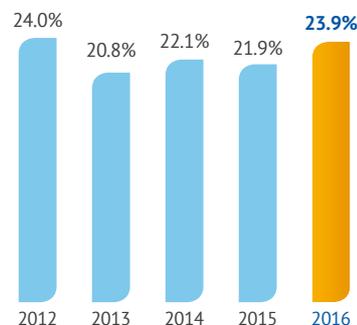
Capital Adequacy and Dividend Policy

BCA has a sufficient level of capital, with a 23.1% CAR, above the minimum requirement based on risk profile as determined by the regulator, and sufficient to support its business expansion plan, which is balanced with the ability to anticipate all potential risks.

BCA and its subsidiaries conducted stress tests to review the impact on capital (credit risk and market risk) and liquidity (liquidity risk), in accordance with regulator guidelines. The results showed that the capital of BCA and its subsidiaries was sufficient to cover losses arising from potential risks faced.

BCA periodically reviews its annual dividend payments to maintain capital solidity in support of the target of asset growth, capital expenditure and new business developments, as part of its capital management. For the latest dividend, based on the resolutions of the General Meeting of Shareholders on April 6, 2017, the shareholders approved the distribution of a portion of the 2016 net income as a cash dividend of Rp 4.9 trillion or Rp 200 per share (paid through an interim dividend of Rp 70 per share on December 22, 2016 and a final dividend of Rp 130 per share paid on April 28, 2017). This is equivalent to a dividend payout ratio of 23.9% against net income in 2016. BCA distributed a portion of 2017 income as an interim dividend of Rp 80 per share on December 20, 2017.

Dividend Payout Ratio



Capital Requirement for Subsidiaries

BCA is committed to supporting the capital of its subsidiaries, in line with its business development. It periodically conducts integrated risk monitoring and ensures a solid financial position to meet the capital requirements of its subsidiaries. Subsidiaries' current capital requirements are relatively insignificant compared to BCA's capital position.

In 2017, BCA undertook additional capital participation in several of its subsidiaries. The Bank increased its ownership of BCA Sekuritas to 90% by acquiring 15% of BCA Sekuritas shares owned by PT Poly Kapitalindo, BCA's affiliated company. A fairness transaction review by an independent appraisal was conducted for this affiliated transaction. With this purchase, there is no ownership of all BCA subsidiaries by other BCA affiliated parties. To support capitals of BCA Life, BCA simplified the structure of ownership of BCA Life, adjusting from indirect ownership through BCA Sekuritas to direct ownership, with the purchase of 90% of BCA Life shares owned by BCA Sekuritas. The net funds received by BCA Sekuritas through this transaction was Rp 135.3 billion, of which BCA contributed 90% based on its share of ownership. After the shares purchase,

BCA strengthened BCA Life's capital through additional paid-up capital of Rp 270 billion (90% of Rp 300 billion in accordance with BCA's share of ownership), so that as of the end of 2017, BCA Life had total paid-up capital of Rp 560 billion. There was no additional equity participation for other subsidiaries in 2017.

BCA and its subsidiaries have an integrated capital adequacy ratio of 236.7%, above the minimum requirement of 100% of total minimum capital, in accordance with Financial Services Authority Regulation No. 26/POJK.03/2015, at the conglomerate level.

BCA Capital Position

The Bank's non-consolidated core capital was Rp 122.7 trillion at the end of 2017, accounting for 95.9% total capital, while supplementary capital was Rp 5.3 trillion or 4.1% of total capital. Taking into account credit, operational and market risk, BCA's non-consolidated CAR in 2017 was 23.1%, growth of 120 basis points from 21.9% in 2016, mainly due to the increase in core capital from accumulated retained earnings. The consolidated CAR was 23.6%, an increase of 140 basis points from 2016.

Capital Components (non consolidated - in billion Rupiah)

	2017	2016
Capital		
Tier 1 Capital	122,730	105,542
Tier 2 Capital	5,234	4,648
Total Capital	127,964	110,190
Risk Weighted Assets:		
Credit Risk	468,654	428,659
Operational Risk	83,105	72,767
Market Risk	3,064	1,811
Capital Adequacy Ratio (CAR):		
Credit and Market Risk	27.1%	25.6%
Credit and Operational Risk	23.2%	22.0%
Credit, Operational and Market Risk	23.1%	21.9%

MATERIAL INFORMATION ABOUT INVESTMENT, EXPANSION, DIVESTMENT AND ACQUISITION

There were no material transactions or activities related to investment, expansion, divestment, or acquisition in 2017.

BCA's corporate actions related to its business development were as follows:

- In February 2017, BCA and PT AIA Indonesia signed an addendum to their bancassurance agreement, expanding the scope of their collaboration on bancassurance services with a term of 10 years. Through this strategic partnership,

BCA offers life insurance products from PT AIA Indonesia with wider coverage, in line with increasing BCA customer needs for long-term protection products and financial solutions.

- In January 2017, BCA and PT BCA Finance signed the Deed of Establishment of a Venture Capital Company, PT Central Capital Ventura (CCV), with paid-up capital of Rp 200 billion. CCV is set to invest and collaborate with fintech companies and financial services support companies, which support the financial services ecosystem of BCA and BCA's subsidiaries.

- In August 2017, BCA extended its control over PT BCA Sekuritas by increasing its ownership to 90%, from 75%. The purchase of 15% shares was worth Rp 75.9 billion. The shares were previously owned by PT Poly Kapitalindo, BCA's affiliated party. A fairness transaction review by an independent appraisal was conducted for the affiliated transaction. With this increase in ownership, there is no ownership by other BCA affiliated parties in all BCA subsidiaries.
- In November 2017, BCA became the majority shareholder of PT Asuransi Jiwa BCA (BCA Life) with 90% ownership and a purchase value of Rp 256.8 billion. After the share purchase, there was an additional capital injection of Rp 300 billion to strengthen its capital. Rp 270 billion (90% of capital injection) was provided by BCA. Previously, BCA Life was owned by subsidiary BCA Sekuritas, with an 99.9996% stake and BCA Insurance with 0.0004%.
- In November 2017, BCA purchased 30% of PT Central Santosa Finance (CS Finance) from PT Multikem Suplindo, valued at Rp 220.0 billion, increasing the direct and indirect ownership of CS Finance to 100% (including 25% ownership by PT BCA Finance). BCA increased its ownership of CS Finance to strengthen integration and align CS Finance's strategic business direction with BCA.

INFORMATION ON MATERIAL TRANSACTIONS WITH CONFLICTS OF INTEREST

There were no material transactions conducted by BCA in 2017 that could be categorized as transactions with conflicts of interest. Details of material transactions with related parties (amount, type of transaction and nature of relationship with related parties) can be seen in the audited Consolidated Financial Statements in Note No. 41 on pages 620-625.

GROUP-WIDE FUNDING, COMMITMENTS AND OTHER FACILITIES TO SINGLE OUTSIDE DEBTORS

The combined loan facility provided by the Bank and its subsidiaries to single debtors or groups of debtors was Rp 185.1 trillion or 39.6% of its total outstanding loans as of December 31, 2017. The NPL of the loan portfolio was 1.0%. The majority was joint financing from the Bank and its subsidiaries engaged in car financing (BCA Finance) and Sharia banking (BCA Syariah), for the same debtor.

Combined Lending Facilities provided by the Bank and its Subsidiaries (in billion Rupiah, except number of debtors)

Collectability	Number of Debtors	Facilities at Subsidiaries				Facilities at Subsidiaries	Total Exposure
		BCA Finance	BCA Finance Limited	BCA Syariah	Central Santosa Finance		
Current	669,469	3,141	156	2,095	334	174,906	180,632
Special Mention	78,132	136	-	9	73	2,454	2,672
Substandard	3,452	4	-	-	3	815	822
Doubtful	4,462	2	-	1	5	321	329
Loss	7,190	18	41	20	5	572	656
Total	762,705	3,301	197	2,125	420	179,068	185,111

IMPACT OF CHANGES IN LAWS AND REGULATIONS

Several new regulations were issued in 2017 that may affect the Bank and its subsidiaries' business activities.

- Referring to the Financial Services Authority (OJK) Regulation No. 14/POJK.03/2017 dated April 4, 2017, the systemic bank shall have a recovery plan to prevent and resolve financial problems in times of crisis.
- Bank Indonesia Regulation No. 19/8/PBI/2017 dated June 21, 2017 and the Board of Governors of Bank Indonesia Regulation No. 19/10/PADG/2017 dated September 20, 2017 regulates the National Payment Gateway. The regulation aims to achieve a smooth, secure, efficient

and reliable national payment system and facilitate interoperability of the national payment system.

- Through the Financial Services Authority (OJK) Regulation No. 50/POJK.03/2017 dated July 13, 2017, commercial banks are required to comply with the net stable funding ratio.

Overall, BCA considers the new regulations have positively impacted BCA and other banks in achieving a solid banking sector. BCA has implemented these changes in laws and regulations.

CHANGES IN ACCOUNTING POLICIES

Standards, Amendments and Accounting Interpretations Effective on 1 January 2017

Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following relevant new standards, amendments and interpretations which were effective on or after 1 January 2017 as follows:

- a. Amendment to SFAS 1 "Presentation of financial statement";
- b. ISFAS 31 "Interpretation on the scope of SFAS 13: Investment Property"
- c. ISFAS 32 "Interpretation on definition and hierarchy of financial accounting standards"
- d. SFAS 101 "Presentation of sharia financial statement";
- e. Amendment to SFAS 102 "*Murabahah* accounting";
- f. Amendment to SFAS 103 "*Salam* accounting";
- g. Amendment to SFAS 104 "*Istishna* accounting";
- h. Amendment to SFAS 107 "*Ijarah* accounting";
- i. Amendment to SFAS 108 "Accounting for transaction of sharia accounting";
- j. Annual adjustment to SFAS 3 "Interim financial statement";
- k. Annual adjustment to SFAS 24 "Employee benefit"
- l. Annual adjustment to SFAS 58 "Non-current assets held for sale and discontinued operation"
- m. Annual adjustment to SFAS 60 "Financial instrument: disclosure"

The implementation of the new/revised standard and its interpretations mentioned above, which became effective on 1 January 2017, do not have substantial impact to the Bank's and Subsidiaries' accounting policies on the amount reported for current or prior financial years.

Issued Accounting Standards But Not Yet Effective

Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following relevant new standards, amendments and interpretations but not yet effective on 1 January 2017 as follows:

- a. Amendment to SFAS 2, "Statement of cash flows";
- b. Amendment to SFAS 13 "Investment property";
- c. Amendment to SFAS 15 "Investment in associates and joint ventures";
- d. Amendment to SFAS 16 "Fixed assets";
- e. Amendment to SFAS 46 "Income tax";

- f. Amendment to SFAS 53 "Share based payments";
- g. Amendment to SFAS 67 "Disclosure of interests in other entities";
- h. SFAS 71 "Financial instruments";
- i. Amendment to SFAS 62 "Insurance contracts";
- j. SFAS 72 "Revenue from contracts with customers";
- k. SFAS 73 "Leases";
- l. ISFAS 33 "Foreign currency transactions and advance consideration".

The new standards, amendments and interpretations of accounting standards above become effective on 1 January 2018 except for ISFAS 33 will be effective on 1 January 2019, Amendment to SFAS 15, SFAS 71, SFAS 72 and SFAS 3 will be effective on 1 January 2020, and Amendment to SFAS 62 will be effective on 1 January 2021.

Impact of Changes in Accounting Policy

Changes in accounting policies in 2017 improved the quality of accounting reporting and strengthened the national banking sector. The Bank and its subsidiaries continue to review the possible impacts of the adoption of the new standards and those updates, as well as the impact on the Bank and its subsidiaries' consolidated financial statements.

PRIME LENDING RATE

BCA has been transparent in providing prime lending rate information to the public through its websites, in newspapers, and in the annual report, in accordance with Bank Indonesia Regulation No. 7/50/PBI/2005 on Transparency of Banks' Financial Conditions. This enhances corporate governance and encourages healthy competition in the banking industry.

The prime lending rate calculation is based on three components: the cost of loanable funds; overhead costs incurred by the Bank in the lending process; and the profit margin determined for lending activities. BCA also refers to its lowest rate as a benchmark for determining the interest rate charged to borrowers.

Detailed information on changes to the prime lending rate are available at branches, and can be accessed on BCA's website at www.bca.co.id and through national daily newspapers.

BCA's quarterly prime lending rates in 2017 were as follows.

Quarterly Prime Lending Rate (effective % p.a)

End of Period	Prime Lending Rate Based on Loan Segment			
	Corporate Loan	Retail Loan	Consumer Loan	
			Mortgage	Non Mortgage
Quarter IV - 2016	9.75	10.50	10.00	6.68
Quarter I - 2017	9.75	10.50	10.00	6.68
Quarter II - 2017	9.75	10.50	10.00	6.68
Quarter III - 2017	9.75	10.50	10.00	6.68
Quarter IV - 2017	9.75	9.90	9.90	6.50

- Prime Lending Rate is used as the basis for determining lending rates to be charged to the Bank's customers. The Prime Lending Rate does not include the estimated individual credit risk premium which depends on the Bank's risk assessment on each debtor or group of debtors. Therefore, the lending rate for each debtor might be different from the Prime Lending Rate.
- Non-mortgage consumer loans do not include credit card and uncollateralized credit loans.
- Non-mortgage consumer loans Prime Lending Rate is the Prime Lending Rate for vehicle loans provided to customers through a joint financing program with PT BCA Finance.
- The Prime Lending Rate for mortgages is the variable rate (floating rate).

MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURE

Purpose of Material Commitments

BCA invested in capital expenditure in 2017 to support sustainable business growth. The majority of capital expenditure investment was for network expansion, development of information technology infrastructure and investments to support BCA's operational activities. BCA entered into commitments for capital expenditure with vendors, related to:

- Expansion of the branch, ATM and EDC networks in 2017, adding 24 branch offices, 451 ATMs (including the installation of 1,361 Cash Recycling Machines to replace conventional ATMs and Cash Deposit Machines) and tens of thousands of new EDC machines in strategic locations in Indonesia. At the end of 2017 BCA operated 1,235 branches, 17,658 ATMs and more than 470,000 EDCs.
- Development of information technology infrastructure, including upgrades to hardware and software, mainframe operating systems, purchase of licenses, upgrades to the firewall, expanding database and server capacity to increase capacity and capability to accommodate the growth of customer transactions.
- Additional tools and other office equipment for the operational needs of BCA's branch network.

Source of Funds

Supported by solid profitability, BCA invested in capital expenditure, with funding resources from its own capital through accumulated profit.

Currency and Foreign Exchange Risk Mitigation

Considering the majority of BCA's funds are in Rupiah, and in accordance with the prevailing regulations, investment of capital expenditure was made in rupiah to avoid any foreign exchange risk.

CAPITAL EXPENDITURE REALIZED IN 2016 AND 2017

In 2017 BCA realized capital goods investments of Rp 1.7 trillion, down 38.7% compared to previous year. Most investments in capital goods are fixed assets in the form of ATMs, EDCs, mainframes, and other software and expenses related to information technology and networks. These capital goods investments are recorded under equipment and office equipment.

BCA consistently invests in capital expenditure to strengthen its core transaction banking business, by delivering quality services in line with the increasingly diverse needs of its customers.

Investment in capital expenditure in 2016 and 2017 was as follows. More detailed information can be found in the audited Consolidated Financial Statements in Note No. 15.

Capital Expenditure Investment (in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Land	53	172	(119)	-69.2%
Buildings	150	297	(147)	-49.5%
Office furnitures, fixtures and equipments*	938	1,582	(644)	-40.7%
Motor vehicles	14	8	6	75.0%
Construction in progress	580	770	(190)	-24.7%
Total	1,735	2,829	(1,094)	-38.7%

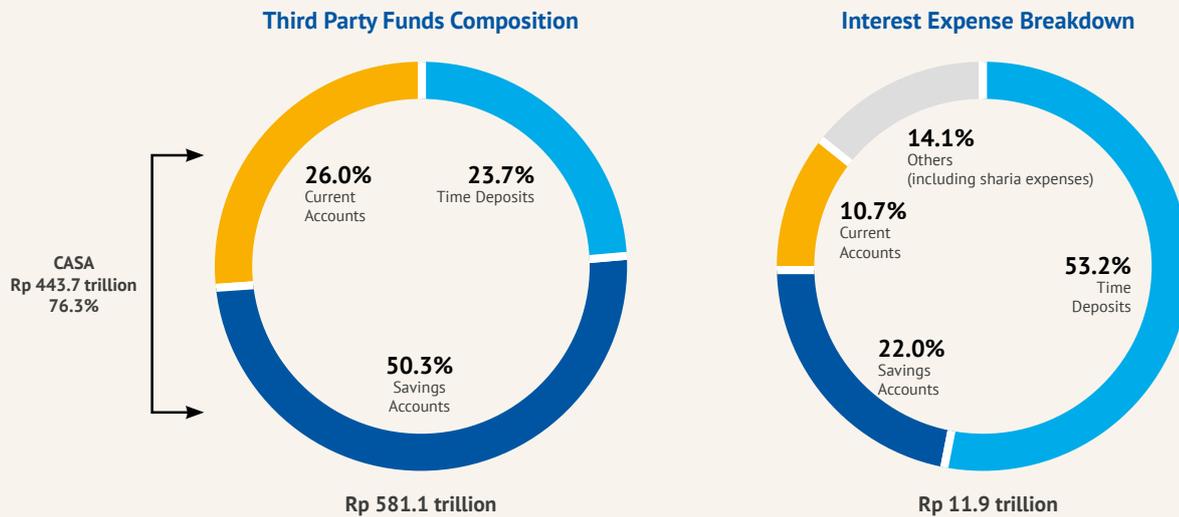
* The majority is comprised of fixed assets in the form of ATMs, EDCs, mainframe and other network support

MATERIAL INFORMATION AND FACTS THAT OCCURRED AFTER THE ACCOUNTANT'S REPORT

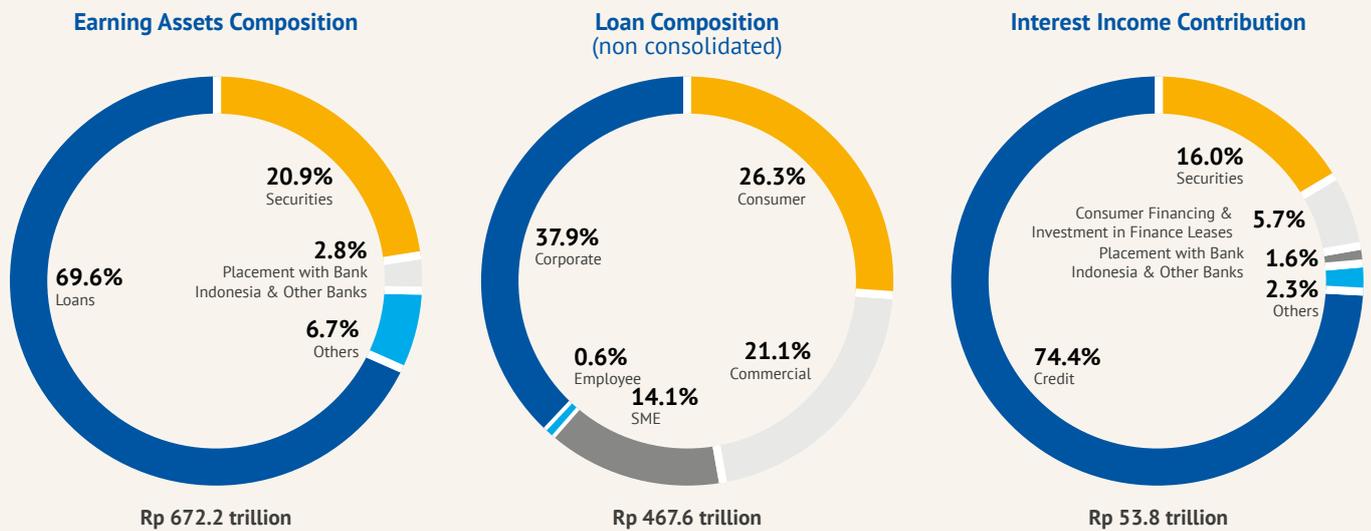
There were no significant events, material information or facts occurring after the date of the accountant's report.

BUSINESS SEGMENT PERFORMANCE OVERVIEW

Composition of Third Party Funds and Interest Expense - as of 31 December 2017

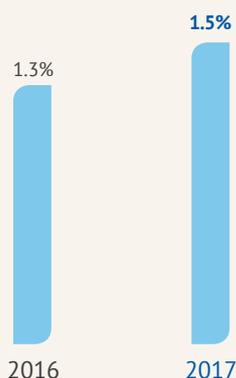


Composition of Earning Assets, Loans and Interest Income - as of 31 December 2017

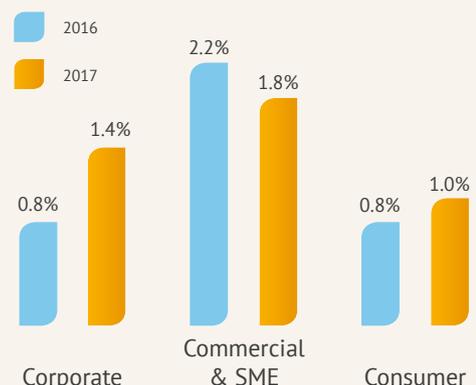


Credit Quality

Bankwide NPL Ratio



NPL Ratio by Segment



Detailed information on management discussions and analysis by business segment is available in this Annual Report under Business Review and Business Support on pages 104–233.

Transaction Banking

BCA strengthened its core transaction banking business to maintain its preeminence in CASA funds - the major source of stable funds. Investment in 2017 was focused on network development and information technology infrastructure. The convenience, security and reliability of transaction services are the Bank's operations' focus, and to maintain customer trust. BCA serves 17 million customers through 1,235 branches, 17,658 ATMs and over 470 thousand EDC, as well as 24-hour internet and mobile banking networks, in accordance with the Bank's commitment to ensure customers have access to make their transactions whenever and wherever they need to. The average number of transactions served continued to increase at more than 14 million transactions per day in 2017, higher than the 12 million transactions daily in 2016.

BCA is developing work programs focused on digital-based services, in line with the development of digital and internet technologies, and the shift of customer preference toward electronic banking. The strategy reinforces the pillars of the BCA franchise while also improving the operational efficiency of transactions.

BCA saw CASA growth of 8.7% to Rp 443.7 trillion in 2017. Current accounts grew 9.7% to Rp 151.3 trillion, and savings accounts increased 8.2% to Rp 292.4 trillion. BCA saw 9.6% growth of third party funds, at Rp 581.1 trillion by the end of 2017.

Corporate Banking

BCA actively provides corporate customer working capital and investment loans supported by its solid liquidity and capital position; and supports customer operational activities through the provision of cash management services. BCA offers lending to qualified customers with long-term relationships with the Bank and are leading companies in their respective industry sectors.

BCA's corporate loan portfolio was Rp 177.3 trillion in 2017, growing 14.5% from 2016. Corporate loans were the major contributor to overall BCA loan growth. Working capital loans grew 23.5% to Rp 96.4 trillion, while investment loans grew by 5.3% to Rp 80.9 trillion. BCA recorded an NPL ratio of 1.4% in corporate loans in 2017, from 0.8% the year before. Despite this increase, the corporate NPL was at a relatively low level and within the Bank's risk appetite.

BCA continuously strengthens its holistic relationships with customers, implementing a customer-centric approach in offering comprehensive financial solutions. The Bank realigned the corporate banking group's organizational structure with the establishment of the corporate transaction group, to develop corporate cash management services, as one of its focuses in corporate banking. Through this new unit, the corporate banking group seeks to identify prospective corporate customers and explore opportunities in providing comprehensive financial solutions.

Commercial and SME Banking

The commercial and SME segments faced unfavorable loan demand in 2017, in line with overall business development in Indonesia. BCA decreased its interest rates for business loans to maintain its lending competitiveness, in line with market competition and changes in the benchmark interest rate. BCA closed 2017 with commercial and SME loan at Rp 164.7 trillion, an increase of 10.3%, and with credit quality maintained at a healthy level within the Bank's risk appetite. This increase was partly due to Rp 5.4 trillion in consumer loans reclassified as business loans. BCA also adjusted the limit on the commercial and SME segments in 2017 to expand its target market and its exposure towards these markets.

BCA continues to improve its credit infrastructure in the commercial segment by strengthening the role of commercial business centers, refining the processing of credit applications and enhancing the capabilities of account officers. There were 14 commercial business centers in major business and commercial hubs in Indonesia by the end of 2017. The majority of BCA's SME customers are family-owned small businesses, shop owners, restaurant owners and small-scale factory owners. The increasingly tight SME loan competition, for which all banks have the capability to enter the market, is a challenge for BCA. However, it capitalizes on its strategically dispersed network of branches in trading centers in cities in Indonesia to provide SME loans. Further, BCA develops Micro SME business centers in several regions in Indonesia.

Individual Banking

The continuous growth of the middle class and professionals in Indonesia has generated increasing demand for a wide array of financial services. This encourages BCA to meet customer needs by providing individual banking products and services. BCA successfully stimulated demand for consumer loans through various events, offering individual banking products with attractive interest rates and promotional programs. To enhance its capabilities, BCA continues to develop and leverage on

information technology systems and data analytic capabilities, human resources, and synergies across business units, to better serve customer needs.

In the last decade, consumer loans focused on mortgages, vehicle loans and credit cards, grew with a CAGR of 24.1% at Rp 122.8 trillion by the end of 2017. BCA maintained its position as a leading provider of non-subsidized housing loans in Indonesia with a market share of 17.8% at the end of 2017. Its mortgage portfolio increased by 14.2% to Rp 73.0 trillion, contributing 59.4% to total consumer loans. Vehicle loans grew 10.0% to Rp 38.3 trillion, 31.2% of the total. The outstanding of its credit card portfolio grew 6.9% to Rp 11.5 trillion, at 9.4% of total consumer loans.

Consumer Loans (non consolidated, in billion Rupiah)

	2017	2016	Increase / (decrease)	
			Nominal	Percentage
Mortgages	73,026	63,959	9,067	14.2%
Vehicle Loans*	38,302	34,817	3,485	10.0%
Credit Cards	11,528	10,779	749	6.9%
Total	122,856	109,555	13,301	12.1%

* Including 2-wheeler financing of Rp 2.6 trillion in 2017 and Rp 3.9 trillion in 2016

MARKETING

BCA enhanced marketing activities through digital and social media. Digital and social media are increasingly important for marketing, in line with the development of customer behavior and growth of the Internet and smartphone users in Indonesia. Digital and social media are some of the most effective approaches to reaching the wider community, especially the younger generation.

BCA provides access to information on its various banking products and services through its website, official accounts in popular social media applications and the Halo BCA service. Halo BCA supports customer two-way online interaction with BCA and is available through chat media on the BCA website.

Highlights of marketing programs in 2017 are as follows:

- BCA actively promoted mortgages and vehicle loan programs in line with the growth of the professional and middle-class segments. It held various consumer loans promotion events in 2017. As a part of the Bank's 60th anniversary celebrations, from February to April 2017, BCA offered mortgage products with attractive interest rates, namely the five-year Fix and Cap product, which offered a fixed interest rate of 6% in the first two years and a maximum cap of 6.88% for the following three years, with a requirement of a minimum account balance of three times

Consumer loan growth was balanced by stable loan quality. BCA offers mortgages to qualified customers and focuses on financing houses in prime residential areas to minimize risk. BCA implements a high down payment policy for vehicle loans (four-wheeler and two-wheeler), and prioritizes financing for popular vehicles widely accepted by the Indonesian market. BCA maintained its position as one of the major credit card issuers in Indonesia and as the only bank issuing a private label or proprietary card - the BCA Card - in addition to credit cards issued through its international affiliations with Visa, Mastercard and American Express (AMEX).

the initial installment throughout the loan period. BCA also introduced a mortgage product with a new planned installment feature offering a lower initial installment. The Bank partnered with subsidiary BCA Finance to provide a 36-month vehicle loan with a competitive 3.6% interest rate (flat rate) from February to July 2017. It also hosted the BCA Expo, with a series of promotions related to its consumer products.

- In line with the increase of overseas tourism, BCA organized travel fairs to promote BCA credit cards, including collaboration with leading airlines such as Singapore Airlines, Garuda Indonesia, and Air Asia, as well as cooperation with well-known travel agents.
- BCA consistently participates in e-commerce business events, such as Online Shopping Day in collaboration with renowned merchants, to provide special promotions for transactions using its payment services. Through these programs, BCA educates customers on the convenience of its payment transaction services, such as KlikPay, Sakuku and BCA credit cards.
- BCA has always ensured it remains at the forefront of service provision using the latest technologies to facilitate customer needs. BCA developed the VIRA virtual assistant, utilizing artificial intelligence technology, for customers who prefer interaction through chat platforms. VIRA is available on leading chat platforms

such as Facebook Messenger, LINE and Kasus. VIRA offers product information services, promotions and balances and account information. VIRA's abilities and intelligence capacity will continue to be developed.

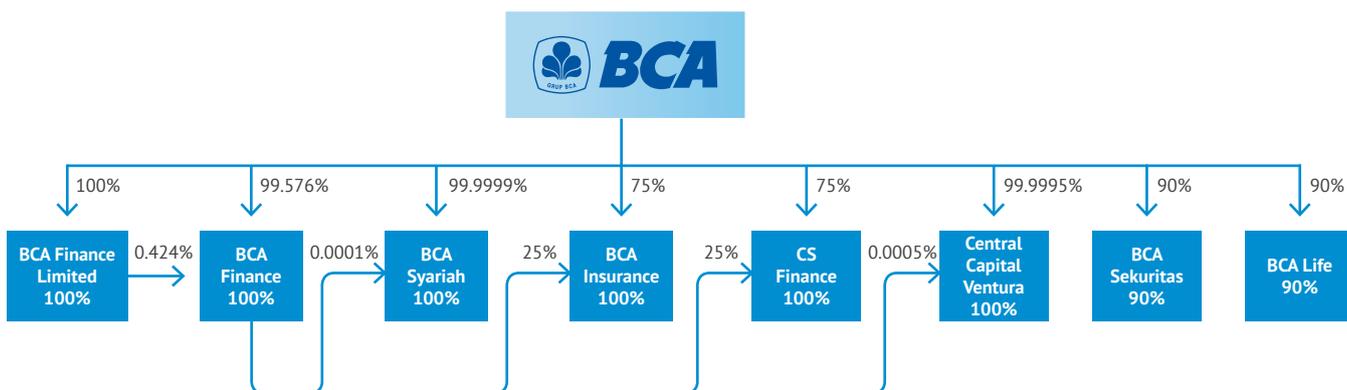
- BCA proactively facilitated client educations on the tax amnesty program and provided financial products as investment facilities. It held education programs in cities across Indonesia, in collaboration with consultants with proven competence in the tax field.
- BCA continues to work with strategic partners in other promotional and marketing programs to enhance its brand awareness.

SUBSIDIARY PERFORMANCE OVERVIEW

BCA strengthens synergy with its subsidiaries in various business lines to meet the diverse financial needs of customers. The subsidiaries support BCA's revenue and profitability, while also widening its overall customer base.

With the establishment of a new venture capital entity in 2017, BCA has eight subsidiaries:

1. PT BCA Finance (BCA Finance), a car financing company;
2. PT Central Santosa Finance (CS Finance), a motorcycle financing company;
3. PT Bank BCA Syariah (BCA Syariah), a Sharia banking company;
4. PT BCA Sekuritas (BCA Sekuritas), a securities company;
5. PT Asuransi Jiwa BCA (BCA Life), a life insurance company;
6. PT Asuransi Umum BCA (BCA Insurance), a general insurance company;
7. BCA Finance Limited, a company engaged in remittances;
8. PT Central Capital Ventura (CCV), a venture capital company.



PT BCA Finance

Established in 1981 and a subsidiary of BCA since 2001, BCA Finance, a leading Indonesian finance company engaged in new and used car financing. BCA's ownership is 100% (directly and indirectly).

Through a joint financing scheme with the Bank, BCA Finance has a solid funding with low interest costs. It serves more than 470,000 customers, supported by 63 branches (including head office) in major Indonesian cities, with over 3,700 employees. BCA Finance also facilitates customer needs for car financing services outside working days by providing weekend services at Wisma Pondok Indah and a service point at Mall Artha Gading, given their high visitor numbers and strategic locations. BCA Finance provides car financing simulations through mobile applications.

BCA Finance has successfully maintained its advantage in four-wheeled vehicle financing and recorded solid business growth amid the unfavorable conditions of the automotive industry. In 2017, total assets under its management were Rp 49.1 trillion, up 13.2% from the previous year's Rp 43.4 trillion. Net income rose 27.6% to Rp 1.5 trillion in 2017.

BCA Finance's solid performance is supported by the strategy to maintain the balance between operating income and expenses, and synergy with the BCA network, dealers and showrooms. It offered a 36-month car loan with a competitive 3.6% interest rate (flat rate) from February to July 2017.

BCA Finance received a number of awards in 2017, including The Best Digital Brand in the financing company category from Infobank Magazine, and Best Financing Company by the Indonesian Financing Companies Association (APPI).

PT Central Santosa Finance

PT Central Santosa Finance (CS Finance) was established in 2010 focusing on motorcycle finance.

BCA increased its ownership of CS Finance in 2017 to further align its strategic direction and business activities. The purchase of shares increased the Bank's effective ownership (through direct or indirect ownership) from 70% to 100%.

As of December 31, 2017, CS Finance had 78 branches (including head office) in regions across Java, Sumatra and Kalimantan. In order to simplify credit processing and improve efficiency, CS Finance has developed mobile apps for credit processing.

In 2017, CS Finance conducted internal consolidation through the improvement of credit quality, focusing on collecting delayed payments and preventing NPLs. The strategy had positive results, reflected by the relatively stable net credit loss ratio of around 7%–8%. Internal consolidation resulted in a decline in the marketing process, leading to total assets under management falling 22.0% to Rp 4.1 trillion in 2017. It recorded net income of Rp 41.0 billion 2017, down 45.7% due to the decline in interest income.

PT Bank BCA Syariah

PT Bank BCA Syariah is a subsidiary of BCA engaged in Sharia banking products. BCA's ownership is 100% (directly and indirectly). In 2017, it recorded solid growth in terms of assets, financing and third party funds. Total assets grew 19.3% to Rp 6.0 trillion, while financing grew 21.0% to Rp 4.2 trillion, supported by the 23.3% increase of third party funds to Rp 4.7 trillion. Non-Performing Financing (NPF) ratio was 0.3% in 2017, from 0.5% the previous year. Net income was Rp 47.9 billion, up 30.0% from the previous year's Rp 36.8 billion.

BCA Syariah has gradually expanded its network of branches, currently concentrated in Java, as one of its strategic steps to capture opportunities from the growth of demand for Sharia financial services. As of December 31, 2017, BCA Syariah served customers through 57 branches, including 31 Sharia Service Units in Jabodetabek, Bandung, Semarang, Solo, Surabaya and Yogyakarta. The branch network is integrated with the BCA banking system, giving added value to customers through transaction convenience thanks to the Bank's extensive network of ATMs and EDC machines, as well as having access to Halo BCA call center services.

BCA Syariah received numerous awards in 2017, including the Golden Trophy with Very Good rating on financial performance in 2012–2016 from Infobank Magazine.

PT BCA Sekuritas

BCA Sekuritas is a subsidiary of BCA engaged in securities brokerage and underwriting. In 2017, BCA increased its control over PT BCA Sekuritas to 90% share ownership from previously 75%.

BCA Sekuritas continues to develop brokerage services related to stock trading and income securities such as medium-term notes, negotiable certificates of deposits, Indonesian retail bonds, corporate bonds and sukuk.

BCA Sekuritas investment banking provides services to customers in obtaining funding through debt securities and equity markets. It has broad market funding access, mainly from institutional investors, insurance companies, banks, pension funds and other investors.

In 2017, it introduced new share-saving products with varying options, from only five stock options to 45 major shares (LQ45). Customers may choose to purchase regular stock savings on a weekly basis, a monthly basis, or on any regular specific date or day. The provision of the stock saving products supports the 'Yuk Nabung Saham' program initiated by the Indonesia Stock Exchange. In 2017 BCA Sekuritas continuously improved online trading facilities with important feature additions, such as withdrawals and replacement passwords via mobile apps and others. In 2017 it worked with Halo BCA to serve customer needs for call center services.

By the end of 2017, BCA Sekuritas' total assets (parent company) were Rp 724.7 billion, up 12.5% from Rp 644.4 billion in 2016. Net income (parent company) was Rp 55.5 billion, up 38.8% from Rp 40.0 billion a year earlier. BCA Sekuritas is ranked 4th by Bloomberg in Indonesia's bonds underwriting.

PT Asuransi Jiwa BCA

BCA is relatively new in the life insurance business through its subsidiary PT Asuransi Jiwa BCA (BCA Life). In 2017, BCA became its majority shareholder with a direct share ownership of 90%. Previously, BCA Life was indirectly owned through BCA's subsidiaries, BCA Sekuritas and BCA Insurance.

BCA Life continues to strengthen synergy with BCA, including providing life insurance for consumer loan customers. It also provides life insurance protection benefits for BCA customers with Tahapan Berjangka (Tahaka). BCA Life also uses BCA's communication media, such as the Prioritas magazine and BCA website, for the marketing of life insurance products.

Considering the long-term nature of life insurance business and the relatively new entity, BCA Life recorded a loss of Rp 43.2 billion (stand alone) compared to the previous year's loss of Rp 24.4 billion, despite making positive improvements and developments. BCA Life's total assets (stand alone) were Rp 842.1 billion in 2017, an increase of 118.5% from Rp 385.4 billion in 2016, supported by the capital injection.

BCA Life received the award for Best Financial Performance Life Insurance Company 2017 for total assets of Rp 250–400 billion at the Indonesia Insurance Consumer Choice Awards 2017 from Warta Ekonomi Magazine.

PT BCA Asuransi Umum

PT Asuransi Umum BCA (BCA Insurance) is a wholly owned subsidiary offering vehicle, fire, and Property All Risks (PAR) insurance. BCA's ownership is 100% (directly and indirectly). Through close synergy, BCA Insurance seeks opportunities to provide general insurance for BCA consumer loan customers. In 2017, it took part in various BCA marketing activities, such as the BCA Expo and vehicle exhibition, to promote its products to the public.

BCA Insurance's total assets at the end of 2017 grew 26.2% to Rp 1.4 trillion. Gross premium income grew 29.1% to Rp 637.9 billion, and net income was Rp 63.5 billion, an increase of 12.2% from Rp 56.5 billion in 2016.

In 2017 BCA Insurance received a number of awards, including the Golden Trophy 2017 at the Insurance Awards 2017 from Infobank magazine, and Best General Insurance Company in 2017 for the Rp 1–3 trillion in assets category from Investor Magazine.

BCA Finance Limited

BCA Finance Limited is a subsidiary of BCA, based in Hong Kong and engaged in remittance services, and is also a licensed money lender. BCA's ownership is 100% (directly).

BCA Finance Limited actively facilitates remittance transactions in Hong Kong, one of the leading destinations for Indonesian workers. It also plays a strategic role in facilitating trade finance for customers' partners in Hong Kong and China.

In 2017, BCA Finance Limited's total assets reached Rp 778.7 billion, up 8.8% from Rp 715.5 billion in 2016. BCA Finance Limited's net profit reached Rp 16.0 billion in 2017, an increase of 80.5% from Rp 8.9 billion in 2016. BCA Finance Limited's revenue sources are from remittance, spot and derivative transactions and return on investment.

PT Central Capital Ventura

In 2017, BCA established new venture capital subsidiary PT Central Capital Ventura (CCV), with paid-up capital of Rp 200.0 billion. BCA's ownership is 100% (directly and indirectly).

The development of Internet and telecommunications technology has opened up opportunities for start-up companies to create innovations in digital-based financial services, often referred to as financial technology (fintech). In view of these developments, CCV plans to invest in and collaborate with fintech companies and financial services support companies that support financial services ecosystem of BCA and its subsidiaries as a whole. Given that in this digital era fintech companies have potential to grow and develop, it is expected that BCA, through CCV, will take advantage of technological developments and explore new and prospective business activities.

PROSPECTS AND STRATEGIC PRIORITIES IN 2018

Indonesian Economy and Banking Sector Prospects in 2018

The Indonesian economy in 2018 is expected to improve from 2017, but will remain at a recovery phase. The government's development of infrastructure will be key to higher economic growth in the coming years as multiplier effects are created by the new infrastructure. As the projects are in progress over the next one or two years, economic growth in 2018 expected to remain moderate.

Economic conditions will affect the overall banking industry. The Bank will continue to monitor the growth of banking liquidity, demand for credit across the banking sector and the development of interest rate trends in 2018.

BCA faces rapid technological developments, characterized by widespread financial technology products and emerging international players. Increasingly dynamic technological developments and shortening technological platform cycles will be a challenge and opportunity in the coming years.

BCA Business Prospects and Strategic Priorities in 2018

To maintain its preeminence in transaction banking, BCA will continuously invest in digital technology to support business development, while improving operational efficiency. Lending capability will constantly be enhanced to support BCA's intermediating function.

BCA will continue to support the business development of its subsidiaries as a strategic step toward strengthening the provision of financial solutions and relationships to the growing customer base in 2018, in addition to strengthening payment settlement services and enhancing lending capabilities.

BCA's strategic plan for 2018 is as follows:

I. Payment Settlement Services

BCA will continue to develop its payment settlement services to strengthen CASA funding, which remains its main source of funds. Investments in transaction banking multi-channel infrastructure and digital technology will continually be conducted to enhance customer experience, allowing BCA to make its transaction banking platform more convenient, while not forgoing security and reliability. The Bank will continue to enhance its working methods and increase information technology capacity and capability to be more agile and innovative.

BCA observes closely the evolving needs of customers and works to provide solutions in line with developing trends. With the ongoing advancement in digital technology and the development of customer needs, the Bank is constantly adapting to the development of online payment settlement methods utilized by e-commerce businesses. In addition to providing updated services to correspond with shifts in customer preferences, BCA will continue to harness technological developments to improve operational efficiency. The Bank continues to improve the use of internet and mobile banking services, which serve as more efficient platforms than ATMs and branches. It also continues to enrich the functionality and increase the transaction capacity of internet and mobile banking platforms.

BCA continues to selectively develop new branches to facilitate the ongoing need for large transactions. Branch expansion focuses on compact formats, such as cash offices and kiosks. In order to improve efficiency, information technology is incorporated into the branches, and transaction automation will continue to be developed to maximise these benefits. Investment in ATM networks is focused on the conversion from conventional ATMs and Cash Deposit Machines (CDM) to Cash Recycling Machines (CRM).

II. Prudent Lending

Lending capabilities must continuously be improved in view of the positive long-term prospects of the Indonesian banking industry. Investment in improvements in loan infrastructure, loan processing enhancement and continuous assessment of credit policies in line with economic developments will remain a priority for BCA. The Bank targets positive growth in all loan segments – corporate, commercial and SME, and consumer – in 2018. The Bank will actively review its competitive interest rates and develop new programs to optimize loan growth, while maintaining prudent banking principles.

BCA will continue to offer competitive mortgage programs in the consumer segment, such as Fix and Cap programs which extend attractive interest rates for a certain period of time. Organizing events to support customer consumption needs should stimulate consumer loan demand. The Bank will continue to enhance synergy with its subsidiaries in vehicle loans. BCA prioritizes service quality, offers fast application processing and provides reliable marketing personnel to ensure the best experience for its customers. The Bank continues to work with renowned credit card partners and conducts various promotional programs while enhancing the proprietary BCA Card.

In line with Indonesia's ongoing infrastructure development in 2017, BCA seeks to capitalize on these opportunities and explore avenues for lending in the infrastructure sectors. Corporate lending is targeted on reputable corporations with proven track records. BCA will also support the credit needs of the commercial and Small and Medium Enterprise (SME) segments, supported by its extensive branch network and the development of specialized business centres for credit processing.

Investment in developments in loan infrastructure, loan processing enhancement and continuous assessment of credit policies will be essential to improving existing capabilities. BCA will continue to improve the quality and quantity of its account officers and relationship managers, developing loan products, refining lending policies and strengthening regional business development infrastructure.

The Bank constantly monitors current economic conditions and promotes prudent lending practices. It also consistently monitors the quality of its loan portfolio and proactively takes preventive measures when customers encounter loan repayment difficulties, including initiating loan restructuring for quality customers showing long-term business solidity but facing temporary financial difficulties. Lending is diversified across a number of potential sectors to mitigate concentration risks.

III. Business Development of Subsidiaries

BCA supports the business development of its subsidiaries engaged in varying business lines to provide comprehensive solutions for customers. Through its subsidiaries, BCA will continue to capture opportunities in vehicle financing, remittances, Sharia banking, securities, general and life insurance and venture capital. The Bank's large customer base provides opportunities for the development of these subsidiaries, and it is expected they will in turn strengthen BCA's transaction banking business. Strong synergy with the subsidiaries also facilitates BCA's efforts to increase fee-based income and supports the profitability of the BCA Group.

Financial Projections in the 2018 Business Plan

BCA periodically examines its business performance and implementation in establishing projections and budgeting. In light of the Indonesian economy's outlook, BCA is targeting loan growth in the range of 7%–9%. We are targeting all loan segments (corporate, commercial and SME, and consumer) to grow and contribute to overall loan growth. BCA expects growth in third party funds of around 5%–7%.

BCA will work to maintain an adequate capital position to facilitate future business growth. With this in mind, it reviews the dividend payout ratio to maintain solid capital in support of asset growth, capital expenditure and new business activities. BCA projects organic capital growth will sustain business activities in 2018. The Bank seeks to achieve no lower than 3.5% ROA and ROE within 17%-19%.

BCA will act cautiously to achieve projections and manage budgets. It will continue to monitor the development of macroeconomic factors and competition within the banking industry in 2018, and, where necessary, it may take strategic steps to adapt its business plan in light of developments, economic conditions and other unforeseeable events, to protect the interests of stakeholders.

BUSINESS CONTINUITY

In managing business continuity, BCA consistently monitors economic activity and the dynamics of the banking industry to best capture business opportunities, carefully mitigate risks and increase the long term capabilities of the Bank. Maintaining a solid liquidity and capital positions as well as healthy loan quality remain priorities for BCA. Through these efforts, the Bank has sustained its positive financial performance.

Amid the challenge of unrecovered loan demand, BCA captures lending opportunities in each period of increased demand, holds attractive promotional events and programs as well as offers competitive interest rates. BCA successfully provides lending across all segments, corporate, commercial and SME, as well as consumer loans. It continuously observes prudence in lending, focusing on customers with proven track records. Through this prudent approach, BCA maintains healthy loan quality and manages the non-performing loans ratio within its risk appetite.

To ensure the reliability and adequacy of capacity and capability in supporting customer transactions, BCA continues to invest in information technology infrastructure. Periodically, BCA reviews and updates hardware and core system network requirements. Software and mainframe operating systems continue to be upgraded as needed.

To ensure reliability, BCA operates network infrastructure in real-time, supported by a redundancy system. This system supports BCA in mitigating system failures and enabling automatic network recovery in the event of equipment damage with no disruption of banking services. In connection with the redundancy system, BCA operates two mirrored data centres in Jakarta to maintain business continuity in the event of the failure of the system in one location. To anticipate disturbances or natural disasters, BCA also manages a disaster recovery center in Surabaya, which is fully integrated with the two data centers.

BCA has a business continuity plan, designed to ensure that its core services continue to run despite significant disruptions. The plan also supports BCA to continue serving customers in the midst of an emergency, such as large-scale earthquake. Interruption of the Telkom 1 (VSAT), one of the satellites supporting the BCA e-channel, disrupted the operations of part of the BCA ATM network on August 25, 2017. However, the Bank's readiness to maintain business continuity allowed it to restore operations by switching transponder connections to several other satellites.

BCA constantly evaluates and updates emergency situational guidelines and procedures at all operational levels to ensure business functions are maintained. In line with business and work process developments, in 2017 BCA updated its manual on business continuity plans. It also periodically organizes seminars, training and simulations to ensure its readiness in the face of disasters and other possible events that may disrupt business activities.

BCA recognizes the importance of human resources in maintaining its business sustainability. In line with the Bank's implementation of digital technology and improved process automation, human resource development is focused on supporting the innovation of digital banking services and strengthening customer relationships. Digital competence was a focus in 2017 and for the coming years. BCA also provides career development opportunities for employees and a clear career path. The process of regeneration and succession in leadership is a priority in ensuring organizational sustainability.





BCA believes that the implementation of GCG can serve to direct and control the Bank so as to satisfy the expectations of all stakeholders, in accordance with prevailing laws and regulations, and in compliance with applicable business norms.

Corporate Governance

Table of Contents of BCA Corporate Governance in 2017

INTRODUCTION	281	BOARD OF DIRECTORS	323
1. Corporate Governance Objectives	281	1. References	323
2. References	281	2. Board of Directors Charter	323
3. Good Corporate Governance Framework and Action Plan	282	3. Duties and Responsibilities of Board of Directors	324
A. Corporate Governance Structure	283	4. Authority of Board of Directors	324
B. Implementation	284	5. Division of Duties and Responsibilities of Board of Directors	325
1. Existing internal policies regarding good corporate governance	284	6. Number, Composition and Criteria of Members of the Board of Directors	326
2. Fulfillment of Good Corporate Governance Principles	285	7. Composition of Members of the Board of Directors of the Company as of December 31, 2017	328
3. Internalization	291	8. Orientation Program for New Members of Board of Directors	329
C. Assessment on Good Corporate Governance:	292	9. Training Program in Order to Improve Competence for Directors	330
1. Internal Assessment	292	10. Nomination for Members of the Board of Directors	332
2. External Assessment	293	11. Share Ownership for Directors that amounts to 5% or Above of the Paid-Up Capital	332
GENERAL MEETING OF SHAREHOLDERS	295	12. Concurrent Position for Members of the Board of Directors	333
1. Procedures of the Annual General Meeting of Shareholders of 2017	295	13. Performance Assessment of Executive Committees of Board of Directors	334
2. Implementation of the Annual General Meeting 2017	296	MEETING OF BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND JOINT MEETINGS	337
3. Attendance of Management and Shareholders	296	1. Board of Commissioners Meeting	337
4. Chairman of the 2017 AGMS	297	2. Board of Directors Meetings	338
5. AGMS Agenda 2017	297	3. Joint Meetings of Board of Commissioners and Board of Directors	341
6. The Rules of AGMS 2017	297	AFFILIATED RELATIONSHIP	343
7. Decision Making Methods	298	1. Affiliated Relationships of the Board of Commissioners	343
8. 2017 AGMS Vote Calculation Mechanism	298	2. Affiliated Relationship of the Board of Directors	343
9. Decisions of the 2017 AGMS and Realization	299	3. Statement of Independence	344
10. Decisions of the 2016 AGMS and Realization	303	DIVERSITY IN THE COMPOSITION OF THE BOARDS OF COMMISSIONERS AND DIRECTORS	344
11. Statement Related to Unrealized AGMS Decision	308	REMUNERATION POLICY	345
MAJOR SHAREHOLDER/CONTROLLER INFORMATION	309	1. Remuneration for the Board of Commissioners	345
BOARD OF COMMISSIONERS	309	2. Remuneration for the Board of Directors	347
1. References	309	3. Company's Remuneration Implementation 2017	349
2. Guidelines and Code of Conduct of the Board of Commissioners	310	COMMITTEES UNDER BOARD OF COMMISSIONERS	356
3. Duties and Responsibilities of Board of Commissioners	310	AUDIT COMMITTEE	356
4. Authority of Board of Commissioners	311	A. Legal Basis	356
5. Number, Composition and Criteria of Members of the Board of Commissioners	312	B. Audit Committee Charter	356
6. Composition of Board of Commissioners as of December 31, 2017	314	C. Structure and Membership of Audit Committee	356
7. Orientation Program for Members of the Board of Commissioners	315	D. Profile of Audit Committee Members	357
8. Training Program to Boost Competence of Board of Commissioners Members	315	E. Education or Training Activities	357
9. Nomination of Members of Board of Commissioners	316	F. Term of Duty of Audit Committee	357
10. Information on Independent Commissioners and Statement of Independent Commissioners	317	G. Independency and Requirements of Audit Committee Members	357
11. Share Ownership of Board of Commissioners amounting 5% or More than Paid-in Capital	318	H. Duties and Responsibilities of Audit Committee	358
12. Concurrent Position of Board of Commissioners	318		
13. Performance Assessment of Board of Directors, the Board of Commissioners, and Committees under Board of Commissioners	319		
14. Board of Commissioners Duties Implementation	322		

I. Authority of Audit Committee	359	F. Term of Duty of Integrated Governance Committee	370
J. Policies and Implementation of Audit Committee Meetings	359	G. Independency and Requirements Membership of Integrated Governance Committee	370
K. Realization of Work Program and Implementation of Activities of Audit Committee in 2017	360	H. Duties and Responsibilities of Integrated Governance Committee	370
RISK OVERSIGHT COMMITTEE	361	I. Work Mechanism	370
A. Legal Basis	361	J. Policies and Meeting Implementation of Integrated Governance Committee	370
B. Risk Oversight Committee Charter	361	K. Realization of Work Program and Implementation of Activities of Integrated Governance Committee in 2017	371
C. Structure and Membership of Risk Oversight Committee	361	EXECUTIVE COMMITTEES OF BOARD OF DIRECTORS ASSET & LIABILITY COMMITTEE (ALCO)	371
D. Profile of Risk Oversight Committee Members	361	A. Main Functions of ALCO	371
E. Education or Training Activities	361	B. Authority of ALCO	371
F. Term of Duty of Risk Oversight Committee	362	C. Membership Structure of ALCO and Voting Right Status	372
G. Independency and Requirements of Risk Oversight Committee Members	362	D. Education or Training Activities	372
H. Duties and responsibilities of Risk Oversight Committee	363	E. Duties and Responsibilities of ALCO	373
I. Authority of Risk Oversight Committee	363	F. Meetings of ALCO	374
J. Policies and Meeting Implementation of Risk Oversight Committee	363	G. Decision Making	374
K. Realization of Work Program and Implementation of Activities of Risk Oversight Committee in 2017	364	H. Frequency of ALCO Meeting in 2017	374
REMUNERATION AND NOMINATION COMMITTEE	364	I. Report of Responsibility	375
A. Legal Basis	364	J. Realization of Work Program in 2017	375
B. Principal Function of Remuneration and Nomination Committee	364	RISK MANAGEMENT COMMITTEE	375
C. Remuneration and Nomination Committee Guidelines	364	A. Main Functions of Risk Management Committee	376
D. Membership of Remuneration and Nomination Committee	364	B. Authority of Risk Management Committee	376
E. Profile of Remuneration and Nomination Committee Members	365	C. Membership Structure of Risk Management Committee and Voting Right Status	376
F. Education or Training Activities	365	D. Education or Training Activities	376
G. Term of Duty of Remuneration and Nomination Committee	365	E. Duties and Responsibilities of Risk Management Committee	377
H. Independency and Requirements of Remuneration and Nomination Committee	365	F. Meetings of Risk Management Committee	377
I. Duties and Responsibilities of Remuneration and Nomination Committee	366	G. Decision Making	378
J. Policies and Meetings of Remuneration and Nomination Committee	366	H. Frequency of Risk Management Committee Meeting in 2017	378
K. Policies Concerning Board of Directors Succession Plan	367	I. Report of Responsibility	378
L. Realization of Work Program of Remuneration and Nomination Committee in 2017	367	J. Realization of Work Program in 2017	378
INTEGRATED GOVERNANCE COMMITTEE	367	INTEGRATED RISK MANAGEMENT COMMITTEE	379
A. Legal Basis	367	A. Main Functions of Integrated Risk Management Committee	379
B. Integrated Governance Manual	368	B. Authority of Integrated Risk Management Committee	379
C. Structure and Membership of Integrated Governance Committee	368	C. Membership Structure of Integrated Risk Management Committee and Voting Right Status	379
D. Profile of Integrated Governance Committee Members	369	D. Education or Training Activities	380
E. Education or Training Activities	369	E. Duties and Responsibilities	380
		F. Meetings of Integrated Risk Management Committee	381
		G. Decision Making	381
		H. Frequency of Integrated Risk Management Committee Meeting in 2017	381
		I. Report of Responsibility	382
		J. Realization of Work Program in 2017	382

CREDIT POLICY COMMITTEE	382	F. Meetings of the Personnel Case Advisory Committee	397
A. Main functions of Credit Policy Committee	382	G. Decision Making	397
B. Authority of Credit Policy Committee	383	H. Frequency of the Personnel Case Advisory Committee Meetings in 2017	397
C. Membership Structure of Credit Policy Committee and Voting Right Status	383	I. Report of Responsibility	397
D. Education or Training Activities	383	J. Realization of Work Programs of Personnel Case Advisory Meeting in 2017	398
E. Main Duties of Credit Policy Committee Members	385		
F. Meetings of Credit Policy Committee	385	CORPORATE SECRETARY	398
G. Decision Making	385	• Structure and Position of Corporate Secretary	398
H. Frequency of Credit Policy Committee Meeting in 2017	386	• Corporate Secretary Profile	399
I. Report of Responsibility	387	• Corporate Secretary Competence Development and Training Programs	399
J. Realization of Work Program in 2017	387	• Corporate Secretary Functions	399
		• Duties and Responsibilities of Corporate Secretary	400
CREDIT COMMITTEE	387	• Brief Description on Duty Implementation of Corporate Secretary in 2017	400
A. Main Functions of Credit Committee	387	• Corporate Secretary Report in 2017	400
B. Authority of Credit Committee	388	• Investor Relations Function	403
C. Membership Structure of Credit Committee and Voting Right Status	388		
D. Duties and Responsibilities of Credit Committee	389	INTERNAL AUDIT	404
E. Meetings of Credit Committee	389	• Position and Structure of the Internal Audit Division	404
F. Decision Making	389	• Profile of the Head of Internal Audit	404
G. Frequency of Credit Committee Meeting in 2017	390	• Competence Development and Training Program of the Head of Internal Audit Division	405
H. Realization of Work Programs of Credit Committee in 2017	390	• Independency	405
		• Duties and Responsibilities of the Internal Audit Division	405
INFORMATION TECHNOLOGY STEERING COMMITTEE	391	• Internal Audit Division Implementation Standards (Internal Audit Manual)	406
A. Main Functions of IT Steering Committee	391	• Number of Auditors in Internal Audit	406
B. Authority of IT Steering Committee	391	• Competency Development	407
C. Membership Structure of IT Steering Committee and Voting Right Status	391	• Audit Management System & Continuous Audit Information System	407
D. Education or Training Activities	392	• Reporting	407
E. Duties and Responsibilities of IT Steering Committee	392	• Activities of Internal Audit in 2017	407
F. Meetings of IT Steering Committee	393	• Focus of Audit Plan in 2018	408
G. Decision Making	393		
H. Frequency of IT Steering Committee Meeting in 2017	393	PUBLIC ACCOUNTING OFFICE (EXTERNAL AUDITOR)	408
I. Report of Responsibility	394	Public Accounting Offices and Public Accountants that have audited the Company's Financial Statements (2013, 2014, 2015, 2016, 2017)	409
J. Work Programs of IT Steering Committee	394		
K. Realization of Work Programs of IT Steering Committee in 2017	395	COMPLIANCE FUNCTION	409
		• Compliance Activities in 2017	409
PERSONNEL CASE ADVISORY COMMITTEE	395	• Indicators of Compliance in 2017	410
A. Main Functions of the Personnel Case Advisory Committee	395	• Activities Related to Anti Money Laundering and Counter Terrorist Financing Programs	410
B. Authorities of the Personnel Case Advisory Committee	396	• Integrated Compliance Function	411
C. Membership Structure of Personnel Case Advisory Committee	396		
D. Education or Training Activities	396		
E. Main Duties of the Personnel Case Advisory Committee	397		

IMPLEMENTATION OF RISK MANAGEMENT	411	STOCK OPTION PLAN	446
• General Description of Risk Management System	411	RELATED PARTY AND LARGE EXPOSURE	446
• Risk Management System	412	STRATEGIC PLAN	446
• Managed Risks	412	TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS UNDISCLOSED IN OTHER REPORTS	448
• Review on Implementation of Risk Management System	416	• Transparency of Financial Condition	448
		• Transparency of Non-Financial Conditions	449
INTERNAL CONTROL SYSTEM	417	SHARES BUY BACK	449
• Implementation of Internal Control	418		
• Review on the effectiveness of internal control system	419	PROVISION OF FUNDS FOR SOCIAL ACTIVITIES	449
		PROVISION OF FUNDS FOR POLITICAL ACTIVITIES	450
CORRUPTION PREVENTION	419	IMPLEMENTATION OF INTEGRATED GOVERNANCE	450
1. Application of Anti-Fraud Strategy	419	• Requirements for Board of Commissioners and Board of Directors of Legal Primary Entity	451
2. Whistleblowing System	421	• Duties and Responsibilities of Board of Commissioners and Board of Directors of Legal Primary Entity	453
3. Anti Gratuity	423	• Roles and Responsibilities of Integrated Governance Committee	453
		• Roles and Responsibilities of Integrated Compliance Work Unit	453
AFFILIATED TRANSACTIONS & TRANSACTIONS WITH CONFLICT OF INTEREST	424	• Roles and Responsibilities of Integrated Internal Audit Unit	454
		• Implementation of Integrated Risk Management	454
LEGAL CASES, SIGNIFICANT CASES AND ADMINISTRATIVE SACTION	427	• Preparation and Implementation of Integrated Governance Guidelines	454
		• Assessment of Integrated Governance Implementation	455
ACCESS TO INFORMATION AND CORPORATE DATA	428	• Annual Report of the Integrated Governance Implementation	455
• Access to Information	428		
• Corporate Website	429		
• Corporate Social Media	429		
• List of Press Release	429		
• Correspondence with Financial Services Authority and Indonesia Stock Exchange	436		
• Internal Communication	441		
CODE OF CONDUCT	443		
• Key Contents of the Company's Code of Conduct	443		
• Enforcement of Code of Conduct	443		
• Socialization	443		
• Vendor Related Code of Conduct	444		
• Enforcement Measures and Sanction of Breach of Code of Conduct	444		
• Settlement of Cases of Breach of Code of Conduct 2017	444		
CORPORATE CULTURE	445		
• Corporate Vision	445		
• Corporate Mission	445		
• Corporate Values	445		
• Socialization	445		

CORPORATE GOVERNANCE

PT Bank Central Asia Tbk (“the Company”) is committed to supporting good corporate governance consistently and sustainably. The Company recognizes the importance good corporate governance principles as providing added value for all stakeholders and in facing the risks and challenges of the banking industry.



INTRODUCTION

1. Corporate Governance Objectives

The Company continuously strives to apply the principles of good corporate governance and is constantly align to the latest provisions. Good corporate governance in the Company is intended to:

- a. Support the Company vision: "To be the bank of choice and a major pillar of the Indonesian economy".
- b. Support the Company mission:
 - To build centers of excellence in payment centers and financial solutions for businesses and individuals.
 - To understand diverse customer needs and provide the right financial services to optimize customer satisfaction.
 - To enhance our corporate franchise and stakeholders value.
- c. Give benefits and added value to shareholders and stakeholders.
- d. Maintain and improve long-term sustainable and healthy business continuity.
- e. Enhance the trust of investors to the Company.

2. References

Preparation of the Company's good corporate governance policies is developed based on the following among others:

- Law No. 40 Year 2007 on the Limited Liability Company.
- Law No. 8 Year 1995 on the Capital Markets.
- Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates.
- Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Regulation No.33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers of Public Companies.
- Financial Services Authority Regulation No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.
- Financial Services Authority Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.
- Financial Services Authority Regulation No. 21/POJK.04/2015 on Implementing Corporate Governance Guidelines of Public Companies.
- Financial Services Authority Regulation No. 45/POJK.03/2015 on the Application of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
- Financial Services Authority Regulation No. 55/POJK.04/2015 on the Establishment and Implementation Guidelines of the Audit Committee.
- Financial Services Authority Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Preparation of Charter of Internal Audit Unit.
- Financial Services Authority Regulation No. 11/POJK.04/2017 on Ownership Report or Any Changes in the Share Ownership of Public Companies.
- Financial Services Authority Circular Letter No.14/SEOJK.03/2015 on Integrated Risk Management Implementation for Financial Conglomerates.
- Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 on the Guidelines for Corporate Governance.
- Financial Services Authority Regulation No. 5/POJK.03/2016 on Bank Business Plan.
- Financial Services Authority Regulation No. 29/POJK.04/2016 on the Annual Report of Issuers or Public Companies.
- Financial Services Authority Regulation No. 32/POJK.03/2016 on Amendment to the Rules of the Financial Services Authority No. 6/ POJK.03/2015 on Transparency and Publication of Bank Reports.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on the implementation Good Corporate Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on Form and Content of Annual Report of Issuer or Company.
- Financial Services Authority Circular Letter No. 25/SEOJK.03/2016 on Business Plan of Commercial Banks.

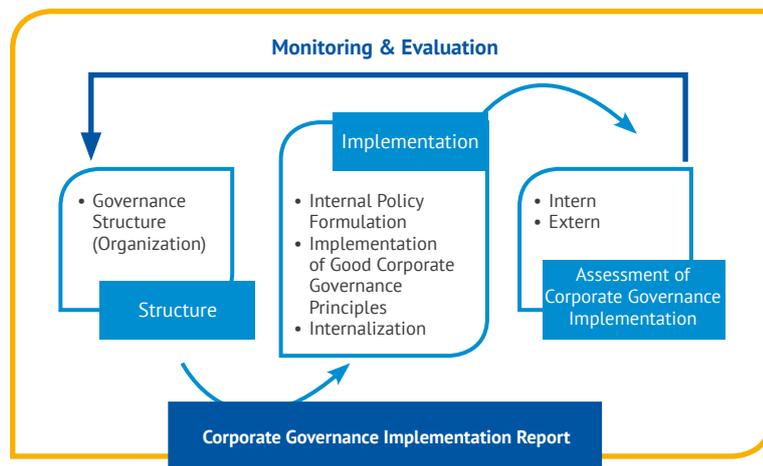
- Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 on the implementation of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
- Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 on Transparency and Publication of Commercial Bank Reports.
- Financial Services Authority Regulation No. 10/POJK.04/2017 on Amendment to the Rules of the Financial Services Authority No.32/POJK.04/2014 on the Plan and Implementation of the Public Companies' General Meetings of Shareholders.

- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.
- The Company's Articles of Association.

On top of referring to the aforementioned provisions, the Company also bases its implementation of Good Corporate Governance guidelines on:

- Principles of Corporate Governance developed by the Organization for Economic Cooperation and Development (OECD);
- ASEAN Corporate Governance Scorecard (ACGS);
- Roadmap Guidelines for Indonesian Corporate Governance issued by the Financial Services Authority (OJK).

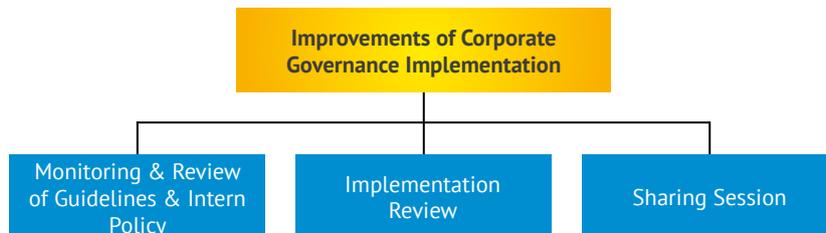
3. Good Corporate Governance Framework and Action Plan



Company's Good Corporate Governance Framework

Remarks :

The Company's good corporate governance framework consists of a governance structure as the foundation, implementation as the realization of the governance principles, and assessment of corporate governance implementation as a measurable parameter within the Company. This parameter is used across the Company's organization as an indicator to continue to make improvements in implementing the principles of good corporate governance. Disclosure of such matters is set out in the Corporate Governance Implementation Report.



Company's Action Plan for Good Corporate Governance in 2017

Note :

The realization of Good Corporate Governance in 2017 among others:

1) The Company has conducted monitoring and review of policies related to corporate governance, such as:

- The Code of Good Corporate Governance, which includes the guidelines and work procedures of the Board of Commissioners and the Board of Directors;
- Integrated Corporate Governance Guidelines;
- Affiliate Transaction and Conflict of Interest Policy.

2) Implementation Review.

The Company has reviewed the implementation of good governance by among others:

- Improving the mechanism of shareholding reporting flow of certain shareholders;
- Preparation of Decision Letter on Mechanism of Preparation and Submission of Self-Assessment Report of Integrated Governance Implementation;
- Integrated governance mapping.

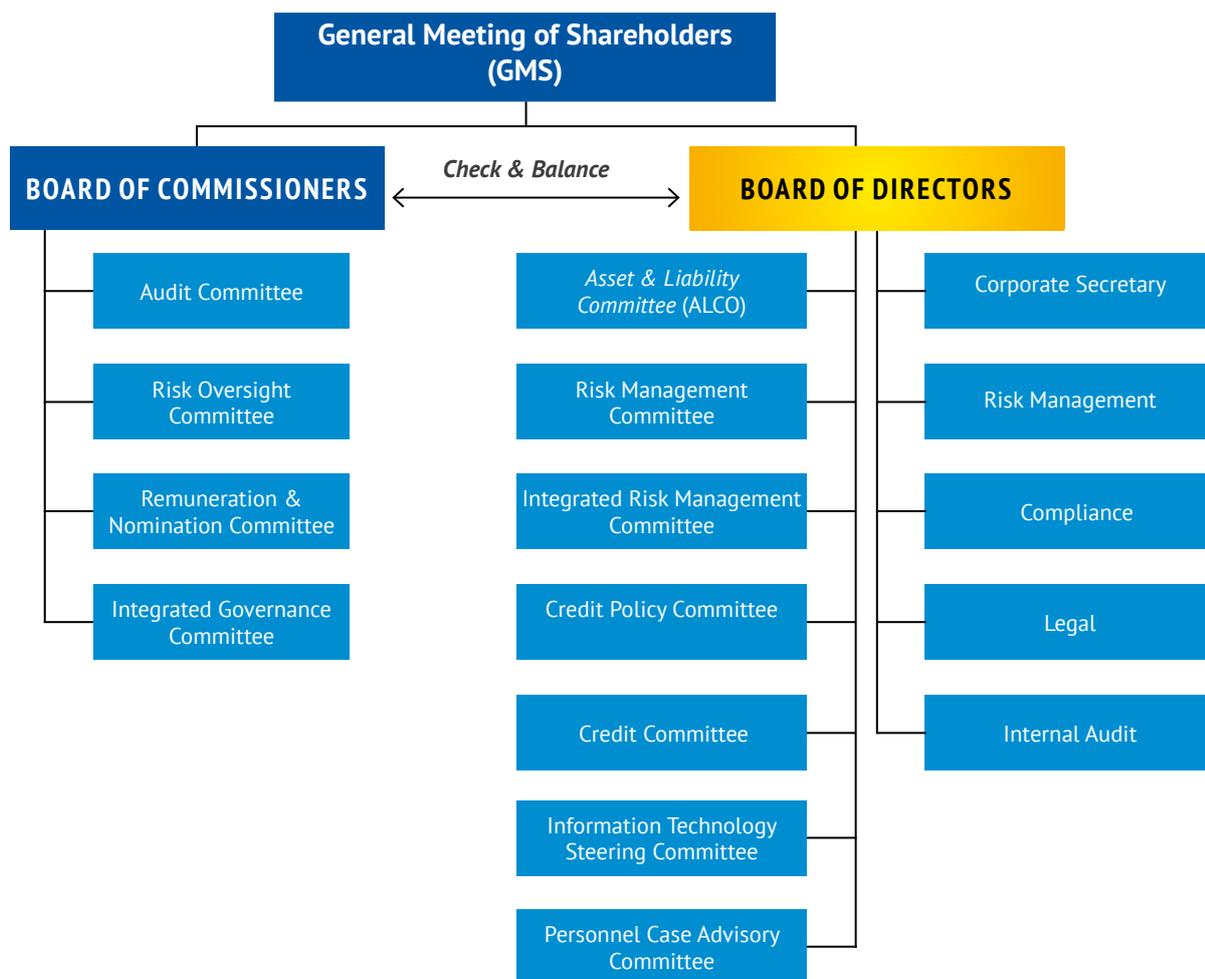
3) Sharing Sessions related to corporate governance.

Sharing sessions are held in the form of discussions and information dissemination on the subject of good corporate governance such as socialization of values, principles and implementation of governance, anti fraud awareness, affiliate transactions and conflict of interest.

A. Corporate Governance Structure

The corporate governance structure of the Company is a governance organization scheme consisting of General Meeting of Shareholders (GMS) as the highest organ, down to the supporting work units in the Company. Every function or work units has clear duties and responsibilities reflecting the implementation of the checks and balances principle and the Company’s internal control system.

Corporate Governance Structure



The Company's Corporate governance structure consists of:

- 1) General Meeting of Shareholders (GMS);
- 2) Board of Commissioners;
- 3) Board of Directors;
- 4) Committees under the Board of Commissioners: the Audit Committee, Risk Oversight Committee, Remuneration & Nomination Committee; Integrated Governance Committee;
- 5) Executive Committees of the Board of Directors: the Asset & Liability Committee (ALCO), Risk Management Committee; Integrated Risk Management Committee; Credit Policy Committee, Credit Committee, Information Technology Steering Committee, Advisory Committee on Personnel Cases;
- 6) Corporate Secretary;
- 7) Work units of Risk Management, Compliance, Legal and Internal Audit

B. Implementation

The Company's commitment to implement good corporate governance includes:

1) Existing internal policies regarding good corporate governance

Internal policies related to good corporate governance are means of compliance with regulations, for supporting the good corporate governance's structure, and as one of the means of implementing good corporate governance. Several policies related to good corporate governance in the Company are as follows among others:

- a. Articles of Association;
- b. Code of Conduct;
- c. The Corporate Governance Guidance based on Board of Directors Decision Letter No.067/SK/DIR/2015 dated May 20, 2015 regarding Good Corporate Governance Manual, which contains the Code of Conduct for Board of Commissioners and for Board of Directors (later mentioned as Corporate Governance Guidance);
- d. Corporate Values based on Board of Directors Decision Letter No. 079/SK/DIR/2015 regarding Corporate Values;

- e. Guidelines for Integrated Governance based on Board of Directors Decision Letter No. 160A/SK/DIR/2017 dated November 21, 2017 regarding Revised Integrated Governance Guidelines;
- f. Guidelines for Affiliate Transactions and Conflict of Interest based on Board of Directors Decision Letter No. 079/SK/DIR/2017 dated June 21, 2017 regarding Affiliate Transactions and Transactions Containing Conflict of Interest;
- g. Conflict of Interest Policy based on Board of Directors Decision Letter No. 219/SK/DIR/2003 regarding Terms of Conflict of Interest;
- h. Anti Fraud Guidelines based on Circular Letter No. 064/SE/POL/2015 dated April 7, 2015 regarding Guidelines in Implementing Anti Fraud Strategy;
- i. Guidelines regarding Integrated Compliance based on Board of Directors Decision Letter No. 037/SK/DIR/2017 dated March 27, 2017 regarding Integrated Compliance Risk Management Policy;
- j. Guidelines regarding Internal Control based on Board of Directors Decision Letter No. 183/SK/DIR/2017 dated December 13, 2017 regarding Guidelines for Standard of Internal Control System of PT Bank Central Asia, Tbk;
- k. Guidelines for Internal Audit based on Board of Directors Decision Letter No. 004/SK/DIR/2017 regarding Internal Audit Charter;
- l. Audit Committee Charter based on Board of Commissioners Decision Letter No. 057/SK/KOM/2016 dated March 16, 2016;
- m. Risk Oversight Committee Charter based on Board of Commissioners Decision Letter No. 188/SK/KOM/2017 dated July 12, 2017;
- n. Policies related to Remuneration and Nomination Committee based on Board of Commissioners Decision Letter No. 035/SK/KOM/2017 dated February 24, 2017 regarding Structure of Remuneration and Nomination Committee;
- o. Anti-Money Laundering Policy based on Board of Directors Decision Letter No. 065/SK/DIR/2015 dated May 15, 2015;

- p. The Company's Whistleblowing System Implementation Policy based on Board of Directors Decision Letter No. 146/SK/DIR/2017 dated November 1, 2017;
- q. Guidelines on Anti-Money Laundering and Prevention of Counter-Terrorism Financing based on Board of Directors Decision Letter No. 115/SK/DIR/2017 dated September 20, 2017;
- r. Company Guidelines regarding Procurement Procedures for Goods and Services based on:
 - 1) Board of Directors Decision Letter No. 147/SK/DIR/2016 dated October 10, 2016 concerning Procurement of Goods and Services related to Information Technology (IT);
 - 2) Circular Letter No. 223/SE/POL/2016 dated October 17, 2016 concerning Procurement Mechanisms and Services Related to Information Technology;
 - 3) Board of Directors Decision Letter No. 002/SK/DIR/2015 dated January 12, 2015 concerning Provisions on Procurement of Goods and Services for Logistics and Buildings.
- s. Insider Trading Policy based on Board of Directors Decision Letter No. 002/SK/DIR/2006 dated January 6, 2006 concerning Limitation of Company Shares Transaction During Buyback of shares Period.
- t. Cooperation of Subsidiary Companies Policy based on Board of Directors Decision Letter No. 024/SK/DIR/2013 concerning Provisions on Cooperation with Subsidiary Companies.

2) Fulfillment of Good Corporate Governance Principles

The principles of good corporate governance are contained within regulations in Indonesia that serve as guidelines for the Company's good corporate governance practices. Based on this view, the Company is committed to continuously improving implementation of the good corporate governance principles in accordance with applicable laws and regulations, as well as in accordance with best practice in corporate governance and the ASEAN Corporate Governance Scorecard.

- a. The basic principles of good corporate governance
Based on Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the implementation of Good Corporate Governance for Commercial Banks and Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Governance for Commercial Banks, governance in the banking industry shall be based on 5 (five) fundamental principles of Transparency, Accountability, Independence and Fairness.

Compliance with Good Corporate Governance Principles

Transparency	A company discloses information in a timely, clear, and easily accessible manner by stakeholders. The company discloses important information in accordance with the procedures provided for in the capital market and/or related laws. The principle of transparency adopted by the Company shall not reduce the obligation of the Company to comply with the bank secrecy and official secrecy regulation.
Accountability	The Company sets clear responsibilities for each function within the organization in line with its vision, mission, business goals and corporate strategy. This can be observed in the Corporate Organizational Structure, where every function within the organization acts in accordance with its responsibilities.
Responsibilities	The Company always adheres to prudential banking practices in conducting its business activities. The Company also acts as a good corporate citizen.
Independency	The Company acts professionally, objectively and free from pressure of any parties in any decision making.
Fairness	The Company having attention the interests of all stakeholders based on the principle of equality and equal treatment. The Company provides an opportunity to all shareholders in the General Meeting of Shareholders to express their opinions. All stakeholders have access to information in accordance with the principle of transparency.

- b. Implementation of Transparent Corporate Governance Guidelines (Recommendation from Financial Services Authority Circular Letter No. 32/SEOJK.04/2015). In accordance with Article 3 of Financial Services Authority Regulation No. 21/POJK.04/2015 on the Implementation

of Transparent Corporate Governance Guidelines, which basically states that a Public Company must disclose information on the application of recommendations as referred to the Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 on Transparent Corporate Governance Guidelines, are as follows:

Fulfillment Table of Recommendation for Public Corporate Governance Guidance

No.	Recommendations	Descriptions
A	PUBLIC COMPANY RELATIONSHIP WITH SHAREHOLDERS IN GUARANTEEING SHAREHOLDER RIGHTS	
	1st Fundamental	
	Increase the Value of General Meetings of Shareholders (GMS)	
1.1	Public Company has a method of voting, both open and closed voting systems to uphold independence, and the interests of shareholders.	<p>Implementation : Comply</p> <p>The voting procedures of the Company's General Meeting of Shareholders (GMS) shall be governed in the GMS Rules of Order (announce in the beginning of GMS event) and in the Articles of Association to foster the independence and interest of shareholders. To ensure transparency, shareholders and the public can also download the Company's GMS rules on the Company website https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan part GMS.</p> <p>Voting ordinance of every agenda of the GMS agenda shall be conducted in an open manner by raising hands in accordance with the instruction of choice offered by the GMS Chairman. Shareholders or authorized proxy for a shareholder who disagrees or abstains on the proposed suggestions may raise a hand to submit ballot paper to the Securities Administration Agency and to be verified by Notary in accordance with the Company's GMS Rules of Order.</p> <p>More info on page 298 (GMS Section)</p>
1.2	All members of the Boards of Directors and Commissioners of a Public Company must be present at the Annual GMS.	<p>Implementation : Comply</p> <p>The attendance of all members of the Board of Directors and Board of Commissioners during the 2017 GMS on April 6, 2017 was as follows: 5 (five) members of the Board of Commissioners = 100% 11 (eleven) members of the Board of Directors = 100%</p> <p>More info on page 296 (GMS section)</p>
1.3	Summary of minutes of the GMS is available to the Public on the Company Website for at least 1 (one) year.	<p>Implementation : Comply</p> <p>The Company has published a summary of the minutes of the GMS on the Company's website and has been available for more than 1 (one) year. Summary of Annual General Shareholders' Meeting of 2016 and 2017 can be downloaded at: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan part 5 GMS summary</p> <p>More info on page 295-296 (GMS section)</p>
	2nd Fundamental	
	Improving Quality of Public Company Communications with Shareholders or Investors	
2.1	The Public Company has a communication policy with shareholders or investors.	<p>Implementation : Comply</p> <p>The Company has a communication policy with shareholders set out in the Corporate Governance Manual of Part I Chapter of the Communication Function. The Company has an Investor Relations working unit that has the duty and responsibility of managing and coordinating with shareholders or other capital market communities as well as providing information to shareholders.</p> <p>More info on page 403 (Corporate Secretary section)</p>

No.	Recommendations	Descriptions
2.2	The Public Company discloses the Company's communication policy with shareholders or investors on the Website.	<p>Implementation : Comply</p> <p>The Company implements a communications policy with shareholders that can be viewed at: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan</p> <p>Through this website, shareholders and the general public can obtain wide-ranging information such as Financial Statements, Annual Reports, Stock Information of the Company, Credit Rating, Investor News, Corporate Snapshots and access to Company reports.</p> <p>More info on page 403 (Corporate Secretary section)</p>
B	FUNCTION AND ROLE OF THE BOARD OF COMMISSIONERS	
3rd Fundamental Strengthen Membership and Composition of the Board of Commissioners		
3.1	The number of members of the Board of Commissioners is determined by considering the state of the Public Company	<p>Implementation : Comply</p> <p>The number of members of the Company's Board of Commissioners as December 31, 2017 is 5 (five), of whom 3 (three) are Independent Commissioners. For the determination of the number of members of the Board of Commissioners, the Company's Remuneration and Nomination Committee is tasked to provide recommendations to the Board of Commissioners regarding the composition of the positions of members of the Board of Commissioners. The Company has also considered the condition, capacity, objectives and the fulfillment of the Company's needs.</p> <p>More info on page 314 (Board of Commissioners section on the composition of the Board of Commissioners)</p>
3.2	The determination of the composition of the members of the Board of Commissioners takes into account the diversity of skills, knowledge, and experience required.	<p>Implementation : Comply</p> <p>The Remuneration and Nomination Committee of the Company has duties, among others, to prepare and make recommendations to the Board of Commissioners regarding:</p> <ul style="list-style-type: none"> - Systems and procedures for the election and / or replacement of members of the Boards of Directors and Commissioners; - The composition and positions of members of the Boards of Directors and Commissioners; - Policies and criteria required in the nomination process; - Performance evaluation policy for members of the Boards of Directors and Commissioners; <p>The determination of the composition of the members of the Board of Commissioners has taken into account the diversity of skills, knowledge and experience required.</p> <p>More info on page 344-345 (Diversity in the composition of the Board of Commissioners and Directors section)</p>
4th Fundamental Improve Implementation Quality of Duties and Responsibilities of Board of Commissioners		
4.1	The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.	<p>Implementation : Comply</p> <p>Implementation procedures for the evaluation of the performance of the Board of Commissioners are conducted once a year through Self Assessment indicators.</p> <p>More info on page 319 (Board of Commissioners section: Performance Assessment of the Board of Commissioners)</p>
4.2	Self-assessment policy to assess the performance of the Board of Commissioners is disclosed through the Annual Report of the Public Company.	<p>Implementation : Comply</p> <p>The Company has disclosed its own performance assessment policy of the Board of Commissioners through this Annual Report of the Company.</p> <p>More info on page 319 (Board of Commissioners section: Performance Assessment of the Board of Commissioners)</p>

No.	Recommendations	Descriptions
4.3	The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners should any member be involved in financial crime.	<p>Implementation : Comply</p> <p>Policies relating to the resignation of members of the Board of Commissioners should any member be involved in financial crime are contained in the Code of Conduct of the Board of Commissioners of the Company. Article 14 of the Company's Articles of Association has provided for the resignation of members of the Board of Commissioners.</p>
4.4	The Board of Commissioners or the Committee performing the Nomination and Remuneration functions shall establish a succession policy in the Nomination of the members of the Board of Directors.	<p>Implementation : Comply</p> <p>The Remuneration and Nomination Committee of the Company is in charge of formulating the Board of Directors' succession policy. Implementation of the succession policy of the Board of Directors includes the provision of recommendations regarding the system, procedures and candidates for the Board of Directors for the selection and/or replacement of members of the Board of Directors to the Board of Commissioners to be submitted to the GMS.</p> <p>More info on page 367 (Board of Commissioners Committee section - Remuneration and Nomination Committee)</p>
C	FUNCTION AND THE ROLE OF THE BOARD OF DIRECTORS	
5th Fundamental Strengthen the Membership and Composition of Board of Directors		
5.1	Determination of the number of members of the Board of Directors is based on the consideration on the Public Company's conditions and the effectiveness of decision making.	<p>Implementation : Comply</p> <p>The number of members of the Company's Board of Directors as of December 31, 2017 is 11 (eleven). For the determination of the number of members of the Board of Directors, the Remuneration and Nomination Committee is tasked to provide recommendations to the Board of Directors regarding the composition of the members of the Board of Directors. The Company has also considered the condition, capacity, objectives, and the fulfillment of the Company's needs.</p> <p>More info on page 328-329 (Board of Directors section on the composition of the members of the Board of Directors)</p>
5.2	The determination of the composition of the members of the Board of Directors takes into account the diversity of skills, knowledge, and experience required.	<p>Implementation : Comply</p> <p>The Company's Remuneration and Nomination Committee has duties to prepare and make recommendations to the Board of Commissioners regarding:</p> <ul style="list-style-type: none"> - Systems and procedures for the election and/or replacement of members of the Boards of Directors and Commissioners; - The composition of the positions of members of the Boards of Directors and Commissioners; - The policies and criteria required in the nomination; - Performance evaluation policy for members of the Boards of Directors and Commissioners; <p>The determination of the composition of the members of the Board of Commissioners has taken into account to the diversity of skills, knowledge and experience required.</p> <p>More info on page 344-345 (Diversity in the composition of the Board of Commissioners and Directors section)</p>
5.3	Members of the Board of Directors overseeing the accounting or finance division have expertise and/or knowledge in accounting.	<p>Implementation : Comply</p> <p>Members of the Board of Directors overseeing the accounting and finance division have experience in finance and accounting.</p> <p>More info on the page 57 (Corporate Profile section)</p>
6th Fundamental Improving Implementation Quality of Duties and Responsibilities of Board of Directors		

No.	Recommendations	Descriptions
6.1	The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.	<p>Implementation : Comply</p> <p>Performance appraisal is conducted annually based on self assessment reviewed by the Board of Commissioners.</p> <p>More info on page 319-320 (Board of Commissioners section - Performance Assessment of the Board of Directors)</p>
6.2	The self assessment policy to assess the performance of the Board of Directors is disclosed through the Public Company's annual report.	<p>Implementation : Comply</p> <p>The performance assessment of the Board of Directors has been disclosed in the Public Company Annual Report.</p> <p>More info on page 319-320 (Board of Commissioners section - Performance Assessment of the Board of Directors)</p>
6.3	The Board of Directors has a policy related to the resignation of members of the Board of Directors should any member be involved in a financial crime.	<p>Implementation : Comply</p> <p>The policy regarding the resignation of members of the Board of Directors in the event of engaging in financial crimes are contained in the Code of Conduct of the Board of Directors Article 11. The Articles of Association also stipulate provisions relating to the resignation of members of the Board of Directors.</p>
D	PARTICIPATION OF STAKEHOLDERS	
	7th Fundamental Improving Corporate Governance Aspect through Stakeholder Participation	
7.1	The Public Company has a policy to prevent the occurrence of insider trading.	<p>Implementation : Comply</p> <p>The Company has an insider trading policy set forth in Board of Directors Decision Letter No. 002/SK/DIR/2006 dated January 6, 2006.</p>
7.2	The Public Company has anti-corruption and anti-fraud policies.	<p>Implementation : Comply</p> <p>The Company has anti-gratuity and anti-fraud policies set forth in the Guidelines for Implementing Anti-Fraud Strategies and has been approved in Board of Directors Decision Letter No.064/SE/POL/2015 dated April 7, 2015.</p> <p>More info on page 419 (Corruption Prevention section)</p>
7.3	The Public Company has a policy on the selection and upgrading of suppliers or vendors.	<p>Implementation : Comply</p> <p>The Company has a policy related to Vendor Selection as outlined in Circular Letter No.223/SE/POL/2016 dated October 17, 2016 on the Procurement Mechanism of Goods and/or Services. The policy regulates the value of procurement transactions and selection methods used so that the procurement process in the Company is fair and transparent.</p>
7.4	The Public Company has a policy for the fulfillment of creditor rights.	<p>Implementation : Comply</p> <p>The Company has a policy of fulfilling creditor's rights with reference to the relevant provisions made by regulators.</p>
7.5	The Public Company has a whistleblowing system policy.	<p>Implementation : Comply</p> <p>The Company's whistleblowing policy is set forth in the Circular Letter No.064/SE/POL/2015 on Guidelines for Implementing Anti Fraud Strategies</p> <p>More info on page 421 (Corruption Prevention section)</p>

No.	Recommendations	Descriptions
7.6	The Public Company has a policy of providing long-term incentives to Directors and employees.	Implementation : Comply The incentive policy for the Board of Directors has been disclosed in this Annual Report. The employee incentive policy has been arrange in the Board of Director Decision Letter No.063/SK/DIR/2014 on Policy of Achievement, Position/Rank and Payroll.
E	INFORMATION DISCLOSURE	
	8th Fundamental Improving the Implementation of Information Disclosure	
8.1	The Public Company uses information technology more widely through the Website as a medium of information disclosure.	Implementation : Comply The use of information technology as a medium of Information Disclosure: a. External, such as: <ul style="list-style-type: none"> • Website (www.bca.co.id), • HaloBCA, • Twitter, • facebook, • youtube (www.youtube.com/solusibca), • kaskus (BankBCA KASKUS), • slideshare (www.slideshare.net/SolusiBCA), • linkedIn PT Bank Central Asia Tbk • Instagram (@goodlifeBCA) b. Internal Media Internal Disclosure is through MyBCA Intranet Portal. More info on page 428 (Access to Information and Corporate Data section)
8.2	The Public Company's Annual Report discloses the ultimate beneficiary of Company's shareholding ownership of at least 5% (five percent), in addition to the disclosure of the final beneficial owner in the share ownership of Public Company through the major shareholder or controller.	Implementation : Comply The Company's Annual Report has disclosed: a. list of shareholders holding the Company's shares of 5% or more, b. the owner of the ultimate benefit in the ownership of the Company's shares, as well as c. the Company's principal shareholder controller. More info on page 309 (Major Shareholders/Controller information section)

c. OECD Corporate Governance Principles

The Corporate Governance Principles drafted by the Organization for Economic Co-operation and Development (OECD) is a reference in the assessment of the ASEAN CG Scorecard. The ASEAN CG Scorecard aims to measure and improve the effectiveness of the implementation of corporate governance principles. The Governments of Indonesia together with Malaysia, Philippines, Singapore, Thailand and Vietnam agreed to adopt the criteria of OECD governance principles as a benchmark assessment for the ASEAN CG Scorecard.

OECD corporate governance principles are as follows:

No.	Principle	Descriptions
1.	Corporate Governance Framework	The Company's governance framework is reflected in good corporate governance, action plan and corporate organizational structure.
2.	Shareholder Rights	In accordance with the Fullfillment Table of Recommendation of Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle A (Public Company Relationships With Shareholders In Ensuring Shareholder Rights).
3.	Equal Treatment of Shareholders	Under the principle of equality and equal treatment, the Company provides an opportunity for all shareholders to convey opinions and access to information in accordance with the principle of transparency.
4.	The Role of Stakeholders in Corporate Governance	In accordance with the Fulfillment table of recommendation Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle D (Participation of Stakeholders).

No.	Principle	Descriptions
5.	Disclosure and Transparency	In accordance with the Fulfillment table of recommendation Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle E (Information Disclosure).
6.	Roles and Responsibilities of Boards of Commissioners and Directors	In accordance with the Table of Compliance Fulfillment of of Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle B (Functions and Roles of Board of Commissioners) and Principle C (Functions and Roles of Board of Directors).

3) Internalization

One of the effective efforts to promote the implementation of good corporate governance is to internalize the entire staff from the entry level to the managerial levels.

a. Statement of Commitment to Implement Good Corporate Governance

As a concrete manifestation of the Company's commitment to improve the implementation of the principles of good corporate governance continuously in accordance with applicable regulations, the Company requires echelon 1 to echelon 5 employees to sign the Annual Disclosure every year.

b. Dissemination of Corporate Values

Corporate Values are embedded in every individual employee that includes:

- (1) Customer Focus;
- (2) Integrity;
- (3) Teamwork;
- (4) Continuous Pursuit of Excellence (Achieving the Best)

The implementation of good corporate governance principles is embedded in every Company value, especially in the integrity value and always strives the best.

Internalization of the corporate culture values is conducted through sharing sessions, Corporate Culture Dissemination (face to face with leaders and co-workers within one Division) or better known as Community of Practice (COP), Corporate Culture comics, intranet Dissemination, and videos that can be downloaded any time.

The Company has a SMART SOLUTION program that aims to provide excellent service, focus on fulfilling customer needs and providing financial solutions.

To support the SMART SOLUTION program, the Company offers a SMART Solution Reward Program. This reward program can also be an evaluation, promoting stronger corporate values application, and improving team engagement and customer engagement. These cultural internalization programs nurture the behavior of personnel to support the implementation of values, good corporate governance, innovation, risk-consciousness and productivity.



Program COP – Corporate Values

c. Dissemination of Good Corporate Governance. Dissemination of Good Corporate Governance is done through:

- (1) Dissemination and Implementation of Principles of Good Corporate Governance
Dissemination and implementation of the principles of good corporate governance is done by means of Corporate Governance bulletins on the MyBCA intranet portal, which is accessible to employees throughout Indonesia. The Corporate Governance Bulletin presents the latest understanding, practices and information on corporate governance. In addition to the bulletin, good corporate governance socialization is also performed through COP and sharing sessions that convey themes related to

corporate governance, for example by carrying the theme of the importance of information disclosure, implementation of corporate governance in banking, etc.

(2) Dissemination of Anti Fraud Awareness (AFA).

The Company actively conducts dissemination of fraud awareness and anti gratuity. The Company has drafted Guidelines for Implementing Anti Fraud Strategy that contains the implementation of strategy, risk management implementation, reports which must be submitted to regulators, and sanctions given. In addition, the Company also actively conducts antifraud socialization such as through the dissemination of anti fraud comics, anti fraud application slides and the whistleblowing system that can be downloaded by employees on MyBCA's internal portal, AFA videos, COP implementation of Anti Fraud Strategy, and mandatory e-learning that must be followed by all employees, etc.

These programs are established so that every Company employee can take an active role in implementing an anti fraud culture as one effort to implement good corporate governance, responsibility, and independency principles to create a favorable working environment free from fraud.

(3) Affiliate Transactions and Conflict of Interest Socialization.

Reporting affiliate transactions and conflict of interest is one important factor in implementation of good corporate governance principles; therefore, the Company seeks to play an active role in disclosure of information or reports of affiliate transactions and conflict of interest. Policies relating to affiliate transaction reports and conflict of interest are set out in Board of Directors Decision Letter No. 079/

SK /DIR/2017 dated June 21, 2017 regarding Affiliate Transactions and Transactions Containing Conflict of Interest. Socialization is done through COP or sharing sessions. To facilitate socialization, the policy can also be downloaded on the MyBCA intranet portal, accessible to all Company employees throughout Indonesia.

Implementation of corporate governance is an important factor in maintaining the Company's shareholders and stakeholders trust. This has become increasingly important along with the rising business risks and challenges confronted by the banking industry. Through the implementation of the good corporate governance principles, the Company will be able to maintain its healthy and competitive business edge.

C. Assessment on Good Corporate Governance:

Target achievement indicators are measured from good corporate governance assessments, both internal and external.

1) Internal Assessment

Based on Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, the measurement of governance implementation is by means of self-assessment or Good Corporate Governance Assessment per semester.

Assessment Criteria

The criteria employed in the assessment are as stipulated in Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Commercial Bank Governance. In order to implement the 5 (five) basic principles of Good Corporate Governance, the Company shall conduct periodic self assessment that shall include at least 11 (eleven) assessment factors for the application of good corporate governance:

- a. Implementation of duties and responsibilities of the Board of Directors;
- b. Implementation of duties and responsibilities of the Board of Commissioners;
- c. Comprehensiveness and execution of committee duties;
- d. Conflict of interest handling ;
- e. Implementation of compliance function;

- f. Implementation of internal audit function;
- g. Implementation of external audit function;
- h. Implementation of risk management including internal control system;
- i. Provision of funds to related parties and provision of large funds (large exposure);
- j. Transparency of the Company's financial and non financial condition, internal governance and reporting report; and
- k. Bank's strategic plan.

The parties conducting the assessment

The self assessment related to 11 (eleven) assessment factors was conducted by involving functions or work units including Board of Commissioners, Board of Directors, Committees, Internal Audit, Compliance Work Unit, Risk Management Work Unit, Corporate Secretary, and other related work units.

Self-Assessment Result

in 2017, the self assessment result on good corporate governance is ranked 1 (one), with details as follows:

	Rating	Rating Definition
Individual	1	Company's management has implemented a generally excellent Good Corporate Governance. This is reflected in the fulfillment of the principles of Good Corporate Governance, in general, the weakness is not significant and can be mitigated immediately by the Company management

Analysis

Based on self assessment analysis on governance structure, the governance process, and governance outcome of each Good Corporate Governance Implementation Assessment Factor can be summarized as follows:

1. Governance Structure on all Good Corporate Governance Assessment Factors are complete and fully sufficient.
2. Governance Processes on all Good Corporate Governance Assessment Factors are very effectively supported by the Governance Structure.
3. Governance Outcomes in most Good Corporate Governance Assessment Factors are of high quality resulting from Governance Processes supported by the Governance Structure.

2) External Assessment

In 2017, the implementation appraisal of good corporate governance has also been performed by external parties, namely the Indonesian Institute for Corporate Governance (IICG) with SWA Magazine and the Indonesian Institute for Corporate Directorship (IICD).

The results of the CGPI rating program use assessment norms based on the range of scores achieved under the following categories:

Score 85-100 = Most Trusted

Score 70-84 = Trusted

Score 55-69 = Fairly Trusted

Corporate Governance Perception Index (CGPI)

The CGPI 2016 theme was Change Management in a Good Corporate Governance Framework.

a. Assessment criteria

CGPI 2016 assessed from the fulfillment of assessment indicators as follows:

- Governance Structure, including governance structure and policy indicators governance.
- Governance Process, including system indicators and governance mechanisms.
- Governance outcome, including output indicators and governance quality.

b. The party conducting the assessment

The external parties that performed the assessment were IICG together with SWA Magazine.

c. Assessment result

The Company achieved the title of "The Most Trusted Company".

The CGPI 2016 assessment for the Company demonstrated that the Company organization and all of its personnel have been very committed and have made serious and consistent efforts in implementing

Good Corporate Governance and Change Management based on Good Corporate Governance principle that has propelled the Company forward provided further added value to the stakeholders.

d. Assessment Result Recommendation

Recommendations of CGPI 2016 assessment results include the following:

The Company to prepare several policies in accordance with the development of prevailing regulations and business practices, develops systems and instruments for change management, and develops follow-up and evaluation of several aspects of governance outcomes.

e. Reasons for not implementing the recommendations:

None

f. Conclusion:

1. The Company already has the completeness and adequacy of corporate governance structure.
2. The Company has designed systems and mechanisms in accordance with the Company's management processes.
3. The Company has external outcomes, output quality and impact outcome that meet the expectations.

The Indonesian Institute for Corporate Directorship (IICD) Corporate Governance Award

This award first held in 2009 and based on the disclosure of corporate governance practices listed in Indonesia.

a. Assessment criteria

The IICD CG Award assessment instrument is Corporate Governance (CG) Scorecard, which is also used by other Institutes of Directors in several ASEAN countries.

Indonesia together with 5 other ACMF (ASEAN Capital Markets Forum) member states (Malaysia, Philippines, Singapore, Thailand and Vietnam) agreed to adopt the criteria in which is a more detailed description of the corporate governance principles issued by the Organization for Economic Cooperation and Development (OECD) and acts as a benchmark assessment for the ASEAN CG Scorecard.

The assessment of the ASEAN CG Scorecard is based on publicly accessible documentation, and aims to create a set of public companies in the ASEAN region with good governance that can be promoted to foreign investors.

b. The party conducting the assessment

The party conducting the assessment is the IICD. IICD conducts evaluations and rating on the largest capitalized 100 (hundred) public companies listed on the Indonesia Stock Exchange.

c. Assessment result

In 2017, during the 9th IICD Corporate Governance Conference & Award 2017, the Company won the award for "Best Disclosure & Transparency" and "Top 50 Biggest Market Capitalization Public Listed Companies."

d. Reasons for not implementing the recommendations:

None.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) is the highest corporate governance function of the Company. The GMS has the authority not granted to the Board of Directors or the Board of Commissioners within the limits specified in law and/or the Articles of Association.

1. Procedures of the Annual General Meeting of Shareholders of 2017

The procedure of the 2017 Company's Annual General Meeting of Shareholders (AGMS) was as follows:

- As a public company, in accordance with the provisions of Article 21 paragraph 4 of the Articles of Association and Article 13 paragraph 1 and paragraph 3 of the Financial Services Authority Regulation No.32/POJK.04/2014 dated December 8, 2014 regarding Plan and Implementation of Public Company General Meeting of Shareholders, the Company submitted the agendas in advance in the announcement of 2017 AGMS clearly and in detail to the Financial Services Authority 5 (five) working days prior to the Preliminary Notice of the AGMS, as referred to in Letter No. 094/DIR/2017 dated February 21, 2017.
- In accordance with the provisions of Article 21 paragraph 2 of the Articles of Association, prior to its 2017 AGMS, the Company made an Preliminary Notice that it summoned for the GMS 14 (fourteen) days before the 2017 AGMS, excluding the date of the announcement and the date of the AGMS 2017. Announcement of the Call for the 2017 AGMS was published in daily newspapers Bisnis Indonesia and The Jakarta Post, both dated February 28, 2017.
- Invitation of the 2017 AGMS was made by placing an advertisement in newspapers 21 (twenty one) days prior to the date of the 2017 AGMS, excluding the date of the invitation and the date of the AGMS. The 2017 AGMS announcement was published in daily newspapers Bisnis Indonesia and The Jakarta Post, both dated March 15, 2017.

- Shareholders or representative proxies of shareholders entitled to attend the 2017 AGMS were of those shareholders whose names were registered in the Shareholder Register on March 14, 2017 at 16:15 Western Indonesian Standard Time (WIB).
- Each share issued shares has 1 (one) voting right unless the Articles of Association of the Company stated otherwise.
- Following the execution of the AGMS, the Company submitted a Summary of the AGMS of 2017 within 2 (two) working days after the 2017 AGMS to the Financial Services Authority and the Indonesia Stock Exchange and announced it to the public in daily newspapers Bisnis Indonesia and The Jakarta Post April 10, 2017.

AGMS of 2017 Schedule



2017 Annual GMS Invitation Advertisement

PT BANK CENTRAL ASIA Tbk (the "Company")
PRELIMINARY NOTICE
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

This is to inform all shareholders of the Company that the Company is going to hold its Annual General Meeting of Shareholders (the "AGM") on 6 April 2017.

In accordance with the provisions of Article 21 paragraph 4 of the Company's Articles of Association and Article 13 paragraph 1 and paragraph 3 of Regulation of the Financial Services Authority No. 32/POJK.04/2014 dated 8 December 2014 on the Plan and Organization of the General Meeting of Shareholders of Publicly-Held Companies ("POJK No.32/POJK.04/2014"), the Notice of AGM will be made on 15 March 2017 through announcement in 1 (one) Indonesian language daily newspaper of wide circulation in the Republic of Indonesia and 1 (one) English language daily newspaper, as well as on the website of the Indonesia Stock Exchange and the Company's website. The shareholders or their respective proxies that are eligible to attend the AGM are those that are recorded on the Company's Register of Shareholders as at 14 March 2017, 16:15 Western Indonesian Time.

One or more shareholders that (collectively) represent at least 1/20 (one-twentieth) of the total number of shares with valid voting rights issued by the Company may propose the agenda items for the AGM, and the proposed items from the shareholders will be included in the agenda for the AGM to the extent that such proposed items are in compliance with the provisions of Article 21 paragraph 6 of the Company's Articles of Association, and Article 12 of POJK No.32/POJK.04/2014, namely:

- The proposed item shall be made in writing and shall have been received by the Board of Directors of the Company not later than 8 March 2017 at 16:00 Western Indonesia Time;
- The proposal is put forward in the interests of the Company;
- The proposal is accompanied by the reasons for which it is submitted and the relevant materials for discussion;
- The proposal is not contrary to the prevailing laws and regulations;
- The nature of the proposal requires it to be resolved in the AGM; and
- The Board of Directors of the Company determines that the proposal has been put forward in good faith and has direct bearing on the Company's business.

Jakarta, 28 February 2017

PT BANK CENTRAL ASIA Tbk
The Board of Directors

Always by your side

PT BANK CENTRAL ASIA Tbk (the "Company")
NOTICE
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of the Company hereby invites the shareholders of the Company to attend the Company's Annual General Meeting of Shareholders (AGM) on 6 April 2017.

Details: Thursday, 6 April 2017
Time: 16:00 Western Indonesian Time (WIB)
Place: Ball Room, PT Bank Central Asia Tbk, Gedung BCA, Jl. Jendral Sudirman No. 1, Jakarta 10132
Topic: 08 AGM Meeting Indonesia Year - 2016/2017

Agenda to be discussed:

- Approval of the annual report including the Company's financial statements and the Board of Commissioners' Report on its business activities for the financial year ended 31 December 2016 and grant of interim dividend of 100% (one hundred percent) of the net profit of the Company to the Board of Commissioners of the Company for all share classes in accordance with the management and operations of the Company for the financial year ended 31 December 2016.
- Approval of the Company's profit for the financial year ended 31 December 2016.
- Appointment of the Board of Directors and the Board of Commissioners for the financial year 2017.
- Appointment of the Registered Public Accountant to audit the Company's books and accounts for the financial year ended 31 December 2017.
- Grant of power and authority to the Board of Directors to sign and represent the Company for the financial year ended 31 December 2017.

General Provisions:

- The notice of AGM is hereby given in compliance with the provisions of Article 21 paragraph 4 of the Company's Articles of Association.
- The shareholders that are entitled to attend or be represented in the AGM are those whose names are listed on the Register of Shareholders as at 14 March 2017 at 16:15 Western Indonesian Time.
- Holder of the shares in the collective custody of PT Bank Central Asia Tbk (the "BCA") is invited to attend the AGM but must register through the Stock Exchange Administrator (KSE) holding the custody account of BCA's shares in order to contribute to the meeting (through the custodian account known as the "KSE").
- Any shareholder who is not registered in the Register of Shareholders of the Company, but who is listed in the KSE account holding the custody account, may not attend the AGM or be represented in the AGM, and the registration of the KSE account holding the custody account must be made on or before the date of the AGM. The date of the registration of the KSE account holding the custody account must be made on or before the date of the AGM. The date of the registration of the KSE account holding the custody account must be made on or before the date of the AGM. The date of the registration of the KSE account holding the custody account must be made on or before the date of the AGM.
- For a shareholder to be entitled to attend or be represented in the AGM, the shareholder must be registered in the Register of Shareholders of the Company as at 14 March 2017 at 16:15 Western Indonesian Time.
- The Board of Directors of the Company determines that the proposal has been put forward in good faith and has direct bearing on the Company's business.

Jakarta, 28 February 2017

PT BANK CENTRAL ASIA Tbk
The Board of Directors

Always by your side

Shareholders or their proxies holding shares 18,227,189,077 shares, or 73.929% of the total shares issued and paid by shareholders were present at the 2017 AGMS, and therefore quorum was met as regulated in Article 23 paragraph 1(a) of the Articles of Association Company.

4. Chairman of the 2017 AGMS

The 2017 AGMS was chaired by Ir. Djohan Emir Setijoso as the President Commissioner, in accordance with Article 22 paragraph 1(a) of the Articles of Association.

5. AGMS Agenda 2017

1. Approval of the Annual Report including the Company's Financial Statements and the Supervisory Report of the Board of Commissioners for the fiscal year ended on December 31, 2016 and provide liability release and discharge (acquitt et decharge) to the members of the Board of Directors and the Board of Commissioners of the company for the actions at the management and supervision conducted within the fiscal year ended on December 31, 2016.
2. Determination of the utilization of the Company's Profits for the fiscal year ended on December 31, 2016.
3. Determination of salary or honorarium and allowances for fiscal year 2017 and tantiem for fiscal year 2016 to the Board of Directors and Board of Commissioners.
4. Appointment of Registered Public Accountant to examine the Company's books for the fiscal year ended on December 31, 2017.
5. The granting of power and authority to the Board of Directors to pay interim/provisional dividends for the fiscal year ended on December 31, 2017.

6. The Rules of AGMS 2017

The rules of the 2017 AGMS were read out before the AGMS commenced. Shareholders or representatives proxies attending the AGMS were requested to observe the following rules:

- a. Register with the registration officer by showing the identity card and submitting the original Written Confirmation For Meeting (KTUR) as well as the original powers of attorney (for those proxies authorized by shareholders).
- b. Occupy the seats provided.
- c. Not conducting conversation between participants to avoid disrupting the AGMS.
- d. Ask questions only during the time allocated by the Chairman of the AGMS. The request to ask questions is done by raising hand. Questions were to be written on forms handed out by the officer and to be read by the inquirers and then the inquiry forms to be submitted to the AGMS officer. The questions should be directly related to the on-going AGMS Agenda Item. If the same multiple questions were asked, then these questions were answered simultaneously.
- e. Not interrupting other speakers.
- f. To comply with the provisions of Law No.40 Year 2007 on the Limited Liability Companies and Articles of Association Article 23, paragraph 8, then the decisions were made by deliberation to consensus. If deliberations for consensus were not reached, then the proposals were to be voted on.
- g. Decisions on proposals submitted in the AGMS were valid if approved by votes representing more than ½ (one half) of all shares with voting rights present at the AGMS.
- h. In order to facilitate the course of the AGMS, voting on the proposals put forward in every AGMS (either about self or others) were made verbally by pooling method in the following manner:
 - 1) The Chairman of the AGMS shall request to the shareholders or representatives who do not approve or abstain (vote blank) against the proposed proposal to raise a hand to submit the ballot and then the ballot shall be counted by PT Raya Saham Registra, as the Securities Administration Agency of the Company and then verified by the Notary as an independent public official;
 - 2) The shareholders or representatives proxies who do not raise their hands and do not submit ballots to disagree or abstain (vote blank) to the proposed proposal, shall be deemed to approve the proposal submitted without the Chairman of the AGMS asking the shareholders or representatives proxies of such representatives to raise of agreement their respective hands as a sign.

- i. The shareholders or representatives proxies who represent abstained votes are considered to be voting in the same voices as the majority of the voting shareholders.
- j. Shareholders or proxies who leave the AGMS before the close of AGMS are considered to be present and approve proposals submitted in the AGMS .
- k. In the course of the AGMS, mobile phones or other communication devices brought into the AGMS room by participants must be disabled.

7. Decision Making Methods

Based on Article 23 paragraph 8 of the Articles of Association, a decision on the proposals submitted in any agenda of the AGMS shall be made on the basis of deliberations for consensus. If deliberations for consensus are not reached, then the decision will be taken by way of voting.

8. 2017 AGMS Vote Calculation Mechanism

Every shareholders or representative proxy has the right to inquire and/or submit an opinion to the 2017 AGMS Chairman before voting for each agenda of the 2017 AGMS takes place.

In every AGMS discussion agenda, the AGMS Chairman allows opportunities to shareholders or representatives proxies to ask questions before a vote is held.

The voting on the proposals submitted on any agenda of the AGMS were conducted verbally by a vote pooling method conducted by shareholders or representatives proxies who disagree or abstain from the proposed proposal to raise a hand to submit ballots and then ballots were counted by PT Raya Saham Registra as the Securities Administration Agency and verified by Notary as an independent party, in accordance with the Rules of Procedures of the AGMS of 2017.

Agenda	Agree	Disagree	Abstain	Inquires
First	18,211,116,477 (99.912%)	Nil	16,072,600 (0.088%)	1
Second	18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)	Nil
Third	17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)	Nil
Fourth	17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)	Nil
Fifth	18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)	Nil

9. Decisions of the 2017 AGMS and Realization

The 2017 Annual General Meeting of Shareholders and Realization are as follows:

No	Agenda	2017 AGMS Decision	Realization									
1.	First Agenda Item Approval of the Annual Report including the Company's Financial Report and the Supervisory Report of the Board of Commissioners for the fiscal year ending on December 31, 2016 and to provide the provide liability release and discharge (acquit et decharge) to the Directors and Commissioners of the Company for the actions of the management and supervision within the fiscal year ended on December 31, 2016.	<p>I Approve the Annual Report including the Supervisory Report of the Board of Commissioners of the Company for the fiscal year ended on December 31, 2016 contained in the 2016 Annual Report.</p> <p>II Ratify the Financial Statements covering the Company's Balance Sheet and Profit and Loss Statement for the fiscal year ended on December 31, 2016 audited by Public Accountant Firm Siddharta Widjaja & Partners, KPMG International member contained in the 2016 Annual Report.</p> <p>III Grant the release and discharge of responsibility (acquit et decharge) to the member of the Board of Directors and the Board of Commissioners of the Company for the actions of management and supervision by each member of the Board of Directors and Board of Commissioners during the fiscal year ended on December 31, 2016, as long as the actions are recorded in the Annual Report, Financial Statements and notes of the Company for the fiscal year ended on December 31, 2016 and supporting documents.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>18,211,116,477 (99.912%)</td> <td>- (Nil)</td> <td>16,072,600 (0.088%)</td> </tr> </tbody> </table>	Result of the vote calculation			Agree	Disagree	Abstain	18,211,116,477 (99.912%)	- (Nil)	16,072,600 (0.088%)	Realized
Result of the vote calculation												
Agree	Disagree	Abstain										
18,211,116,477 (99.912%)	- (Nil)	16,072,600 (0.088%)										
2.	Second Agenda Item Determination of the use of the Company's Profit for the fiscal year ended on December 31, 2016.	I To stipulate, in accordance with the Company's Balance Sheet and Profit and Loss Statement for the fiscal year ended on December 31, 2016, audited by Siddharta Widjaja & Partners Public Accountant Firm, member of KPMG International, the net profit of the Company in the fiscal year ended on December 31, 2016 is Rp20,605,736,459,842.00 (twenty trillion six hundred five billion seven hundred thirty six million four hundred fifty nine thousand eight hundred forty two Rupiah) ("Net Profit 2016").	Realized On April 28, 2017, the Company distributed cash dividends for the fiscal year ended on December 31, 2016 to the rightful shareholders.									

No	Agenda	2017 AGMS Decision	Realization						
2.	Second Agenda Item	<p>II Stipulate the use of 2016 Net Profit, amounting to Rp20,605,736,459,842.00 (twenty trillion six hundred five billion seven hundred thirty six million four hundred fifty nine thousand eight hundred forty two Rupiah), as follows:</p> <ol style="list-style-type: none"> 1. Rp206,057,364,598.00 (two hundred six billion fifty seven million three hundred sixty four thousand five hundred ninety eight Rupiah) shall be appropriated for reserve fund. 2. A sum of Rp4,931,002,000,000.00 (four trillion nine hundred thirty one billion two million Rupiah) or Rp200.00 (two hundred Rupiah) per share is distributed as cash dividend for the fiscal year ended on December 31, 2016 to shareholders entitled to receive cash dividends, where the total cash dividend includes an interim dividend of Rp1,725,850,700,000.00 (one trillion seven hundred twenty five billion eight hundred fifty million seven hundred thousand Rupiah) or Rp70.00 (seventy Rupiah) per share paid by the Company on December 22, 2016, so that the balance of Rp3,205,151,300,000.00 (three trillion two hundred five billion one hundred fifty one million three hundred thousand Rupiah) or Rp130.00 (one hundred and thirty Rupiah) per share. <p>The payment of dividends applied the following terms and conditions:</p> <ol style="list-style-type: none"> I. the remaining dividends for the fiscal year 2016 will be paid for each share issued by the Company recorded in the Register of Shareholders of the Company on the recording date to be determined by the Board of Directors. II. on the payment of the remaining dividends for the fiscal year 2016, the Board of Directors to withhold dividend tax in accordance with applicable taxation regulations. III. the Board of Directors is authorized and has the authority to determine matters relating to the implementation of the payment of the remaining dividends for the fiscal year 2016, among others (but not limited to): <ol style="list-style-type: none"> (aa) to determine the registry date referred to in point (i) to determine the shareholders of the Company entitled to receive the payment of the remaining dividends for the fiscal year 2016; and (bb) to determine the date of payment of the remaining dividend for the fiscal year 2016, and other technical matters without prejudice to the rules of the Stock Exchange where the Company's shares are listed. 3. The remaining net profit for 2016 that has not allocated for specific use, shall be determined as retained earnings. <p>III Resolving that such power as described in point II number 2 of this resolution shall be effective on the date on which the proposal forward under this point is approved by the AGMS.</p>							
		Result of the vote calculation							
		<table border="1"> <thead> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">18,106,963,678 (99.340%)</td> <td style="text-align: center;">79,042,599 (0.434%)</td> <td style="text-align: center;">41,182,800 (0.226%)</td> </tr> </tbody> </table>	Agree	Disagree	Abstain	18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)	
Agree	Disagree	Abstain							
18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)							

No	Agenda	2017 AGMS Decision	Realization									
3.	Third Agenda Item Determination of salary or honorarium and allowances for the fiscal year 2017 and tantiem for the fiscal year 2016 to the Board of Directors and the Board of Commissioners.	<p>I a. To give full authorization and power to PT Dwimuria Investama Andalan, as the majority shareholder of the Company, to determine the amount of honorarium and allowances to be paid by the Company to the members of the Board of Commissioners who served during the fiscal year 2017.</p> <p>b. To grant full power and authority to the Board of Commissioners of the Company to determine the amount of remuneration and allowances to be paid by the Company to members of the Board of Directors of the Company who served during the fiscal year 2017.</p> <p>In exercising the above mentioned powers and authorities:</p> <p>aa. PT Dwimuria Investama Andalan, presently as the majority shareholder of the Company, shall take into consideration the recommendations of the Board of Commissioners, which the Board of Commissioners shall take into consideration the recommendations of the Remuneration and Nomination Committee.</p> <p>bb. The Board of Commissioners shall take into account the recommendations of the Remuneration and Nomination Committee.</p> <hr/> <p>II Considering the performance of the members of the Board of Commissioners and Board of Directors of the Company in office and during the fiscal year 2016 and by observing the Regulation of the Financial Services Authority No.55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks in conjunction with Article 71 paragraph 1 of Law No. 40 Year 2007 on the Limited Liability Companies, and the consideration of the Board of Commissioners after having considered the recommendation of the Remuneration and Nomination Committee, stipulated a maximum of Rp309,086,046,898.00 (three hundred nine billion eighty six million forty six thousand eight hundred ninety eight Rupiah), calculated based on the calculation of 1.5% of the Company's Net Profit value for the fiscal year 2016, to be paid as tantiem to members of the Board of Commissioners and Board of Directors of the Company in office and during the fiscal year 2016.</p> <p>In respect of the grant, the Meeting hereby authorizes and grant the power to PT Dwimuria Investama Andalan, presently as the majority shareholder of the Company, to determine the amount of tantiem to be distributed to the members of the Board of Commissioners and the Board of Directors serving in and during fiscal year 2016, and to decide the distribution of such tantiem among the members of the Board of Commissioners and Board of Directors of the Company in office and during the fiscal year 2016, including all matters related to the payment of the tantiem.</p> <hr/> <p>III Resolving the authorization and power contained in point I and item II of this decision shall be effective as of the date of the proposal submitted to this event approved by this AGMS.</p> <hr/> <p>IV The amount of the salary or honorarium and allowances to be paid by the Company to the members of the Board of Directors and Board of Commissioners who served during the fiscal year 2017, and the amount of tantiem to be paid by the Company to members of the Board of Directors and Board of Commissioners serving in and during the fiscal year 2016, in the Annual Report for fiscal year 2017.</p> <hr/> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>17,839,671,978 (97.874%)</td> <td>160,380,992 (0.880%)</td> <td>227,136,107 (1.246%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)	Realized
Result of the vote calculation:												
Agree	Disagree	Abstain										
17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)										

No	Agenda	2017 AGMS Decision	Realization									
4.	Fourth Agenda Item Appointment of Registered Public Accountant to review the Company's books for the fiscal year ended on December 31, 2017.	<p>I Granting the power and authority to the Board of Commissioners to appoint a Registered Public Accountant Firm in the Financial Services Authority (including Registered Public Accountant of the Financial Services Authority incorporated in the Registered Public Accountant Firm) to audit the Company's books and records for the fiscal year ended on December 31, 2017 and determines the amount of honorarium and other terms of appointment of Registered Public Accountant Firm in the Financial Services Authority (including Registered Public Accountant in the Financial Services Authority incorporated in the Registered Public Accountant Firm) with due regard to the recommendations of the Audit Committee and the prevailing laws and other regulations in the Capital Market;</p> <p>II Resolving the granting of power and authority shall be effective as of the date of proposal submitted in this event approved by the AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>17,193,961,910 (94.331%)</td> <td>978,026,137 (5.366%)</td> <td>55,201,030 (0.303%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)	Realized The Board of Commissioners has appointed Registered Public Accountant, Public Accountant Firm Tanudiredja, Wibisana, Rintis & Partner, PwC International member (including Registered Public Accountant, Lucy Luciana Suhenda incorporated in the Registered Public Accountant Firm) that will audit the Company's books for the year 2017.
Result of the vote calculation:												
Agree	Disagree	Abstain										
17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)										
5.	Fifth Agenda Item Provision of power and authority to the Board of Directors to pay interim dividends for the fiscal year ended on 31 December 2017.	<p>I Granting the power and authority to the Board of Directors (with the approval of the Board of Commissioners), should the Company's financial circumstances permit, to establish and pay provisional/interim dividends for the fiscal year ended on December 31, 2017, subject to compliance with Article 72 of Law No. 40 Year 2007 on the Limited Liability Company. In the case of such interim dividends to be distributed, such dividends shall be made prior to the end of fiscal year 2017 to the shareholders, including determining the form, amount and method of payment of such interim dividends, without prejudice to the agreement authorized institutions and prevailing laws and regulations.</p> <p>II Confirming the granting of power and authority shall be effective as of the proposal submitted in this event is accepted and approved by the AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>18,106,923,478 (99.340%)</td> <td>79,082,799 (0.434%)</td> <td>41,182,800 (0.226%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)	Realized On December 20, 2017, the Company distributed interim dividends for the fiscal year ended on December 31, 2017 to the rightful shareholders.
Result of the vote calculation:												
Agree	Disagree	Abstain										
18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)										

10. Decisions of the 2016 AGMS and Realization

No	Agenda	2016 AGMS Decision	Realization									
1.	First Agenda Item Approval of the Annual Report including the Company's Financial Statements and the Supervisory Report of the Board of Commissioners for the fiscal year ended on December 31, 2015 and to provide liability release and discharge (acquit et decharge) to Directors and Commissioners of the company for the actions of the management and supervision carried out in the fiscal year ended on December 31, 2015.	<p>I Approval of the Annual Report, including the Supervisory Report of the Board of Commissioners for the fiscal year ended on December 31, 2015 contained in the 2015 Annual Report.</p> <p>II Ratifying the Financial Statements covering Balance Sheet and Profit and Loss Calculation for the fiscal year ending on December 31, 2015 audited by Siddharta Widjaja & Partners Public Accountant Firm, a member of KPMG International contained in the 2015 Annual Report.</p> <p>III Granting release and discharge of responsibility (acquit et decharge) to the Board of Directors and the Board of Commissioners for the actions of management and supervision of each Director and Commissioner during the fiscal year ended December 31, 2015, as long as such actions are recorded in the Annual Report and Consolidated Financial Statements and supporting documents for the fiscal year ended on December 31, 2015.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,741,362,947 (99.916%)</td> <td>4,392,100 (0.021%)</td> <td>13,099,915 (0.063%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	20,741,362,947 (99.916%)	4,392,100 (0.021%)	13,099,915 (0.063%)	Realized
Result of the vote calculation:												
Agree	Disagree	Abstain										
20,741,362,947 (99.916%)	4,392,100 (0.021%)	13,099,915 (0.063%)										
2.	Second Agenda Item Determination of the utilization of the Company's profit for the fiscal year ended on December 31, 2015;	<p>I Resolve to accept that the Consolidated Balance Sheet and Income Statement for the fiscal year ended on December 31, 2015, audited by Siddharta Widjaja & Partners Public Accountant Firm, member of KPMG International, the Company's net profit within the fiscal year ended on December 31, 2015 is Rp18,018,653,583,210.00 (eighteen trillion eighteen billion six hundred fifty three million five hundred eighty three thousand two hundred ten Rupiah) ("Net Profit 2015").</p> <p>II Stipulate the use of 2015 Net Income, amounting to Rp18,018,653,583,210.00 (eighteen trillion eighteen billion six hundred fifty three million five hundred eighty three thousand two hundred and ten Rupiah), as follows:</p> <ol style="list-style-type: none"> Rp180,186,535,832.00 (one hundred eighty billion one hundred eighty six million five hundred thirty five thousand eight hundred thirty two Rupiah) shall be appropriated for reserve fund. Rp3,944,801,600,000.00 (three trillion nine hundred forty four billion eight hundred one million six hundred thousand Rupiah) or Rp160.00 (one hundred sixty Rupiah) per share is distributed as cash dividend for the fiscal year ended on December 31, 2015 to shareholders who have the right to receive cash dividends, in which the total cash dividend includes an interim dividend of Rp1,356,025,550,000.00 (one trillion three hundred fifty six billion twenty five million five hundred fifty thousand Rupiah) or Rp55.00 (fifty five Rupiah) per share paid on December 8, 2015, so the remaining amount is Rp2,588,776,050,000.00 (two trillion five hundred eighty eight billion seven hundred seventy six million fifty thousand Rupiah) or Rp105.00 (one hundred and five Rupiah) per share. 	Realized									

No	Agenda	2016 AGMS Decision	Realization									
	Second Agenda Item	<p>The payment of dividends apply the following terms and conditions:</p> <ul style="list-style-type: none"> i. the remaining dividend for fiscal year 2015 to be paid for each share issued that is registered in the company's Register of Shareholders on the record date will be determined by the Board of Directors. ii. for the payment of the remaining dividends of the fiscal year 2015, the Board of Directors will withhold dividend tax in accordance with applicable tax laws. iii. the Board of Directors is authorized and empowered to define matters related to the implementation of the remaining dividend payment of fiscal year 2015, including (but not limited to): <ul style="list-style-type: none"> (aa) determining record date as referred to in item (i) to determine the shareholders of the Company entitled to receive the payment of the remaining dividends for the fiscal year 2015; and (bb) determine the date of payment of the remaining dividend for the fiscal year 2015, and other technical matters without prejudice to the rules of the Stock Exchange where the company's shares are listed. <p>3. The remaining Net Profit 2015 that has not allocated for specific use, shall be determined as retained earnings.</p> <p>III Declare the granting of power in point II item 2 of this decision shall come into force the moment the proposal submitted to this event is approved by the AGMS.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20.671.824.763 (99,581%)</td> <td>58.540.099 (0,282%)</td> <td>28.490.100 (0,137%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	20.671.824.763 (99,581%)	58.540.099 (0,282%)	28.490.100 (0,137%)	
Result of the vote calculation:												
Agree	Disagree	Abstain										
20.671.824.763 (99,581%)	58.540.099 (0,282%)	28.490.100 (0,137%)										
3.	Third Agenda Item Confirmation of the expiration of the term of duty, and the appointment of members of the Board of Commissioners and the Board of Directors;	<p>I Confirming of the expiration of the term of duty of the Board of Commissioners and the Board of Directors member as of the close of this AGMS, and subsequently granting release and discharge of responsibility (acquit et discharge) to the members of the Board of Commissioners and the Board of Directors on their respective supervisory and management actions during their respective occupations, as long as the these actions are recorded in the books and records of the Company.</p> <p>II a. Re-appointing the members of the Board of Commissioners and Board of Directors of the Company, with the following structure:</p> <p>Board of Commissioners President Commissioner : Mr. Ir. Djohan Emir Setijoso Commissioner : Mr. Tonny Kusnadi Independent Commissioner : Mr. Cyrillus Harinowo Independent Commissioner : Mr. DR. Ir. Raden Pardede</p> <p>Board Of Directors President Director : Mr. Jahja Setiaatmadja Deputy President Director : Mr. Eugene Keith Galbraith Director : Mr. Suwignyo Budiman Director (also as Director of Compliance) : Tan Ho Hien / Subur also called as Subur Tan Director : Mr. Henry Koenaifi Independent Director : Mr. Erwan Yuris Ang Director : Mr. Rudy Susanto</p> <p>with the term of duty of the members of the Board of Commissioners and the Board of Directors effective from the close of this Meeting until the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one).</p>	Realized									

No	Agenda	2016 AGMS Decision	Realization
	<p>Third Agenda Item</p>	<p>b. Appointing Mr. Sumantri Slamet Ph.D, as an Independent Commissioner, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one).</p> <p>c. Appointing Mr. Armand Wahyudi Hartono, as Vice President Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one). Provided that the approval of the Financial Services Authority has not been obtained, Mr. Armand Wahyudi Hartono is re-appointed as a Director, effective from the close of this Meeting, until the close of AGMS of the Company to be held in 2021 (two thousand twenty-one).</p> <p>d. Appointing Mrs. Inawaty Handoyo as a Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS to be held in 2021 (two thousand twenty-one).</p> <p>e. Appointing Mrs. Lianawaty Suwono as a Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS to be held in 2021 (two thousand twenty-one).</p> <p>f. Appointing Mr. Santoso as a Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one).</p> <p>The appointment of members of the Board of Commissioners and the Board of Directors with the term of duty shall not prejudice the right of the GMS to amend the composition of the Board of Commissioners and Board of Directors of the Company within and during the ongoing period.</p> <p>Pursuant to the provisions of Article 12, paragraph 9 of the Company's Articles of Association, then the AGMS shall authorize the Board of Commissioners to determine the distribution of duties and responsibilities among the members of the Board of Directors.</p>	

No	Agenda	2016 AGMS Decision	Realization									
	Third Agenda Item	<p>III Expressing the highest appreciation and gratitude to Mr. Sigit Pramono for the services that have been given during his tenure as Independent Commissioner of the Company.</p> <p>IV Expressing the highest appreciation and gratitude to Mrs. Dhalia Mansor Ariotedjo for the services that have been given during her tenure as Director of the Company.</p> <p>V Expressing the highest appreciation and gratitude to Mr. Anthony Brent Elam for the services that have been given during his tenure as Director of the Company.</p> <p>VI Granting the power and authority to the Board of Directors of the Company, with substitution rights, to decide on the composition of the members of the Board of Commissioners and Board of Directors mentioned above in the deed made before the Notary, including the composition of the Board of Commissioners and the Board of Directors after obtaining the Approval Letter from the Financial Services Authority related to the resolution of the AGMS, and further notify the competent authorities, and perform all and any necessary action in respect of such decisions in accordance with applicable laws and regulations.</p> <p>VII Confirming the granting of power in item VI of this decision shall come into force the moment the proposal submitted to this event is approved by this AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,217,977,812 (97.395%)</td> <td>318,310,050 (1.533%)</td> <td>222,567,100 (1.072%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	20,217,977,812 (97.395%)	318,310,050 (1.533%)	222,567,100 (1.072%)	
Result of the vote calculation:												
Agree	Disagree	Abstain										
20,217,977,812 (97.395%)	318,310,050 (1.533%)	222,567,100 (1.072%)										
4.	Fourth Agenda Item Determination of salary, honorarium, and allowances for fiscal year 2016 and tantiem for fiscal year 2015 to the Board of Directors and Board of Commissioners	<p>I a. Granting full power and authority to Farindo Investments (Mauritius) Limited, qualitate qua (qq) Robert Budi Hartono and Bambang Hartono, as the majority shareholder of the Company, to determine the amount of honorarium and other allowances to be paid by the Company to the members of the Board of Commissioners served during the fiscal year 2016.</p> <p>b. Granting full power and authority to the Board of Commissioners of the Company to determine the amount of salaries and other allowances to be paid by the Company to the members of the Board of Directors of the Company for the fiscal year 2016.</p> <p>In exercising the above mentioned powers and authorities:</p> <p>aa. Farindo Investments (Mauritius) Limited, qualitate qua (q.q.) Mr. Robert Budi Hartono and Mr. Bambang Hartono, as the majority shareholder of the Company at this time, shall take into consideration the recommendations of the Board of Commissioners, by which the Board of Commissioners shall take into consideration the recommendations of the Remuneration and Nomination Committee.</p> <p>bb. The Board of Commissioners shall take into account the recommendations of the Remuneration and Nomination Committee.</p>	Realized									

No	Agenda	2016 AGMS Decision	Realization						
	Fourth Agenda Item	<p>II Considering the performance of the members of the Board of Commissioners and Board of Directors of the Company who served and during the fiscal year 2015, and with regard to the Bank Indonesia Regulation No. 8/4/PBI/2006 dated January 30, 2006 on the Implementation of Good Corporate Governance for Commercial Banks following amendments juncto Article 71 paragraph 1 of Law No. 40 Year 2007 on the Limited Liability Companies, and consideration of the Board of Commissioners after taking into account the recommendation of the Remuneration and Nomination Committee, the AGMS then set a maximum of Rp270,279,803,748.00 (two hundred seventy billion two hundred seventy nine million eight hundred three thousand seven hundred forty eight Rupiah), calculated based on 1.5% of the Company's Net Profit for the fiscal year 2015, to be paid as tantiem to members of the Board of Commissioners and Board of Directors of the Company in office during the fiscal year 2015.</p> <p>In connection with the distribution of the tantiem, the AGMS hereby authorizes FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (qq) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the majority shareholder in the Company, to determine the amount of tantiem to be distributed to members of the Board of Commissioners and Board of Directors serving in and during the fiscal year 2015, and determining the distribution of tantiem among the members of the Board of Commissioners and Board of Directors of the Company who served in and during the fiscal year 2015, including anything related to the payment of the tantiem.</p> <p>III Resolving the authorization and power contained in point I and item II of this decision shall be effective as of the date of the proposal submitted to this event is approved by this AGMS.</p> <p>IV The amount of the salary or honorarium and benefits to be paid by the Company to the members of the Board of Directors and Board of Commissioners who served in and during the fiscal year 2016, as well as the amount of tantiem to be paid by the Company to members of the Board of Directors and Board of Commissioners who served in and during the fiscal year 2015, to be included in the Annual Report for fiscal year 2016.</p>							
		Result of the vote calculation:							
		<table border="1"> <thead> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20,489,315,203 (98.702%)</td> <td style="text-align: center;">124,380,844 (0.599%)</td> <td style="text-align: center;">145,158,915 (0.699%)</td> </tr> </tbody> </table>	Agree	Disagree	Abstain	20,489,315,203 (98.702%)	124,380,844 (0.599%)	145,158,915 (0.699%)	
Agree	Disagree	Abstain							
20,489,315,203 (98.702%)	124,380,844 (0.599%)	145,158,915 (0.699%)							

No	Agenda	2016 AGMS Decision	Realization									
5.	Fifth Agenda Item Appointment of Registered Public Accountant to review the Company's books for the fiscal year ended on December 31, 2016	<p>I Granting power and authority to the Board of Commissioners to appoint a Registered Public Accountant Office with an international reputation (including Registered Public Accountant who is incorporated in the Registered Public Accountant Firm) who will audit the books and records of the Company for the fiscal year ended on December 31, 2016 and the amount of honorarium and other requirements concerning the appointment of Registered Public Accountant Office with international reputation (including Registered Public Accountant who is incorporated in the Registered Public Accountant Firm) by taking into account the recommendations of the Audit Committee and the prevailing laws and regulations, such as, the Capital Market regulations.</p> <p>II Confirming the granting of power and authority shall be effective as of the date of proposal submitted in this event approved by the AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,446,878,461 (98.497%)</td> <td>269,810,116 (1.300%)</td> <td>42,166,385 (0.203%)</td> </tr> </tbody> </table>	Result of the vote calculation			Agree	Disagree	Abstain	20,446,878,461 (98.497%)	269,810,116 (1.300%)	42,166,385 (0.203%)	Realized The Board of Commissioners has appointed a Public Accountant Firm, Siddharta Widjaja & Partners, a member of KPMG international (including Registered Public Accountant, Kusumaningsih Angkawijaya incorporated in the Registered Public Accountant Firm) to audit the Company's books and records for the fiscal year 2016 .
Result of the vote calculation												
Agree	Disagree	Abstain										
20,446,878,461 (98.497%)	269,810,116 (1.300%)	42,166,385 (0.203%)										
6.	Sixth Agenda Item Provision of power and authority to the Board of Directors to disburse interim/provisional dividends for the fiscal year ended on December 31, 2016.	<p>I Granting power and authority the Board of Directors of the Company (with the approval of the Board of Commissioners), should the Company's financial condition allows, to establish and disburse provisional/interim dividends for the fiscal year ended on December 31, 2016, provided that it complies with Article 72 of Law No. 40 Year 2007 on the Limited Liability Company. In the case of such interim dividends to be distributed, such shares shall be made prior to the end of the fiscal year 2016 to the shareholders, including determining the form, amount and method of payment of such interim dividends, without prejudice to the approval of authorities and prevailing laws and regulations.</p> <p>II Confirming the granting of power and authority shall be effective as of the proposal submitted in this event is accepted and approved by this AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,672,283,374 (99.583%)</td> <td>58,081,488 (0.280%)</td> <td>28,490,100 (0.137%)</td> </tr> </tbody> </table>	Result of the vote calculation			Agree	Disagree	Abstain	20,672,283,374 (99.583%)	58,081,488 (0.280%)	28,490,100 (0.137%)	Realized The Company distributed Interim/ Temporary Dividend for the fiscal year 2016 on December 22, 2016.
Result of the vote calculation												
Agree	Disagree	Abstain										
20,672,283,374 (99.583%)	58,081,488 (0.280%)	28,490,100 (0.137%)										

11. Statement Related to Unrealized AGMS Decision

In 2017, there was no decision of the 2017 AGMS that were unrealized or pending. There was also no decision of the AGMS 2016 unrealized or pending.

MAJOR SHAREHOLDER/CONTROLLER INFORMATION

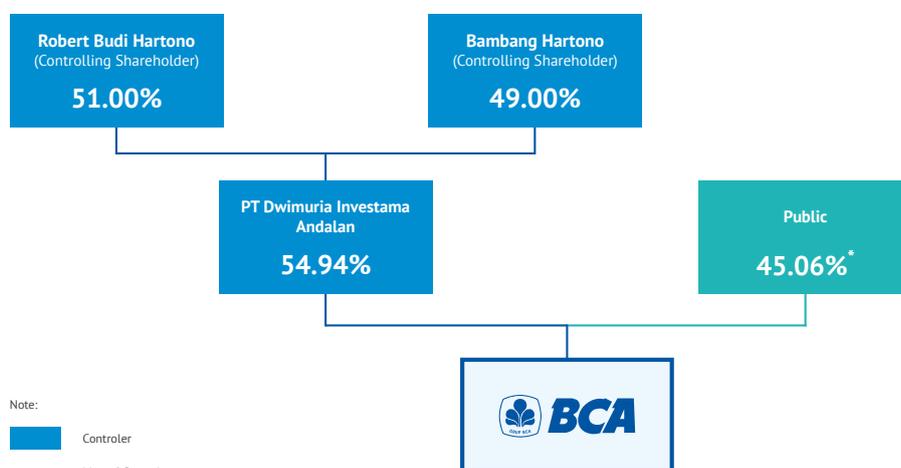
The Principal Shareholder/Controller of the Company as of November 11, 2016 is PT Dwimuria Investama Andalan. The Financial Services Authority has approved the change of the Company Controlling Shareholder through Letter No.KEP-15/D.03/2017 dated February 1, 2017 regarding PT Dwimuria Investama Andalan's Assessment and Compliance Result as the Controlling Shareholder of the Company.

In connection with the change of Controlling Shareholder, there is no change of control over the Company where the last Controlling Shareholder of the Company is still Mr. Robert Budi Hartono and Mr. Bambang Hartono.

Schematic diagram information concerning the Principal Shareholder/Controllers of the Company, whether directly or indirectly up to individual owners are as follows:

Schematic diagram information Concerning the Majority of Shareholders/Controller of the Company

as of December 31, 2017



* in the composition of shares owned by the public, amounting to 2.49% is owned by parties affiliated with PT Dwimuria Investama Andalan, and includes Anthony Salim's ownership of 1.76% of the Company's shares. In addition, the Board of Commissioners and the Board of Directors own 0.19% of the Company's shares.

Board of Commissioners

Pursuant to the Law No.40 Year 2007 on the Limited Liability Companies, the Board of Commissioners is a function of the Company responsible for supervising general and/or specific business in accordance with the Articles of Association and providing advice to the Board of Directors. The Board of Commissioners is also responsible for ensuring the implementation of the principles of corporate governance in every business at all levels of the organization.

1. References

1. Law No. 40 Year 2007 on the Limited Liability Companies;
2. Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test;
3. Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates;
4. Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates;
5. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;

6. Financial Services Authority Regulation No. 27/POJK.03/2016 on the Assessment of Ability and Precision for the Main Parties of Financial Services Institutions;
7. Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
8. Financial Services Authority Regulation No. 11/POJK.04/2017 on the Ownership Report/Any Changes in Public Company Share Ownership;
9. 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
10. Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates;
11. Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates;
12. Financial Services Authority Circular Letter No. 39/SEOJK.03/2016 on the Assessment of Ability and Powers for Prospective Controlling Shareholders, Candidates of Members of the Board of Directors and Candidates of Members of the Board of Commissioners of the Bank;
13. Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;

2. Guidelines and Code of Conduct of the Board of Commissioners

The guidelines or Charter of the Board of Commissioners are prepared based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on the Form and Contents of Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which among others states that the Issuer's or Public Company's Issuance Report contains a statement that the Board of Commissioners has a Board of Commissioners Guidelines or Charter.

The Board of Commissioners Charter provides among others:

1. Legal Basis
2. Values
3. Composition and Criteria of the Board of Commissioners

4. Independent Commissioner
5. The term of office of the Board of Commissioners
6. Appointment of the Board of Commissioners
7. Dual Position of Board of Commissioners
8. Obligations, Duties, Responsibilities and Authorities of the Board of Commissioners
9. Transparency of and Prohibitions for the Board of Commissioners
10. Orientation and Training of the Board of Commissioners
11. The Ethics and Working Time of the Board of Commissioners
12. Meetings of the Board of Commissioners
13. Reporting and Accountability
14. Remuneration

The Board of Commissioners Charter and Code of Conduct are set forth in the Corporate Governance Guidelines and can be found on the Company's website (www.bca.co.id) section of Corporate Governance.

3. Duties and Responsibilities of Board of Commissioners

The Board of Commissioners has duties and responsibilities to:

- a. Supervise and be responsible for oversight of the Company's management policy, the running of the general management, and advise the Board of Directors. Supervision by the Board of Commissioners shall be conducted for the benefit of the Company in accordance with the purpose and objectives as well as the Articles of Association.
- b. Ensure the implementation of the principles of corporate governance in every business aspect of the Company organization and at all levels.
- c. Direct, monitor and evaluate the implementation of the Company's strategic policy.
- d. Ensure that the Board of Directors has followed up on audit findings and recommendations from the Internal Audit Division, External Auditor, the results of supervision by the authorities including but not limited to the Financial Services Authority, Bank Indonesia and/or Indonesia Stock Exchange.
- e. Notify the Financial Services Authority/Bank Indonesia no later than 7 (seven) working days after the violation of financial and banking regulations and/or circumstances or presupposition of circumstances that may jeopardize the Company's business continuity.

- f. Establish:
- 1) Audit Committee
 - 2) Risk Oversight Committee
 - 3) Remuneration and Nomination Committee; and
 - 4) Integrated Governance Committee.
- The Board of Commissioners shall ensure that the committees established by the Board of Commissioners perform their duties effectively and evaluate the performance of the committees that assist in the implementation of their duties and responsibilities at the end of each fiscal year.
- g. Ensure that the committees established by the Board of Commissioners perform their duties effectively.
- h. Allocate adequate time to carry out duties and responsibilities effectively.
- i. Convene Board of Commissioners regular meetings in accordance with prevailing laws and regulations.
- j. Prepare minutes of meetings of the Board of Commissioners as signed by all members of the Board of Commissioners attending the Board of Commissioners meeting.
- k. Distribute copies Board of Commissioners minutes of meetings to all members of the Board of Commissioners and other related parties.
- l. Convene periodic meetings with the Board of Directors at least 1 (one) meeting every 4 (four) months.
- m. Submit reports on supervisory results performed during the preceding fiscal year to the Annual GMS and set forth in the Annual Report.

4. Authority of Board of Commissioners

The Board of Commissioners has the following authority to:

- a. Have access to buildings or other premises used or controlled by the Company.
- b. Check all the books, letters and other evidence.
- c. Request clarifications to the Board of Directors on all matters concerning the Company.
- d. Temporarily terminate one or more members of the Board of Directors should any of the member of the Board of Directors act contrary to the Articles of Association, harms the Company, neglects the obligation and/or violates the prevailing laws and regulations.

- e. Evaluate and decide on the application of the Board of Directors relating to transactions that require the approval of the Board of Commissioners in accordance with the Articles of Association.
- 1) Lend money or provide loan facilities or other banking facilities that correspond or result in money borrowing:
 - i. To related parties as stipulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized institution concerning the Legal Lending Limit for Commercial Banks.
 - ii. Which exceeds the specified amount that from time to time shall be determined by the Board of Commissioners.
 - 2) Provide a guarantee or liability (borgtocht):
 - i. In order to guarantee payment obligations of related parties to other parties as stipulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized institution concerning the Legal Lending Limit for Commercial Banks.
 - ii. In order to guarantee the obligations of others for amounts exceeding certain amounts which from time to time will be determined by the Board of Commissioners.
 - 3) Purchase or otherwise acquire immovable property except in the course of carrying out what is stipulated in point (q) of paragraph 2 of Article 3 of the Articles of Association exceeding a certain amount which from time to time shall be determined by the Board of Commissioners, commonly done by banks as long as they are not contradictory to the prevailing laws and regulations, including among others proceedings in the framework of restructuring or credit rescue, among others, to purchase collateral, in whole or in part, by auction or otherwise, in the event that the debtor does not fulfill its obligations to the bank provided that the collateral purchased shall be disbursed as soon as possible.
 - 4) Establish a new company, undertake or dispose or reduce capital participation or increase capital participation, except:

- i. Additional capital participation from the Company's share dividend, or;
 - ii. Equity participation in the framework of credit rescues; with due regard to the prevailing laws and regulations.
- 5) Borrowing money not included in point (a) paragraph 2 of Article 3 of the Articles of Association, which collects funds from the public in the form of deposits in the form of demand deposits, time deposits, certificates of deposit, savings and/or other similar forms.
 - 6) Divert or release the collateral rights of the Company, which have been written-off, either partially or in full, of which the amount shall be determined from time to time by the Board of Commissioners.
 - 7) Sell or transfer or dispose of rights or pledge, the Company's assets above a certain value to be determined from time to time by the Board of Commissioners but less than or equal to ½ (one half) of the total net worth of the Company stated in the balance sheet of the Company, either in 1 (one) transaction or in several independent transactions or related to each other within 1 (one) fiscal year.
 - 8) Conducting legal or transactional actions that are of a strategic nature and can have a significant impact on the business continuity of the Company, which type of legal action or such transaction from time to time shall be determined by the Board of Commissioners.
- b. has at least 1 (one) member of the board of commissioners domiciled in Indonesia;
 - c. has independent commissioners of at least 50% of the total members of the board of commissioners.

As of December 31, 2017, the total number of members of the Board of Commissioners of the Company is 5 (five) persons, consisting of 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors. The number of Independent Commissioners is 60% (sixty) percent of the total members of the Board of Commissioners. All members of the Board of Commissioners are domiciled in Indonesia.

The term of office of a member of the Board of Commissioners is 5 (five) years. The term of office of the member of the Board of Commissioners for the current period shall expire at the close of the AGMS of the Company in 2021, without prejudice to the power of the General Meeting of Shareholders to dismiss one or more members of the Board of Commissioners at any time before their term expires.

Criteria

Those who may be appointed as members of the Board of Commissioners are individuals, who meet the criteria and requirements in accordance with:

- a. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, which among others states that:
 - 1) Having good character, morals, and integrity;
 - 2) Be proficient in performing legal action;
 - 3) Within 5 (five) years before appointment and during the term of office:
 - a) Not declared bankrupt;
 - b) Has not been a member of the Board of Directors and/or a member of the Board of Commissioners who is found guilty of causing a company to be declared bankrupt;
 - c) Has not been punished for committing a criminal offense that is detrimental to state finances and/or relating to the financial sector; and

In performing its duties, responsibilities, and authorities, the Board of Commissioners observes the provisions of the Articles of Association, the Charter and Code of Conduct of the Board of Commissioners, as well as the prevailing laws and regulations.

5. Number, Composition and Criteria of Members of the Board of Commissioners

Amount and Composition

Financial Services Authority Regulation No. 55/POJK.03/2016 on Application of Governance for Commercial Banks states that Banks are required to:

- a. has at least 3 (three) persons and is at most equal to the number of members of the board of directors (Article 23);

- d) Has not been a member of the Board of Directors and/or any member of the Board of Commissioners who, during his term of office:
- not held an Annual GMS;
 - accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has not been accepted by the GMS or has not been granted responsibility as a member of the Board of Directors and/or members of the Board of Commissioners to the General Meeting of Shareholders; and
 - not caused a company obtaining permit, approval or registration from the Financial Services Authority to fail to comply with the obligation to submit annual reports and/or financial statements to the Financial Services Authority.
- 4) Has the commitment to comply with laws and regulations;
- 5) Has knowledge and/or expertise in the field required by the company.
- b. Bank Indonesia Regulation No. 12/23/PBI/2010 concerning the Fit and Proper Test, which among others states that:
- 1) The requirements of integrity include:
 - a) Has good morals and character, among others, indicated by attitudes to comply with applicable provisions, including not been convicted for certain crimes within the last 20 (twenty) years before being nominated;
 - b) Has the commitment to comply with applicable laws and regulations;
 - c) Has the commitment towards the development of healthy bank operation;
 - d) Never been on the Disqualified List (DTL);
 - e) has a commitment not to commit and/or repeat the acts and/or acts as referred to in Article 27 and Article 28, for candidates for members of the board of commissioners who have had no predicate in the fit and proper test and have served the sanction as intended in Article 35 paragraph (1), Article 40 paragraph (4) a and Article 40 paragraph (5) of the aforementioned Bank Indonesia Regulation;
 - 2) Competence requirements include:
 - a) Having adequate knowledge in banking and relevant to the position; and/or
 - b) Having experience and expertise in banking and/or finance
 - 3) Financial reputation requirements include:
 - a) not having bad credit; and/or
 - b) have not been declared bankrupt or on a Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated
- c. Under Article 27 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks, each Commissioner must meet the requirements of the fit and proper test according to the Financial Services Authority Regulation No.27/POJK.03/2016 on the Assessment of Ability and Precision for the Main Parties of the Financial Services Institution, which among others states that:
- 1) Requirements of integrity, including:
 - a) able to perform legal action;
 - b) having good morals and character, at least indicated by attitudes to comply with applicable provisions, including not having been convicted for committing a crime within a certain period of time before being nominated;
 - c) has the commitment to comply with laws and regulations and uphold Financial Services Authority policies;
 - d) has the commitment towards the development of a healthy Financial Services Authority; and
 - e) not included as individual prohibited becoming a Principal Party.

- 2) Financial reputation requirements, at minimum demonstrated by:
- not having any bad credit and/or non-performing loan; and
 - has not been declared bankrupt and/or has not been a shareholder, controller of an insurance company who is not a shareholder, member of a board of directors or a board of commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.

In accordance with Bank Indonesia Regulation No.12/23/PBI/2010 concerning 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, essentially stating that the candidates for the Board of Commissioners and candidates for the Board of Directors shall obtain approval from Bank Indonesia (now from the Financial Services Authority) before performing their duties and functions in their positions. All members of the Board of Commissioners of the Company have met the requirements of the Financial Services Authority Regulation and Bank Indonesia Regulation above and have passed the fit and proper test of Bank Indonesia (now of the Financial Services Authority), such as:

The Board of Commissioners who Passed Fit and Proper Test

Name	Position	Approval Letter Number
D.E. Setijoso	President Commissioner	13/99/GBI/DPIP/Rahasia Dated August 25, 2011
Cyrellus Harinowo	Independent Commissioner	5/4/DpG/DPIP/Rahasia Dated September 4, 2003
Raden Pardede	Independent Commissioner	8/84/DPB3/TPB3-2 Dated August 6, 2006
Tonny Kusnadi	Commissioner	5/4/DpG/DPIP/Rahasia Dated September 4, 2003
Sumantri Slamet	Independent Commissioner	SR-117/D.03/2016 Dated July 11, 2016

6. Composition of Board of Commissioners as of December 31, 2017

The composition of the Board of Commissioners in 2017 is published in the Deed of PT Bank Central Asia Tbk. No.216 dated August 26, 2016, made before Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

The composition of the Board of Commissioners as of December 31, 2017 is as follows:

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

Based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on the Form and Content of Annual Report of the Issuer or Public Company, the attachment of the last membership of Board of Commissioners.

Based on the Annual General Meeting of Shareholders of 2017, there is no Change of Composition of Members of Board of Commissioners from 2016.

The The composition of the Board of Commissioners of the Company 2016 as follows:

The composition of the Board of Commissioners of the Company 2016

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

7. Orientation Program for Members of the Board of Commissioners

The orientation program is held for new members of the Board of Commissioners, in order that they can carry out their duties and responsibilities as Commissioners as well as possible.

Corporate governance guidelines in the Company govern the policy of the Commissioner's orientation program in Part II of the Guidelines on the Implementation of Governance Principles - Chapter II on the Code of Conduct of the Board of Commissioners.

The orientation program encompasses:

- Knowledge of the Company, including the Company's vision, mission, strategy, mid-term and long-term plans, performance, governance and finances;
- Understanding of duties and responsibilities as a member of the Board of Commissioners, limits of authority, working hours, relationships with other members of Board of Commissioners, relevant internal and external rules/provisions and others

Orientation Procedures

The new Commissioners' orientation procedures are:

- Work unit presentation to obtain clarification on various Company business aspects deemed necessary by involving the management, or
- Meetings with members of the Board of Directors and Board of Commissioners to discuss various issues in the Company or other necessary information, or
- Company branch office/ location visits together with other members of the Board of Commissioners/Management

8. Training Program to Boost Competence of Board of Commissioners Members

The Company's governance guidelines administer the Board of Commissioners training program in Part II of Guidelines on the Implementation Procedures of Governance Principles - Chapter II on the Code of Conduct of the Board of Commissioners.

Members of the Board of Commissioners shall participate in training programs at least 1 (one) time in a year to sustain their duties and obligations. The training programs attended by the Board of Commissioners members in 2017 are as follows:

The training programs attended by members of the Board of Commissioners in 2017 are as follows:

No	Commissioner	Training Program	Organizer	Location	Date
1.	Djohan Emir Setijoso	Asia Pacific CEO-CFO Conference	JP Morgan	New York, USA	September 6-7, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
2.	Tonny Kusnadi	Digital Strategy Innovation	Innovation Enterprise	Sydney, Australia	September 14-15, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
3.	Cyrellus Harinowo	Global Emerging Market Conference with TD Securities	Global Emerging Market	Italy & Germany	September 20-28, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
4.	Raden Pardede	Economic Update	Australian National University	Canberra, Australia	September 15-16 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
		Macro Prudential Economy	BI	Jakarta	November 2, 2017

No	Commissioner	Training Program	Organizer	Location	Date
5.	Sumantri Slamet	Asia Pacific CEO-CFO Conference	JP Morgan	New York, USA	September 6-7, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
		Cyber Security Strategies	California Institute of Technology	California, USA	October 17-18, 2017

9. Nomination of Members of Board of Commissioners
Legal Basis

Nomination of Members of the Board of Commissioners shall be held in accordance with the following provisions:

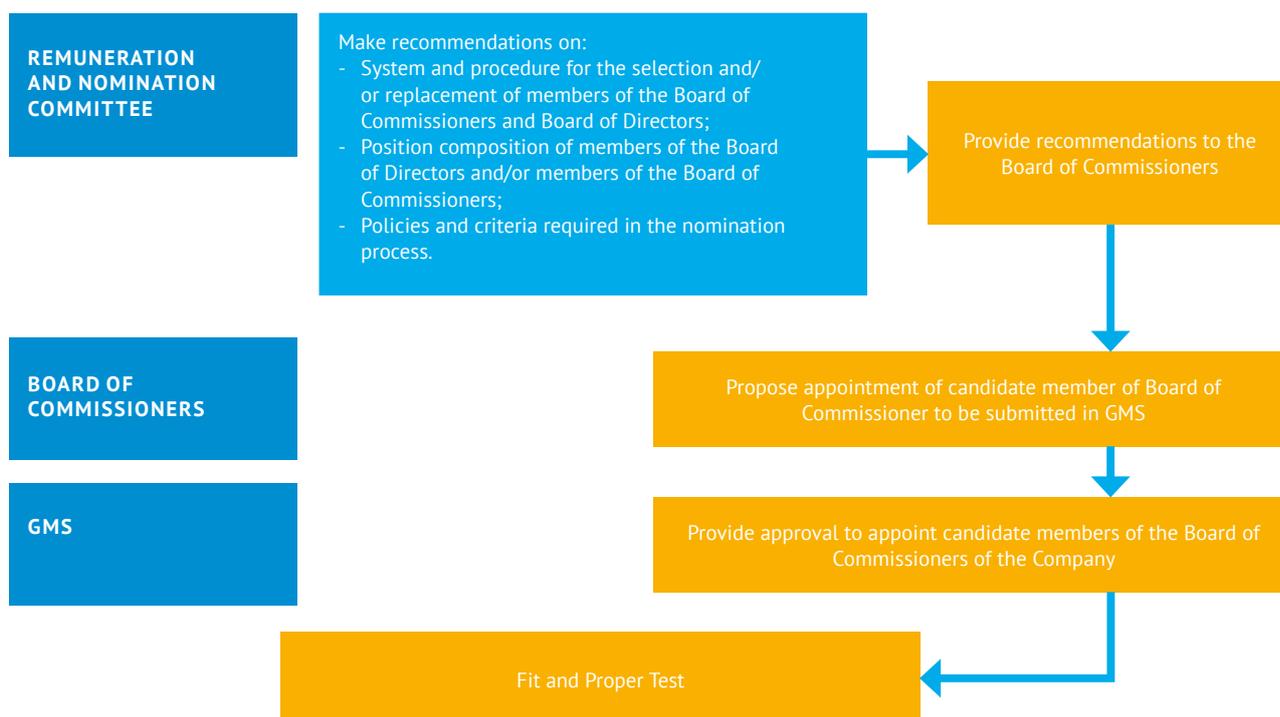
- a. Article 7 of Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that the proposal for the appointment, dismissal and/or replacement of members of the board of directors to the General Meeting of Shareholders shall take into account the recommendation of the board of commissioners or the committee performing the nomination function.
- b. Article 6 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Banks states that any proposed replacement and/or appointment

of members of the board of directors by the board of commissioners to the General Meeting of Shareholders shall take into consideration the recommendations of the remuneration and nomination committees.

Nomination Mechanism

The Remuneration and Nomination Committee recommends candidates for members of the Board of Commissioners to the Board of Commissioners. Furthermore, taking into account the recommendations of the Remuneration and Nomination Committee, the Board of Commissioners proposes the appointment of candidates for the Board of Commissioners to be submitted in the GMS. The GMS appoints a candidate for the Board of Commissioners to become a member of the Board of Commissioners.

Nomination Mechanism of Members of the Board of Commissioners



10. Information on Independent Commissioners and Statement of Independent Commissioners

Based on Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks states that an independent commissioner is a member of the board of commissioners who has no financial relationship, management, share ownership and/or family relationships with members of the board of directors, board of commissioners and/or controlling shareholders or relationships with the company that may affect the ability of those concerned to act independently.

Independent Commissioner Criteria

Independent Commissioners must meet the criteria/requirements include:

- a. The Independent Commissioner is a member of the Board of Commissioners from outside the Company who is required to meet the following requirements:
 - Not a person who is employed or has the authority and responsibility to plan, lead, control or oversee the Company's activities within the last 6 (six) months, except for re-appointment as an Independent Commissioner in the following period;
 - Not having any share directly or indirectly in the Company;
 - Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors or the Main Shareholders of the Company; and
 - Has no direct or indirect business relationship related to the Company's business activities

These requirements must be met by the Independent Commissioner during his term of office. In addition, the Independent Commissioner must also meet the requirements of the candidates for the Board of Commissioners.
- b. Former members of the Board of Directors or executive officers of the Company or parties with relationships with the Company, which may affect the ability of those involved to act independently shall undergo a cooling off period of at least 1 (one) year before becoming an Independent Commissioner.
- c. Non-Independent Commissioners who shall be appointed as Independent Commissioners shall undergo a cooling off period of 6 (six) months.

- d. Independent Commissioners who have served for 2 (two) consecutive term periods may be reappointed in the next period as Independent Commissioners in the case of:
 - Meetings of the Board of Commissioners assess that the Independent Commissioner may act independently; and
 - Independent Commissioners declare in the GMS concerning their independence.

Statement of Independent Commissioners

All Independent Commissioners have no financial relationship, management relationship, shareholder relationship and/or family relationship up to the second degree with members of the Board of Commissioners of the Board of Directors, and/or Controlling Shareholders or any relationship with the Company that may affect its ability to act independently.

At the Annual General Meeting of Shareholders of the Company of 2017, there was no appointment of Independent Commissioners. A statement of independency of an Independent Commissioner was read out at the time of appointment at the Annual GMS 2016.

The independency statement read out by Independent Commissioners is as follows:

"In connection with my nomination as Independent Commissioner of PT Bank Central Asia Tbk ("Company") and considering I have served as an Independent Commissioner of the Company for more than 2 (two) terms of tenure, in order to comply with the provisions of Article 25 paragraph 1 of the Financial Services Authority Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, hereby I certify that I:

1. am not working or having the authority and responsibility to plan, lead, control or oversee the Company's activities within the last 6 (six) months, except as Independent Commissioner of the Company;
2. do not have any shares directly or indirectly in the Company;
3. do not have any affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors or major shareholders of the Company;

4. do not have any direct or indirect business relationship related to the Company's business activities.

Thus this statement of independency I declare truthfully."

11. Share Ownership of Board of Commissioners amounting 5% or More than Paid-in Capital

Legal Basis

Share ownership of members of the Board of Commissioners totaling 5% or more of the Paid-in Capital shall be disclosed with reference to the following provisions:

- a. Article 39 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that members of a Board of Commissioners are required to disclose the ownership of shares of 5% or more at the relevant bank as well as at other banks and companies domiciled in and outside the country;
- b. Article 2 of Financial Services Authority Regulation No. 11/POJK.04/2017 concerning Ownership Report or Any Changes in the Share Ownership of a Public Company stating that the member of the Board of Directors or Board of Commissioners shall report to the Financial Services Authority the ownership and any change of ownership in the company's shares either directly or indirectly

Application

Name	Share ownership of members of the Board of Commissioners amounting to 5% or more of the paid up capital at:			
	Company	Other Bank	Non-Bank Financial Institutions	Other Companies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrellus Harinowo	-	-	-	-
Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

Remarks:
√ holds shares of 5% (five percent) or more of paid up capital

12. Concurrent Position of Board of Commissioners

Dual positions of the Board of Commissioners shall be conducted in accordance with prevailing regulations.

Legal Basis

- a. Members of the Board of Commissioners of the Company do not hold concurrent positions except for the matters specified in:
- Financial Services Authority Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies
 - Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks
 - Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks
- b. Members of a board of commissioners are prohibited from taking double positions as members of a board of directors, board of commissioners or executive officers:
- at a financial institution or financial company, whether bank or non-bank;
 - on more than 1 (one) non-financial institution or non-financial company, both domiciled within and outside the country.
- c. Excluding the dual position referred to in the above paragraph if:
- Members of the board of commissioners are members of the board of directors, members of the board of commissioners or executive officers performing supervisory functions in 1 (one) non bank company controlled by the Company.
 - Non-independent commissioners perform functional duties of shareholders of the company in the form of legal entities in the Company's business group; and/or

- Members of the board of commissioners hold positions in nonprofit organizations or institutions.

Disclosure

The application of dual positions to the Board of Commissioners takes into account the provisions of Article 28 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, among others as follows:

- A Commissioner concurrently serves as the President Commissioner of a company other than a non-financial institution;
- 2 (two) Independent Commissioners also serve as Independent Commissioners in one company other than a non-financial institution;
- Another Independent Commissioner serves as Independent Commissioner in one company other than a non-financial institution as well as a member of the Board of Trustees of the University of Indonesia.

Table of Company's Board of Commissioners Dual Position

Name	Position in the Company	Position in Other Banks	Position in Company / Institution	Business Field
Djohan Emir Setijoso	President Commissioner	-	-	-
Tonny Kusnadi	Commissioner	-	President Commissioner of PT Sarana Menara Nusantara Tbk	Operator of Telkom Communication Tower
Cyriillus Harinowo	Independent Commissioner	-	Independent Commissioner of PT Unilever Indonesia Tbk	Consumer Goods
Raden Pardede	Independent Commissioner	-	Independent Commissioner of PT Adaro Energy Tbk	Coal Mining
Sumantri Slamet	Independent Commissioner	-	- Independent Commissioner of PT Multibintang Indonesia Tbk - Member of Majelis Wali Amanat Yayasan Universitas Indonesia	- Beverages Company - Education

13. Performance Assessment of Board of Directors, the Board of Commissioners, and Committees under Board of Commissioners

a. Performance Appraisal of Board of Commissioners

The performance appraisal of the Board of Commissioners and its implementation encompasses at least:

- Performance Assessment Implementation Procedures**

Implementation of assessment on the performance of the Board of Commissioners is conducted once every year, utilizing Self Assessment indicators.

- The criteria used in the Performance Assessment**

- Contributions and support of the Board of Commissioners demonstrates pursuant to the Company's vision and mission through the current year's work program while upholding the Company's values.
- Good Corporate Governance monitoring

- Persons conducting Performance Assessment**

The parties conducting the performance appraisal of the Board of Commissioners are the shareholders. Assessment of the performance of the Board of Commissioners is executed in the GMS. The Board of Commissioners is responsible for the performance of the Board of Commissioners during the period of 2017.

b. Performance Assessment of Directors

Assessment of the performance of the Board of Directors and its implementation encompasses at least:

- Performance Appraisal Performance Procedures**

The Board of Directors performance assessment is conducted annually based on self-assessment reviewed by the Board of Commissioners.

- The norms employed in Performance Assessment**

The general criteria used to assess the performance of the Board of Directors are:

1. The manner in which the Board of Directors implements the Company's vision and mission through the current year's work program by upholding Company's values.
2. Implementation of Good Corporate Governance

• **Parties conducting Performance Assessment**

Parties conducting performance assessment of the Board of Directors are the Board of Commissioners and the GMS. Assessment of Board of Directors performance is performed by the Board of Commissioners with reference to the duties and responsibilities of the Board of Directors in accordance with the Articles of Association and/or the prevailing laws and regulations. The Board of Directors is responsible for the performance of the Board of Directors for the period of 2017.

c. Performance Achievement Results

The results of the performance of the Board of Commissioners and Board of Directors in 2017 shown by the Company's performance as follows:

Category	Target	Achievement
Loan growth	8%-10%	12.4 %
CASA growth	5%-7%	8.7%
ROA growth	≥ 3.5%	3.9%
ROE growth	18%-20%	19.2%

d. Performance Assessment of Committees under Board of Commissioners

In 2017, the Committees under the Board of Commissioners performed their functions and responsibilities well. These committees include:

1. Audit Committee.
2. Risk Oversight Committee
3. Remuneration and Nomination Committee
4. Integrated Governance Committee.

1) Audit Committee

In 2017, the Audit Committee performed its duties effectively, convened 21 (twenty-one) meetings, and carried out work programs as follows:

- a) Convened a meeting with Public Accountant Firm (KAP) Siddharta Widjaja & Partners, to discuss the final result of audit of Company's Financial Report 2016 and Management Letter.
- b) Recommend to the Board of Commissioners the change of KAP to audit the Company's Financial Statements for the fiscal year 2017.
- c) Conducted meetings with KAP Tanudiredja, Wibisana, Rintis & Partners, to discuss the plan and audit scope of the Company's Financial Statements for the fiscal year 2017.
- d) Held meeting with the Finance and Planning Division to review the Company's Financial Statements to be published quarterly.
- e) Held 8 (eight) meetings with Internal Audit Division to:
 - (1). Evaluate annual planning,
 - (2). Evaluate the implementation of internal audit every semester,
 - (3). Conduct discussions on audit results that are considered significant.
- f) Attended Internal Audit exit meeting at 3 (three) Main Branch Offices, 2 (two) work units of head office and conducted of 2 (two) Sub-Branch Office reviews as part of internal audit quality assessment and assessment of adequacy and effectiveness of internal control.
- g) Reviewed internal audit reports (more than 150 reports) and monitored the follow-ups.
- h) Assessed Company compliance with the prevailing banking regulations, regulations and laws through the compliance reports reviews on prudential provisions conveyed every semester.
- i) Reviewed the credit portfolio reports published every semester.
- j) Supervised the implementation of risk management through the Company's Risk Profile quarterly and monthly report of the Operation Risk Management Information System (ORMIS).

- k) Performed reviews on::
 - (1) Financial Services Authority inspection results and its follow-ups.
 - (2) Bank Indonesia inspection results and its follow-ups.
 - (3) Management letter from KAP Siddharta Widjaja & Partners and follow-ups.
- l) Reported routine reviews and evaluation of governance, risk management, compliance and control aspects to the Board of Commissioners every quarter.
- m) Attended GMS, Analyst Meeting, and 2018 National Work Meetings of the Company to monitor the implementation of good corporate governance.

2) Risk Oversight Committee

Throughout 2017, the Risk Oversight Committee convened 12 (twelve) meetings and implemented the Risk Oversight Committee work programs as follows:

- a) Monitored the performance of the Risk Management Committee tasks.
- b) Monitored the performance of the Risk Management Unit tasks.
- c) Reviewed the Company's Risk Profile, particularly related to operational risk, reputation risk, market risk and liquidity.
- d) Reviewed Stress Tested Market Risk, Liquidity Risk, and Credit Risk.
- e) Formulated Risk Oversight Committee Charter adapted to the new regulations.
- f) Reviewed the Financial Services Authority Regulation No. 14/POJK.03/2017 on the Recovery Plan for Systemic Banks, particularly in relation to the authority of the Board of Commissioners and the Board of Directors.
- g) Created Risk Grading to monitor credit risk, market, liquidity & operations.
- h) Ensured Good Corporate Governance implementation is conducted appropriately and properly by attending the General Meeting of Shareholders.

3) Remuneration and Nomination Committee

Throughout 2017, the Remuneration and Nomination Committee convened 5 (five) meetings and carried out the Remuneration and Nomination Committee work programs as follows:

- a) Recommended to the Board of Commissioners the distribution of *tantiem* for the fiscal year 2016 to all members of the Board of Commissioners and Board of Directors holding office during the fiscal year 2016 to be submitted at the Annual General Meeting of Shareholders (AGMS) dated April 6, 2017 for approval.
- b) Recommended to the Board of Commissioners regarding the follow-up on Bank Indonesia Regulation on the Employment of Foreigners related to Controlling Shareholder Amendment of Company.
- c) Advised the Board of Commissioners to add additional member to the Board of Directors in charge of Finance for the period 2018 – 2021.
- d) Discussed the proposed policy related to postponement of *tantiem* and clawback arrangements for Board of Directors and Board of Commissioners in consideration of the the Finance Services Authority No. 45/POJK.03/2015 implementation of Corporate Governance in the Provision of Remuneration for Commercial Banks.

4) Integrated Governance Committee

Throughout 2017, Integrated Governance Committee held 5 (five) meetings and implemented the Integrated Governance Committee work programs as follows:

- a) Evaluated integrated governance in Company's Financial Conglomerates, through presentations and discussions of Integrated Internal Audit Result Report, Integrated Compliance Report, Integrated Risk Profile Report.
- b) Reviewed and followed-up on Financial Services Authority review results.
- c) Reviewed the Integrated Governance Guidelines.

14. Board of Commissioners Duties Implementation

The Board of Commissioners exercises supervisory duties to ensure that the Company's business is in the right direction, maintaining business continuity and adding value to all stakeholders. The following is a summary of the duties of the Board of Commissioners in 2017:

The Board of Commissioners assessment of the Board of Directors' performance in 2017 is based on the annual work plan submitted by the Board of Directors and approved by the Board of Commissioners. In view of the Board of Commissioners, overall the Board of Directors has performed well in the management of the Company throughout 2017 amid the moderation of the Indonesian economy.

The following are the main summaries of the Board of Commissioners recommendations and advice to the Board of Directors:

Topic	Summary
Business Strategy and Management	<ul style="list-style-type: none"> • Reviewed the authority limits of the Board of Directors on credit approval, considering the Company's growing capital position. • Provided advice and guidance on strategic partnerships, including the renewal of the bancassurance agreement with PT AIA Financial (AIA Indonesia). • Provided recommendations on capital investment in subsidiaries. • Provided advice regarding adaptation to business environment changes, including adjustment of human resource policies. • Advised on the formation of a work unit for managing and supporting government programs related to financial inclusion.
Risk Management	<ul style="list-style-type: none"> • Assessed credit exposure in sectors or segments with high concentration risk. • Provided a review and assessment of infrastructure loans. • Advised careful monitoring the adverse effects of high non-performing loans in other banks on the quality of Company debtors. • Provided guidelines on the development of a recovery plan, the scope of the business continuity plan and examined crisis-handling protocols. • Supported strengthening the security and reliability of operational systems, including early detection of system errors. • Advised the Company on identifying possible risks that could impact its conglomeration.
Audit and Compliance	<ul style="list-style-type: none"> • Ensure internal control standards fulfilled in the organization of operational policies and procedures. • Exercised careful monitoring of information technology systems. • Conducted an in-depth review regarding regulator support programs. • Prepared the selection process for the appointment of the public accounting firm to conduct the 2017 audit process.

Assessment of Good Corporate Governance Implementation

The Company has full confidence that Good Corporate Governance plays a central role in maintaining stakeholders' trust and the sustainability of the Company's business. Consequently, the Board of Commissioners constantly monitors the implementation of good corporate governance principles and practices at all levels of the organization.

To ensure good corporate governance implementation, the Board of Directors of the Company periodically convenes meetings and constructs effective communication with stakeholders. With such close

relationship, the Company can better comprehend any changes in the business environment and adapt accordingly.

The Company consistently strengthens the implementation of integrated governance. To enhance the implementation effectiveness of the Integrated Governance Committee tasks, in 2017, the Company appointed the Independent Commissioner of PT BCA Sekuritas as one of the Committee's members.

To make certain that good corporate governance implementation conforms to the prevailing principles, the Company regularly performs GCG self-assessment,

whether individually or integrated with the subsidiaries. In 2017, the Company's self-assessment outcome on the implementation of good corporate governance yielded a composite rating of "[Very Good]", both individually and integrated.

BOARD OF DIRECTORS

Based on Law No. 40 Year 2007 on Limited Liability Companies, the Board of Directors is a Company function fully responsible for the management of the Company for the interest and in accordance with the purposes and objectives of the Company, as well as representing the Company both inside and outside of court in accordance with the Articles of Association and prevailing laws and regulations.

1. References

- Law No. 40 Year 2007 on Limited Liability Companies;
- Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test;
- Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates;
- Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates;
- Financial Services Authority Regulation No. 33/POJK.04 /2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;
- Financial Services Authority Regulation No. 27/POJK.03/2016 on the Fit and Proper Test for the Main Parties of Financial Services Institutions;
- Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
- Financial Services Authority Regulation No. 11/POJK.04/2017 on Ownership Report/Any Changes in Public Company Share Ownership;
- 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.
- Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates;
- Financial Services Authority Circular Letter Regulation No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates;
- Financial Services Authority Circular Letter No. 39/SEOJK.03/2016 on the Fit and Proper Test for Candidates of Controlling Shareholders, Candidates of the Board of Directors and Candidates of the Board of Commissioners of Banks;
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;

2. Board of Directors Charter

Disclosure of guidelines or Charter of the Board of Directors is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which among other matters states that the Governance Report of an Issuer or Public Company contains a statement that the Board of Directors has Guidelines or a Charter.

Article 18 of Financial Services Authority Regulation No. 55/POJK.03 /2016 concerning the Implementation of Good Corporate Governance for Commercial Banks related to Article 35 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, and the Board of Directors Charter governs among other matters:

- a. Legal Basis
- b. Values
- c. Composition, Criteria, and Independence of the Board of Directors
- d. The Duty Period of the Board of Directors
- e. Dual Positions of the Board of Directors
- f. Appointment of the Board of Directors
- g. Duties, Responsibilities and Authorities of the Board of Directors
- h. Transparency Aspect and Prohibitions for the Board of Directors
- i. Orientation and Training of the Board of Directors
- j. Ethics and Working Time of the Board of Directors
- k. Board of Directors Meetings
- l. Reporting and Accountability

The Board of Directors Charter is covered in the Corporate Governance Manual and can be viewed on the Company website (www.bca.co.id) in the Corporate Governance section.

3. Duties and Responsibilities of Board of Directors

The duties and responsibilities of the Board of Directors are detailed in the Articles of Association and other related regulations to:

- a. Lead and manage the Company in accordance with the purposes and objectives of the Company.
- b. Master, maintain and manage the Company's assets for the benefit of the Company.
- c. Create internal control structures, ensuring the implementation of the Internal Audit function at every level of management and following-up on the Company's internal audit findings in accordance with the policies or directives provided by the Board of Commissioners.
- d. Submit the Annual Work Plan containing the Annual Budget to the Board of Commissioners for approval prior to the commencement of the forthcoming fiscal year, taking into account prevailing regulations.
- e. Implement the principles of Good Corporate Governance in every business activity at all levels and stages of the organization.
- f. Conduct meetings of the Board of Directors periodically, at least 1 (one) time each month.
- g. Record the minutes of meetings of the Board of Directors and have them signed by all members of the Board of Directors present at the Board of Directors meeting.
- h. Distribute copies of the minutes of meetings of the Board of Directors to all members of the Board of Directors and related parties.
- i. Conduct meetings of the Board of Directors with the Board of Commissioners in accordance with regulation.
- j. To hold and keep a List of Shareholders, Special List, Minutes of General Meetings of Shareholders, and Minutes of Board of Directors meetings.
- k. Prepare Annual Reports and other company documents as referred to in the prevailing laws and regulations.

- l. Follow-up audit findings and recommendations of the external auditor, the results of the supervision of the Financial Services Authority, Bank Indonesia and the results of supervision of other authorities including but not limited to the Indonesia Stock Exchange.
- m. Be responsible for implementation of its duties and responsibilities to shareholders through the General Meeting of Shareholders.

4. Authority of Board of Directors

The authority of the Board of Directors is based on the Articles of Association and other related regulations to:

- a. Represent the Company in and out of court on all matters and in any event, binding the Company with other parties and other parties with the Company and carrying out all actions, both regarding management and ownership, with restrictions as set forth in the Articles of Association.
- b. Arrange the handover of the powers of the Board of Directors to represent the Company within and outside the Court to a person or several members of the Board of Directors specifically appointed or to an employee or employees of the Company, either alone or with other persons or bodies.
- c. The Board of Directors shall be entitled to appoint one or more persons authorized to perform certain acts in accordance with the terms stipulated by the Board of Directors in a special power of attorney.
- d. Establish policies to lead and manage the Company.
- e. Arrange provisions on employment, including the determination of salaries, pensions or old-age benefits and other income for employees, in accordance with applicable laws and /or resolutions of the General Meeting of Shareholders.
- f. Hire and dismiss employees based on personnel regulations.
- g. Carry out other actions, either on management or on ownership, in accordance with the provisions set forth by the Board of Commissioners with due regard to the prevailing laws and regulations.

In performing its duties, responsibilities and authorities, the Board of Directors shall take actions in good faith, with full responsibility and prudence, with regard to the Articles of Association, the Board of Directors Code of Conduct and prevailing laws and regulations.

5. Division of Duties and Responsibilities of the Board of Directors

Disclosure on the duties and responsibilities of the Board of Directors of the Company is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company

in Chapter III on the Content of the Annual Report, stating that the Governance Report of Issuer or Public Company contains a brief description of the duties and responsibilities of each member of the Board of Directors.

The Board of Commissioners Decision Letter No. 327/SK/KOM/2017 regarding Division of Duties and Responsibilities of the Board of Directors and Organization Frameworks of PT Bank Central Asia Tbk dated December 18, 2017 is described in the table as follows.

No.	Name	Position	Duties and Responsibilities	Alternate Director I	Alternate Director II	Alternate Director III
1.	Jahja Setiaatmadja (JS)	President Director (PD)	<ul style="list-style-type: none"> Audit Internal ****) Anti Fraud Corporate Social Responsibility 	WP1 DHC DTP	DCR DCR DCR	DJW DJW DJW
2.	Eugene K. Galbraith (EG)	Deputy President Director (WP1)**)	<ul style="list-style-type: none"> Finance & Planning Corporate Secretariat Information Technology Security 	PD PD DCR	DKR DBK DBI	DBK DBI DHC
3.	Armand W. Hartono (AH)	Deputy President Director (WP2)**)	<ul style="list-style-type: none"> Strategy & Development of Service Operations Information Technology Domestic Payment Services Electronic Banking Services International Banking Services Digital Services Central Capital Ventura 	DJW DBI DKR DTP DBK DTP DBI	DHC DHC DJW DJW DTP DJW DHC	DKS DTP DKS DHC DHC DHC DTP
4.	Subur Tan (ST)	Compliance and Risk Management Director (DCR)**)	<ul style="list-style-type: none"> Compliance****) Law Risk management****) 	DHC DJW DJW	DKR WP1 WP1	DJW PD PD
5.	Rudy Susanto (RS)	Corporate Banking Director (DBK)**)	<ul style="list-style-type: none"> Corporate Business Corporate Branch Treasury International Banking BCA Finance Ltd. (Hongkong) BCA Securities 	DKS DKS PD WP1 WP1 WP1	DBI DBI WP1 PD DTP PD	WP1 WP1 DBI DBI DKR DKR
6.	Henry Koenaifi (HK)	Director of Commercial Banking & SME (DKS)**)	<ul style="list-style-type: none"> Commercial & SME Business Cash Management Credit Service Central Santosa Finance BCA Finance 	DBK DBK DJW DBI DBI	DTP DTP DKR DKR DKR	DBI DBI DTP DTP DTP
7.	Suwignyo Budiman (SB)	Director of Individual Banking (DBI)**)	<ul style="list-style-type: none"> Consumer Credit (KPR, KKB) Individual Customer Business Development Wealth Management BCA Syariah BCA General Insurance (BCA Insurance) BCA Life Insurance 	DKS DKS DKS DTP DKR DHC	DTP DTP DTP DJW DKS DKS	DBK WP2 WP2 WP2 DTP DTP
8.	Erwan Yuris Ang (EY)	Director of Regional & Branch Networks (DJW)*)	<ul style="list-style-type: none"> Area & Branch Management Network Management & Regional Development Procurement 	WP2 WP2 DKR	DHC DHC DHC	DKS DKS WP1
9.	Inawaty Handoyo (IH)	Director of Credit (DKR)	<ul style="list-style-type: none"> Credit Analysis Credit Rescue 	DJW DJW	WP1 WP1	PD PD

No.	Name	Position	Duties and Responsibilities	Alternate Director I	Alternate Director II	Alternate Director III
10.	Santoso (SL)	Director of Banking Transaction (DTP)	<ul style="list-style-type: none"> Business Development & Marketing Banking Transactions Development of Banking Transaction Cooperation Solutions Development of Banking Product Transactions Business Services & Business Support for Banking Transaction 	DKS	WP2	DBI
				DBI	WP2	DKS
				WP2	DBI	DKS
				DBI	DKS	WP2
11.	Lianawaty Suwono (LS)	Director of Human Resources (DHC)	<ul style="list-style-type: none"> Human Resources Learning & Development 	DCR	PD	WP1
				DCR	WP2	WP1

Note:

- The Alternate Director reports to the respective (functional) Director all actions taken/decisions made during the period of acting in place of the Director.
- Subsidiaries' Management Function is regulated as follows:
 - Perform a comprehensive monitoring and coordination function on the management of Subsidiaries.
 - Perform monitoring functions Subsidiary business growth.
 - Perform risk-monitoring function of Subsidiaries in the context of integrated risk management.
 - Monitoring the implementation of the internal audit/risk management/compliance function of Subsidiaries in order to implement integrated governance and integrated risk management.
 Implementation of the above functions shall consider the principles in Limited Liability Companies, where the Subsidiary is an independent/separate legal entity. The responsibility of the Boards of Directors and/or the Boards of Commissioners of Subsidiaries is to the Subsidiary's General Meeting of Shareholders. Holding Company as the shareholder exercises its authority and function through the Subsidiary's General Meeting of Shareholders.
- ^{*)} Director of Regional & Branch Networks is responsible as daily executor, supervisor and monitoring regional and branch management. The Head of each Regional Office is responsible to the Board of Directors.

6. Number, Composition and Criteria of Members of the Board of Directors

Number and Composition

Article 4 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks states that Banks are required to have at least 3 (three) members of the Board of Directors.

As of December 31, 2017, memberships of the Board of Directors comprises 11 (eleven) persons, consisting of:

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

One member of the Board of Directors is also the Director of Compliance. The President Director is an independent party from the controlling shareholder.

The duty period of Board of Directors is 5 (five) years. The current period shall expire at the close of the Annual General Meeting of Shareholders to be held in 2021, without prejudice to the power of the General Meeting of Shareholders to dismiss one or more members of the Board of Directors at any time before their term expires.

Criteria

Those who may be appointed as a Director is an individual who meets the criteria and requirements in accordance with:

- Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies namely to:
 - Have good ethics, morals, and integrity.
 - Be proficient in performing legal actions.
 - Within 5 (five) years before appointment and during the term of office:
 - not have been declared bankrupt.
 - not have been a member of a board of directors or board of commissioners found guilty of causing a company to be declared bankrupt.
 - not have been punished for committing a crime detrimental to state finances or relating to the financial sector; and
 - not have been a member of a board of directors or board of commissioners in which during his/her term of office:
 - did not organize an AGMS;
 - had his/her accountability as a member of the board of directors or board of commissioners not

- accepted by the GMS or he/she did not submit his/her accountability as a member of the board of directors or board of commissioners to the General Meeting of Shareholders; and
- have caused a company that obtained license, approval or registration from the Financial Services Authority to not fulfill the obligation to submit annual report and/or financial report to the Financial Services Authority.
- 4) Have a commitment to comply with laws and regulations.
 - 5) Have knowledge and/or expertise in the field required by the Company.
- b. Bank Indonesia Regulation No. 12/23/PBI/2010 regarding the Fit and Proper Test among others states that:
- 1) The requirements of integrity include to:
 - a) have good character and morals, among others shown by the attitudes to comply with applicable provisions, including not having been convicted for specific crimes within the last 20 (twenty) years prior to nomination.
 - b) have a commitment to comply with applicable laws and regulations.
 - c) be committed to the development of healthy Bank operations.
 - d) not be included on the Disqualified List (DTL).
 - e) be committed not to conduct and/or repeat offenses and/or actions as referred to in Article 27 and Article 28, for a candidate of the Board of Directors who had once been disqualified in the fit and proper test and undergone a period of sanction as referred to Article 35 paragraph (1), Article 40 paragraph (4) letter a and Article 40 paragraph (5) of the above mentioned Bank Indonesia Regulation.
 - 2) Competence requirements include having:
 - a) adequate knowledge in banking relevant to his/her position.
 - b) experience and expertise in banking and/or finance.
 - c) the ability to undertake strategic management in the framework of healthy Bank development.
 - 3) Financial reputation requirements include:
 - a) not having bad credit; and
 - b) not having been declared bankrupt or on a board of directors or board of commissioners found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated.
- c. Based on Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, each Director must meet the requirements of fit and proper test according to Financial Services Authority Regulation No. 27/POJK.03/2016 on the Assessment of Ability and Compatibility for the Main Party of the Financial Services Institution, which among other matters details:
- 1) Requirements of integrity, including to:
 - a) be capable of performing legal actions;
 - b) have good character and morals, at least indicated by attitudes to comply with regulatory requirements, including to have not been convicted a specific crime within a certain period prior to nomination;
 - c) be committed to comply with laws and regulations and support Financial Services Authority policies;
 - d) be committed to the development of a healthy Financial Service Institution; and
 - e) be not included as a party prohibited to become a Principal Party.
 - 2) Financial reputation requirements, at least proven by:
 - a) having no bad credit and/or non-performing financing; and

- b) having not been declared bankrupt and/or has not been a shareholder, insurance company controller who is not a shareholder, member of a board of directors or board of commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years prior to nomination.

In accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning 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, which essentially states that candidates for members of board of commissioners and board of directors shall obtain approval from Bank Indonesia (now from the Financial Services Authority) before performing their duties and functions in their positions.

All members of the Board of Directors of the Company have met the requirements of the Financial Services Authority Regulations and Bank Indonesia Regulations above and have passed the fit and proper test of Bank Indonesia (now of the Financial Services Authority), namely:

Board of Directors who passed the fit and proper test

Name	Position	Approval Letter
Jahja Setiaatmadja	President Director	13/21/DPBB3/ TPB3-7 dated June 17, 2011
Eugene Keith Galbraith	Deputy President Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016
Suwignyo Budiman	Director	4/69/DpG/DPIP/Rahasia dated August 13, 2002
Tan Ho Hien/Subur/ Subur Tan	Director (also acting as Compliance Director)	4/69/DpG/DPIP/Rahasia dated August 13, 2002
Henry Koenaifi	Director	10/32/DPB3/TPB3-2 dated February 13, 2008
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011
Rudy Susanto	Director	SR-119/D.03/2014 dated 21 July 2014
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016
Inawaty Handoyo	Director	SR-144/D.03/2016 dated August 8, 2016

All members of the Board of Directors of the Company who have passed the Fit and Proper Test are domiciled in Indonesia as referred to in Article 4 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks.

7. Composition of Members of the Board of Directors of the Company as of December 31, 2017

The composition of the Board of Directors of the Company in 2017 is published in the Deed of PT Bank Central Asia Tbk. No. 216 dated August 26, 2016, made before Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

The members of the Board of Directors as of December 31, 2017 are as follows:

No	Position	Name
1.	President Director	Jahja Setiaatmadja
2.	Deputy President Director	Eugene Keith Galbraith
3.	Deputy President Director	Armand Wahyudi Hartono
4.	Director (concurrently Director of Compliance)	Suwignyo Budiman
5.	Director	Tan Ho Hien/Subur/Subur Tan
6.	Director	Henry Koenafi
7.	Director	Rudy Susanto
8.	Independent Director	Erwan Yuris Ang
9.	Director	Lianawaty Suwono
10.	Director	Santoso
11.	Director	Inawaty Handoyo

During 2017 there was no change in the composition of the members of the Board of Directors.

The composition of the Company's Board of Directors as of December 31, 2016 was:

No	Position	Name
1.	President Director	Jahja Setiaatmadja
2.	Deputy President Director	Eugene Keith Galbraith
3.	Deputy President Director	Armand Wahyudi Hartono
4.	Director (concurrently Director of Compliance)	Tan Ho Hien/ Subur/ Subur Tan
5.	Director	Rudy Susanto
6.	Director	Henry Koenafi
7.	Director	Suwignyo Budiman
8.	Independent Director	Erwan Yuris Ang
9.	Director	Lianawaty Suwono
10.	Director	Santoso
11.	Director	Inawaty Handoyo

8. Orientation Program for New Members of Board of Directors

The orientation program is held for new Directors, so that the person concerned can perform the duties and responsibilities soundly as a member of the Board of Directors.

The corporate governance guidelines have established the Board of Directors orientation program policy in Part II of the Guidelines on the Implementation Procedures of Governance Principles - Chapter IV on the Guidelines and Code of Conduct of the Board of Directors.

The orientation program includes:

- a. Knowledge of the Company, including the Company's vision, mission, strategy, as well as mid-term and long-term plans, performance, governance and finances;

- b. Understanding of duties and responsibilities as members of the Board of Directors, limits of authority, working hours, relationships with the Board of Commissioners, relevant internal and external rules/provisions and others.

Orientation Procedures

The orientation procedures of new Directors may be conducted by:

- a. Presentation by a work unit to obtain an explanation of the various aspects deemed necessary by involving subordinates, or
- b. Meetings with members of the Board of Directors and Board of Commissioners to discuss various issues in the Company or other required information, or
- c. Visits at various locations of the Company's business activities/branches along with other members of the Board of Directors/Management.

9. Training Program in Order to Improve Competence for Directors

The Company's governance guidelines have established the Board of Directors training program policies in Part II of the Guidelines on the Implementation Procedures of Governance Principles - Chapter IV on the Board of Directors Code of Conduct.

Board of Directors shall participate in a training program at least 1 (one) time in a year to support the implementation of their duties and obligations. Training programs that were followed by Board of Directors in 2017 are as follows:

No	Director	Training Program	Organizer	Location	Date
1.	Jahja Setiaatmadja	CEO Forum Perbanas	Perbanas	Jakarta	26 January 2017
		IMC Meeting	IMC	London	12-13 June 2017
		G-20 Summit International	G-20 Summit International Organizing	Evian, France	27 September-1 October 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		15 th JCB World Conference	JCB Co., Ltd., and JCB International Co., Ltd.	Taipei, Taiwan	1-2 November 2017
2.	Eugene Keith Galbraith	Nomura Indonesia All Acces	Nomura	Jakarta	17 January 2017
		Deutsche Bank Conference	Deutsche Bank	London	23-24 February 2017
		Indonesia Conference 2017	UBS	Jakarta	6 March 2017
		Indonesia Conference 2017	Citi	Jakarta	8 May 2017
		Asia Pasific CEO-CFO Conference	JP Morgan	New York, USA	6-7 Sepetember 2017
		Best of Indonesia 2017	Daiwa-Bahana	Tokyo, Japan	5-6 October 2017
		Asia Pacific Summit	Morgan Stanley	Singapore	16-17 November 2017
3.	Armand Wahyudi Hartono	International Banking Conference	CIBFM	Brunei	14-15 May 2017
		Gartner Symposium	Gartner	Barcelona, Spanyol	5-9 November 2017
4.	Subur Tan	BCA Capital Market Community Business Trip 2017	BCA Cash Management	Munich (Germany), Salzburg and Vienna (Austria)	7-16 October 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
5.	Rudy Susanto	Special Program (fast track) certification in the Field of Treasury Advance Level	ACI Financial Market Association Indonesia	Jakarta	25 February 2017
		Deutsche Bank Access Conference	Deutsche Bank	Singapore	15-16 May 2017
		Risk Management Refreshment Program: Deeper Understanding on IFRS 9 & Basel III Implementation	BARa Risk Forum	Bali	18-19 May 2017
		Bali Center for Sustainable Finance	Financial Services Authority	Bali	12 July 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017

No	Director	Training Program	Organizer	Location	Date
6.	Henry Koenafi	Indonesia Infrastructure Finance Forum	Ministry of Finance, PT Sarana Multi Infrastruktur, PT Penjaminan Infrastruktur Indonesia dan PT Indonesia Infrastructure Finance	Jakarta	25 July 2017
		Investors' Forum	CLSA	Hong Kong	11-12 September 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
7.	Suwignyo Budiman	BCA Capital Market Community Business Trip 2017	BCA	Munich, (Germany), Salzburg and Vienna (Austria)	7-16 October 2017
		Intensive Wealth Management & Risk Management Programs for Executives	MMUGM - IBI	Frankfurt (Germany) & Vienna (Austria)	19-27 August 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
8.	Erwan Yuris Ang	Indonesia Financial Services Authority (IFSA) International Seminar	Indonesia Financial Services Authority	Bali	4-5 May 2017
		Risk Management Refreshment Programme	Indonesian Banking Development Institute	Jakarta	23 February 2017
		Indonesia Knowledge Forum (IKF) 2017	BCA	Jakarta	3-4 October 2017
9.	Lianawaty Suwono	Binus Industry Partnership Program 2017	Binus University	Seoul, South Korea	24- 28 April 2017
		AGLP - Leadership in a Transformation Digital Era	SRW&Co	Cambridge, UK	11-15 September 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
10.	Santoso	AGLP - Shaping Our Future Leaders of Innovation	SRW&Co	California, USA	8-12 May 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		Gartner Symposium	Gartner	Barcelona, Spanyol	5-9 November 2017
		Asia Pacific Summit	Morgan Stanley	Singapore	16-17 November 2017
11.	Inawaty Handoyo	AGLP - Shaping Our Future Leaders of Innovation	SRW&Co	Berkeley, California	8-12 May 2017
		The 3 rd Annual Asean Meeting Summit	Mark Plus & Perbanas	Jakarta	7 September 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		National Conference 3rd-IIA, Internal Audit Landscape	IIA	Bandung	11 October 2017

10. Nomination for Members of the Board of Directors

Legal Basis

Nomination of Directors shall be conducted based on the following provisions:

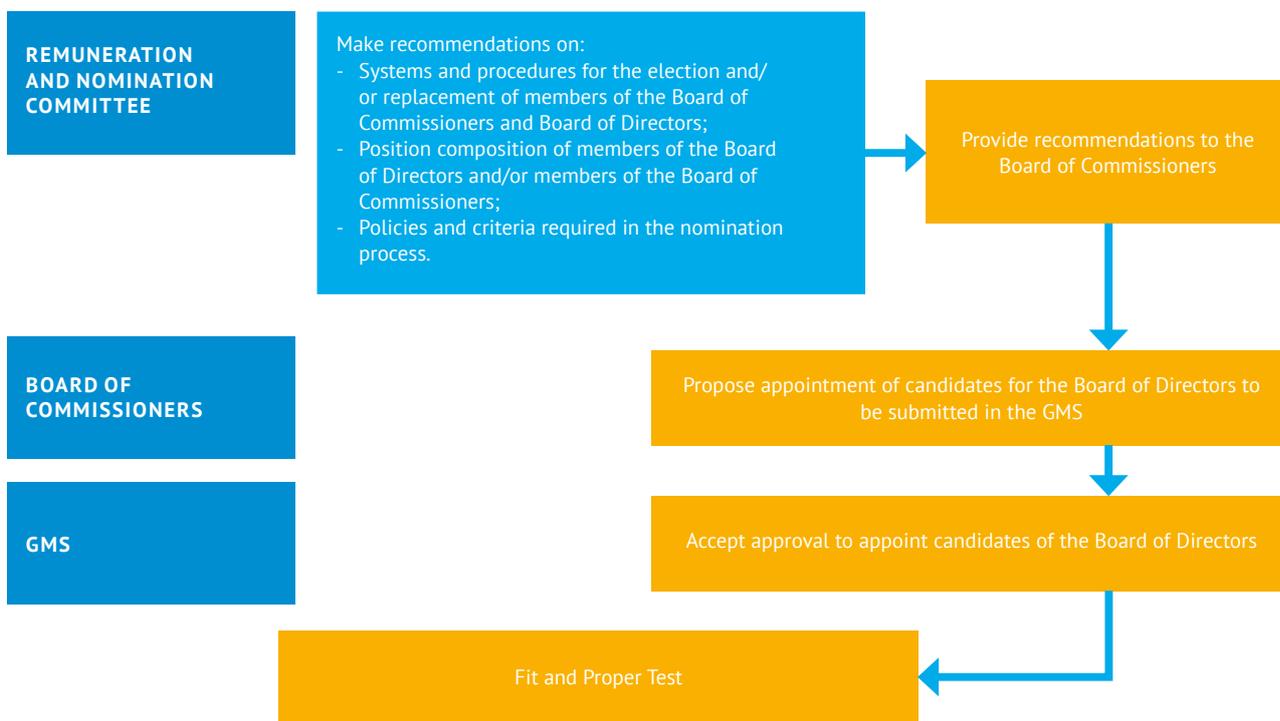
- a. Article 7 of Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that the proposal for the appointment, dismissal and/or replacement of members of the Board of Directors to the General Meeting of Shareholders shall take into account the recommendation of the Board of Commissioners or the committee performing the nomination function.
- b. Article 6 of the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial

Banks states that any proposed replacement and/or appointment of members of the Board of Directors by the Board of Commissioners to the General Meeting of Shareholders shall take into account the recommendations of the remuneration and nomination committees.

Nomination Mechanism

The Remuneration and Nomination Committee (RNC) recommends candidates of the Board of Directors to the Board of Commissioners. Furthermore, by considering the recommendation of the RNC, the Board of Commissioners proposes the appointment of candidates for the Board of Directors to be submitted in the GMS. The General Meeting of Shareholders appoints the candidates of the Board of Directors to become members of the Board of Directors, by taking into account the recommendations of the Board of Commissioners.

Nomination Mechanism for Members of the Board of Directors of the Company



11. Share Ownership for Directors that amounts to 5% or Above of the Paid-Up Capital

Legal Basis

Share ownership for Directors that amounts to 5% or more of the Paid-Up Capital shall be disclosed with reference to the following provisions:

- a. Article 21 Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Application of Good Corporate Governance for Commercial Banks states that members of the Board of Directors shall disclose share ownership of 5% or more at the Bank or other banks and companies domiciled in and outside the country;

- b. Article 2 of Financial Services Authority Regulation No. 11/POJK.04/2017 concerning Report of Ownership or Any Changes in the Share Ownership of a Public Company stating that a member of the Board of Directors or Board of Commissioners shall report to the Financial Services Authority ownership and any change of ownership of the Company's shares either directly or indirectly.

Implementation for Reporting Policy of Ownership or Any Change of Share Ownership

In accordance with Article 3 of Financial Services Authority Regulation No. 11/POJK.04/2017 regarding Ownership Report or Any Changes in the Share Ownership of the Public Company, the Company has a policy regarding the obligations of members of

the Board of Directors and Board of Commissioners to convey ownership information and changes to the Company's shares contained in the Governance Guidelines. Socialisation of Financial Services Authority Regulation No. 11/POJK.04/2017 also referred to in Corporate Secretary Memo No. 120/MO/DCS/2017 dated 25 April 2017 to all members of the Board of Directors and Board of Commissioners.

As a manifestation of the implementation of internal and external policies concerning the share ownership report, in 2017 the Company submitted reports on changes of ownership of Directors' shares to the Company according to procedures as stipulated in Financial Services Authority Regulation No. 11/POJK.04/2017 regarding Ownership Report or Any Changes in the Share Ownership of the Public Company.

Table of Share Ownership of Directors that amounts to 5% or Above

Name	Share ownership of Directors that amounts to 5% or Above of the Paid-up Capital :			
	Company	Other Bank	Non-Bank Financial Institution	Other Company
Jahja Setiaatmadja	-	-	-	√
Eugene Keith Galbraith	-	-	-	-
Armand Wahyudi Hartono	-	-	-	√
Suwignyo Budiman	-	-	-	-
Henry Koenafi	-	-	-	-
Subur Tan	-	-	-	-
Erwan Yuris Ang	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Inawaty Handoyo	-	-	-	-

12. Concurrent Position for Members of the Board of Directors

Legal Basis

- a. Article 7 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks states that members of the Board of Directors are prohibited from serving concurrently as members of the Board of Directors, members of the Board of Commissioners or Executive Officers at banks, companies and/or other institutions (excluding concurrent positions if the Directors is responsible to supervise participation in a subsidiary company, perform functional duties of being a member of the Board of Commissioners of non-bank subsidiaries controlled by the Bank).
- b. Article 6 Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that members of the Board of Directors may also serve as members of a Board of Directors at most 1 (one) issuer or other public company, Board of Commissioners at most 3 (three) in issuer or any other public company and/or committee member at a maximum of 5 (five) committees in the issuer or public company in which the member also serves as a member of the Board of Directors or a member of the Board of Commissioners. This concurrent position can only be done as long as it is not contrary to other laws and regulations.

Disclosure

All members of the Board of Directors not concurrently serve as members of a board of directors, members of the board of commissioners or executive officers of banks, companies and/or other institutions with due regard to the provisions of Article 7 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks.

Concurrent Position Table

Name	Position at the Company	Position at other bank	Position at company/other institution	Business Field
Jahja Setiaatmadja	President Director	-	-	-
Eugene Keith Galbraith	Deputy President Director	-	-	-
Armand Wahyudi Hartono	Deputy President Director	-	-	-
Suwignyo Budiman	Director	-	-	-
Henry Koenafi	Director	-	-	-
Tan Ho Hien/Subur/Subur Tan	Director (concurrently Director of Compliance)	-	-	-
Erwan Yuris Ang	Independent Director	-	-	-
Rudy Susanto	Director	-	-	-
Lianawaty Suwono	Director	-	-	-
Santoso	Director	-	-	-
Inawaty Handoyo	Director	-	-	-

13. Performance Assessment of Executive Committees of Board of Directors

Disclosure for the performance of the Board of Directors committees in this Annual Report is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the performance assessment of the committees that support the implementation of the Board of Directors duties.

Executive Committees of Board of Directors

In conducting its management duties, the Board of Directors established committees at the Board of Directors level in accordance with the Company's business requirements and regulatory requirements, which are expected to create operational effectiveness and efficiency.

Members of Executive Committees are appointed by the Board of Directors to contribute in accordance with the areas of duties and responsibilities of the Board of Directors. The Board of Directors reviewed that during 2017 the Committees under the Board of Directors performed their functions and duties well.

The following are the 7 (seven) Executive Committees under the Board of Directors and their performance during 2017:

- 1) Asset & Liability Committee (ALCO).
- 2) Risk Management Committee (KMR).
- 3) Integrated Risk Management Committee (KMRT).
- 4) Credit Policy Committee (KKP).
- 5) Credit Committee (KK).
- 6) Information Technology Steering Committee (KPTI).
- 7) Civil Service Advisory Committee (KPKK).

Assessment of Executive Committee Performance

Performance assessment the Director's Executive Committees in 2017 was based on the realization of Committee's work program conducted in 2017.

1) Asset and Liability Management Committee

The Asset & Liability Committee (ALCO) is a permanent committee under the Board of Directors with a mission to achieve optimal levels of corporate profitability and liquidity risk, interest rate risk and foreign exchange risk through establishment of policies and strategies for the Company's asset and liability management.

Realization of ALCO Work Program in 2017

In performing its duties during 2017, ALCO held 12 (twelve) meetings with the agenda:

- a. Follow-up reports of previous ALCO meeting resolutions.
- b. Economic parameters covering inflation, Bank Indonesia Term Deposit rate, yield curves of Rupiah and USD, Rupiah & USD market liquidity, and Rupiah exchange rate.
- c. Reserves of liquidity consisting of Primary Reserve Rupiah and Foreign Currency and Secondary Reserve in Rupiah and Foreign Currency, Rupiah and Foreign Currency Structure, Credit Projections, Liquidity Projections and Liquidity Loss.
- d. Interest Rate Risk consisting of Reprising Gap and Sensitivity Analysis, for both Rupiah and forex.
- e. Forex Risk, concerning the development of Net Open Position (NOP) and related risks.
- f. Loan Portfolio consisting of ceiling and credit outstanding and class of debtors.
- g. Yield and Cost of Funds for Rupiah and forex.
- h. Asset Liability Management Analysis.
- i. Development of Bank funds for Total Banking.
- j. Discuss and decide changes in the interest rate of Funds and Loans, Basic Interest Rate of Credit (SBDK) and the limits related to Asset Liability Management (ALM).
- k. Reviewing the results of profit/loss simulations according to ALM strategy.

2) Risk Management Committee

The Risk Management Committee (RMC) was established to ensure that the risk management framework provides adequate protection against all risks to the Company.

Realization of RMC Work Program in 2017

In performing its duties during 2017, RMC held 4 (four) meetings, with the realization of RMC's work program as follows:

- a. Inform about the adjustment of authority of the Board of Directors in determining the loan interest rate.
- b. Inform about the related credit risk stress test results.
- c. Inform about the related methods and measurement results of Interest Rate Risk in the Banking Book (IRRBB).
- d. Inform about the results of Risk Appetite review.

- e. Inform about the determination of liquidity gap limit.
- f. Inform about the condition of Company's loan portfolio as of September 2017.

3) Integrated Risk Management Committee

The Integrated Risk Management Committee (IRMC) was established to ensure that the risk management framework provides an adequate protection against all risks of the Company and subsidiaries in an integrated manner.

Realization of IRMC Work Program in 2017

In performing its duties during 2017, IRMC held 3 (three) meetings, covering several topics as follows:

- a. Integrated Risk Management Information System for the Company Financial Conglomerates
- b. Risk Appetite and Risk Tolerance for the Company Financial Conglomerates
- c. Information for the Company Financial Conglomerate 2017 New Business Line Review
- d. Integrated Business Continuity Plan for the Company Financial Conglomerates
- e. Integrated Stress Test for the Company Financial Conglomerates
- f. Status updates and follow-up on Integrated Financial Services Authority input
- g. Integrated Risk Profile Report (LPRT) for the Company Financial Conglomerates Semester I Year 2017
- h. Integrated Risk Limit for the Company Financial Conglomerates

4) Credit Policy Committee

The Credit Policy Committee (CPC) was established for direct lending through the formulation of credit policies in order to achieve prudent lending targets.

Realization of CPC Work Program in 2017

In performing its duties during 2017, CPC implemented a work program among other matters to recommend the actions to the Board of Directors in providing credit decisions that require Board of Commissioners approval, above Rp 1 trillion to above Rp 3 trillion/group of debtors (including to invest in securities) for counterparty non-bank or counterparty bank.

5) Credit Committee (CC)

The Credit Committee (CC) was established to assist the Board of Directors in evaluating and/or providing credit decisions within the limits of authority established by the Board of Directors as stipulated in the Articles of Association with due regard to business developments without abandoning prudent principles. The Credit Committee consists of Corporate Credit Committee (Corporate Credit) and Commercial Credit Committee (Commercial Credit).

Realization of Corporate Credit & Commercial Credit Working Programs for the Year 2017

In performing its duties in 2017, the Corporate Credit and Commercial Credit working programs included Corporate Credit holding 8 (eight) meetings and Commercial Credit holding held 8 (eight) meetings.

6) Information Technology Steering Committee (ITSC)

The Information Technology Steering Committee (ITSC) was established to ensure the implementation of information technology (IT) system is in line with Company's strategic plan. ITSC has a mission to enhance the Company's competitive advantage through the utilization of appropriate information technology.

Realization of ITSC Work Program in 2017

In performing its duties during 2017, ITSC conducted 4 (four) meetings and implemented work programs such as:

- a Evaluating and monitoring the implementation of strategic IT projects in harmony with strategic corporate objectives and business direction.
- b Evaluating the implementation of processes and technologies used in developing IT projects.
- c Reviewing and monitoring strategic measures to minimize IT investment risk.
- d Monitoring the use of IT budgets by 2017.
- e Reviewing and evaluating new IT strategic projects:
 - Omni-Channel, developed to maximize features and functions on Company channels.

- Utilization of API to strengthen Company's position in transactional banking.
- Development of Data Lake (Big Data) to support business and data analysis needs in the future.

f Evaluating and monitoring IT initiatives implemented to support delivery of strategic IT projects:

- Development of micro services architecture as useful for the development of new technology.
- Procurement and development of Report Management Software for efficient report distribution process at Head Office and Branches.
- Implementation of multi-function link networks and utilization of VSAT provider distribution as a mitigation step and effort to improve ATM services.
- Development of BCA Mobile Keyboard to enable customers to conduct financial transactions.

g Reviewing and evaluating the development of IT HR capabilities and Management Office.

h Reviewing and evaluating the IT Risk Management process and IT Governance compliance.

7) Civil Service Advisory Committee

The formation of the Civil Service Advisory Committee (CSAC) was established with a mission to provide recommendations to the Board of Directors on the settlement of cases that meet the principles of justice and equity through reviewing cases of violations and/or crimes committed by employees.

Realization of CSAC Work Program in 2017

In performing its duties during 2017, the CSAC held 12 (twelve) meetings in which the realization of the work program was to provide input in the form of information, analysis and consideration to create recommendations to the Board of Directors on several cases of violations committed by employees which required a decision by the Board of Directors for the follow-up of the settlement in the form of imposition of sanctions and/or correcting of operational systems and procedures and/or processing of cases by law.

Explanations regarding the Executive Committee of the Board of Directors are detailed in the Chapter of the Executive Committees of the Board of Directors

MEETING OF BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND JOINT MEETINGS

Meetings of the Board of Commissioners, Board of Directors and Joint Meetings during 2017 are as follows:

1. Board of Commissioners Meeting

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

Legal Basis

References of Board of Commissioners meetings is as follows:

- a. Article 31 paragraph 1 of the Financial Services Authority Regulation No. 33/POJK.04/2014 on the the Board of Directors and the Board of Commissioners of the Issuer or Public Company states that the Board of Commissioners shall organize a meeting at least 1 (one) time every 2 (two) months.
- b. Article 16 paragraph 2 of the Financial Services Authority Regulation No. 33/POJK.04/2014 on the the Board of Directors and Board of Commissioners of the Issuer or Public Company states that of the Board of Directors shall organize a meeting with

the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.

- c. Article 37 paragraph 1 of the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Bank states that a Board of Commissioners meeting shall be held periodically at least 4 (four) times in 1 (one) year.

Meeting Policy

Corporate governance guidelines in the Company govern the policy of the Board of Commissioners Meetings in Part II of Guidelines regarding the Implementation Procedures of Governance Principles - Chapter II on the Code of Conduct of the Board of Commissioners, which essentially states that Board of Commissioners meetings shall be held periodically, at least 4 (four) times a year.

Implementation

During 2017, the Board of Commissioners held 49 (forty nine) meetings.

The Company complied with the provisions of the Financial Services Authority Regulation concerning the minimum meeting of the Board of Commissioners and joint meetings of the Board of Directors and Board of Commissioners.

Decision-making is done by consensus deliberation. In the absence of consensus deliberations, decision-making is based on the majority of votes. All decisions taken in the Board of Commissioners meetings are binding. Any dissenting opinion of the Board of Commissioners shall be clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.

Attendance and Schedule of Board of Commissioners Meetings

Frequency of Meetings and Attendance of Commissioners during 2017 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioners	49	45	92%
Tonny Kusnadi	Commissioner	49	43	88%
Cyrellus Harinowo	Independent Commissioner	49	43	88%
Raden Pardede	Independent Commissioner	49	42	86%
Sumantri Slamet	Independent Commissioner	49	45	92%

The schedule of 2017 meetings have been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.

Schedule and agenda of the Board of Commissioners Meetings during 2017 are as follows:

No	Month	Date	Agenda
1	January 2017	1, 11, 18, 25	Related with the business continuity: <ul style="list-style-type: none"> • Credit facility that approve by Board of Directors and require to decision from the Board of Commissioners. • Discussion on the Corporate action.
2	February 2017	1, 8, 16, 22	<ul style="list-style-type: none"> • Growth business update and the Company performance with the subsidiaries company, among others: IT strategy platform, bancassurance, transactional banking strategy, etc. • Work Unit presentation <p>The banking industry growth and economy, among others : Indonesia economy outlook 2017, etc.</p> <p>Related to risk management, among others :</p> <ul style="list-style-type: none"> • Bank liquidity condition include secondary reserve. • Bank Soundness Level. <p>Discussion of non performing loans a credit restructuring the development of large debtors businesses.</p> <p>Reporting from the risk oversight committee every quarter.</p> <p>Related to corporate governance, internal control and compliance, among others:</p> <ul style="list-style-type: none"> • Discussion of audit intern realization and the work programme on the year. • Audit committee report for every quarters • The implementation of AML and counter terrorist financing • The integrated governance committee's report <p>Discussion related to legal action strategic transaction that required to decision from the Board of Commissioners.</p>
3	March 2017	1, 8, 9, 21, 22 (2x), 29 (2x)	
4	April 2017	5, 13, 26	
5	May 2017	3, 10, 17, 24, 31	
6	June 2017	7 (2x), 9, 14 (2x)	
7	July 2017	12, 19, 26	
8	August 2017	2, 9, 23, 30, (2x)	
9	September 2017	6, 20	
10	October 2017	4, 11, 19, 25	
11	November 2017	1, 8, 15, 22	
12	December 2017	6, 13	

Board of Commissioners Meeting Plan in 2018

The Company has scheduled meetings of the Board of Commissioners in 2018 as follows:

The Board of Commissioners Schedule Plan in 2018

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	10, 17, 24	May	2, 16, 23	September	5, 12, 19
February	7, 21, 28	June	6, 27	October	3, 10, 17
March	14, 21, 28	July	4, 11, 18	November	7, 14, 21
April	4, 11, 18	August	1, 8, 15	December	5, 12

The schedule may change at any time as needed. The meeting schedule in 2018 has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>

2. Board of Directors Meetings

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

Legal Basis

Reference of the implementation of Board of Directors is as follows:

- a. Article 16 paragraph 1 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of the Issuer or Public Company, which states that the Board of Directors shall hold meetings periodically at least 1 (one) time once every month.
- b. Article 16 paragraph 2 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of the Issuer or Public Company, which states that the Board of Directors shall hold a meeting of the Board of Directors together with the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.
- c. Article 20 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Banks states that any policies and strategic decisions are decided through the Board of Directors meeting with due regard to supervision in accordance with the duties and responsibilities of the Board of Commissioners.

Meeting Policy

The governance guidelines of the Company govern the policy of the Board of Directors Meeting in Part II on the Implementation of Governance Principles Procedures - Chapter IV concerning the Code of Conduct and Guidelines of the Board of Directors, which essentially states that Board of Directors meetings are held at least 1 (one) time in each month and the Board of Directors shall hold a meeting of the Board of Directors together with the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.

Implementation

During 2017, the Board of Directors held 43 (forty three) meetings.

The Company has complied with the provisions of Financial Services Authority Regulation concerning the Minutes of the Board of Directors and the joint meetings of the Board of Directors and Board of Commissioners.

Decision-making is done by consensus deliberation. In the absence of consensus deliberations, decision-making is based on the majority of votes. All decisions taken in the Board of Directors meetings are binding. Any dissenting opinion that occurs in a Board of Directors meeting must be clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.

Attendance and Schedule of Board of Directors Meetings

The frequency of meetings and attendance of members of the Board of Directors during 2017 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	43	35	81%
Eugene Keith Galbraith	Deputy President Director	43	40	93%
Armand Wahyudi Hartono	Deputy President Director	43	33	77%
Suwignyo Budiman	Director	43	40	93%
Henry Koenafi	Director	43	33	77%
Tan Ho Hien/Subur/Subur Tan	Director (also the Director of Compliance)	43	39	91%
Erwan Yuris Ang	Independent Director	43	35	84%
Rudy Susanto	Director	43	31	72%
Lianawaty Suwono	Director	43	40	93%
Santoso	Director	43	38	88%
Inawaty Handoyo	Director	43	37	86%

The schedule of 2017 meetings has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>

Schedule and agenda of Board of Directors Meetings during 2017 are as follows:

No	Month	Date	Meeting Agenda, among others:
1	January 2017	10, 12, 19, 26	Discussion and Reports of Regional Offices, among others:
2	February 2017	2, 3, 9, 16, 23	<ul style="list-style-type: none"> Regional office discussion : economy condition, business and performance.
3	March 2017	2, 3, 16, 23	<ul style="list-style-type: none"> Jabodetabek regional office brainstorming
4	April 2017	6, 11, 13, 20	<ul style="list-style-type: none"> National regional office brainstorming
5	May 2017	4, 9, 18	Discussion business strategy and banking solution, among others:
6	June 2017	8, 22	<ul style="list-style-type: none"> Passport chip launching
7	July 2017	6, 13, 20, 27	<ul style="list-style-type: none"> ATM for disable
8	August 2017	3, 16, 24, 28, 31	<ul style="list-style-type: none"> Status update of Operating model review
9	September 2017	14	<ul style="list-style-type: none"> Corporate scorecard for Key Performance Indicator alignment
10	October 2017	19, 26	<ul style="list-style-type: none"> Update new agreement for bancassurance
11	November 2017	2, 9, 14, 28, 30	<ul style="list-style-type: none"> Update UMKM and loan potential programme
12	December 2017	4, 14, 20, 21	<ul style="list-style-type: none"> Funding Loyalty program Partnership credit card cobrand BCA extension Strategic action plan for wealth management Discussion of KUR Security & privacy protection insurance Branchless banking Virtual account multi credit Update preparation of domestic card Update of company asset management Recovery plan of 2018 Profitability analyst
			Discussion and report from the Finance and Planning Division among others :
			<ul style="list-style-type: none"> Bank Business Plan and the work plan and Annual budget The recommendation of Profitability usage and dividend allocation Financial and bank performance report Adjustability of main structure
			Business potential development, among others :
			<ul style="list-style-type: none"> The usage of three gold chances Seamless commerce Socialization of invest assessment and life cycle fund Core GL evaluation result
			Discussion of organizational development among others:
			<ul style="list-style-type: none"> Man power planning & organizational structure Corporate image management, corporate uniform concept Review working space Corporate scorecard for Key Performance Indicator alignment Adjustment of the Board of Directors's right for consumer credit rate's decision Key Performance Indicator
			IT development, among others :
			<ul style="list-style-type: none"> Finhack 2017 Software IBM license
			Discussion of corporate action, among others,
			<ul style="list-style-type: none"> Corporate action planning for subsidiaries company. GMS preparation Ownership restructuring for subsidiaries company.

No	Month	Date	Meeting Agenda, among others:
			<p>The corporate governance management, risk management, internal control and compliance, among others:</p> <ul style="list-style-type: none"> • Special Discussion of BCA ATM • ATM Service Management strategy because of Telkom 1 satelit disturbance • Risk Based Approach Company • Regulation update • Quality assurance review of Internal audit function <p>Discussion of Survey result, among others:</p> <ul style="list-style-type: none"> • Outlook economy update 2017 • Macro economy update 2017 + Customers Survey Result • Customer engagement study 2016 • EFMA 2h2017 in house briefing • The report of derivative transaction in Indonesia capital market 2017 • Analytic data <p>Subsidiaries company's update, among others:</p> <ul style="list-style-type: none"> • Performance semester 1 2017, CSF, BCA Sekuritas, BCA Insurance, BCA Syariah, BCA Finance, BCA Life

Board of Directors Meeting Plan in 2018

The Company has scheduled Board of Directors meeting as follows:

Schedule of the Board of Directors Meeting in 2018

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	25	May	3, 17	September	6, 13
February	1, 8	June	7, 28	October	11, 18, 25
March	1, 8, 15	July	5, 12, 19	November	8, 22
April	5, 12, 19	August	2, 9	December	13

The schedule may change at any time as needed. The schedule of 2018 meetings has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.

3. Joint Meetings of the Boards of Commissioners and Directors

During 2017, the Board of Commissioners and the Board of Directors held 18 (eighteen) joint meetings.

Attendance of Board of Commissioners in Joint Meetings of the Boards of Commissioners and Directors during 2017

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioners	18	17	94%
Tonny Kusnadi	Commissioners	18	15	83%
Cyrellus Harinowo	Independent Commissioners	18	15	83%
Raden Pardede	Independent Commissioners	18	14	78%
Sumantri Slamet	Independent Commissioners	18	18	100%

Attendance of the Board of Directors in the Joint Meeting of the Board of Commissioners with the Board of Directors During 2017

Meeting Schedule and attendance of the Board of Directors in the Joint Meetings of the Boards of Commissioners and Directors held during 2017 are as follows:

Attendance of the Board of Directors in the Joint Meeting of the Board of Commissioners with the Board of Directors During 2017

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	18	14	78%
Eugene Keith Galbraith	Deputy President Director	18	16	89%
Armand Wahyudi Hartono	Deputy President Director	18	11	61%
Suwignyo Budiman	Director	18	15	83%
Tan Ho Hien/Subur/Subur Tan	Director (concurrently the Director of Compliance)	18	16	89%
Henry Koenafi	Director	18	17	94%
Erwan Yuris Ang	Independent Director	18	13	72%
Rudy Susanto	Director	18	18	100%
Lianawaty Suwono	Director	18	16	89%
Santoso	Director	18	16	89%
Inawaty Handoyo	Director	18	14	78%

Meeting Schedule in the Joint Meeting of the Boards of Commissioners and Directors during 2017 are as follows:

No	Month	Date	Meeting Agenda, among others:
1	January 2017	18	Discussion , among others
2	February 2017	9, 22	<ul style="list-style-type: none"> Comprehensive strategic Company, such as business model, Brainstorming Session strategic.
3	March 2017	21	<ul style="list-style-type: none"> Corporate action planning, such as subsidiaries company, etc.
4	April 2017	5, 13, 20	<ul style="list-style-type: none"> Bank Business Plan and the work plan and Annual budget.
5	May 2017	9, 31	<ul style="list-style-type: none"> Proposal for profit utilization and amount interim dividend.
6	June 2017	-	<ul style="list-style-type: none"> Financial and Performance Statements of the Company.
7	July 2017	26	<ul style="list-style-type: none"> Risk profile report.
8	August 2017	2, 16	<ul style="list-style-type: none"> Bank Financial Soundness evaluation and implementation of Anti money laundering and prevention of terrorism funding.
9	September 2017	20, 27	<ul style="list-style-type: none"> Regulation update (Financial Services Authority Regulation No.14/POJK.03/2017).
10	October 2017	25	
11	November 2017	21, 29	
12	December 2017	13	

The Plan of Joint Meetings of the Boards of Commissioners and Directors for 2018

The Company has scheduled joint meetings of the Boards of Commissioners and Directors as follows:

Schedule Plan of Joint Meetings of the Boards of Commissioners and Directors 2018

Month	Date
March	7
April	25
July	25
October	24

The schedule may change at any time as needed. The schedule of the 2018 meeting has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.

AFFILIATED RELATIONSHIPS

Affiliated relationships between Directors, Commissioners and the Principal Shareholders and/or controllers are as follows:

1. Affiliated Relationships of the Board of Commissioners

Article 39 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Application of Governance for Commercial Banks states that

Commissioners shall disclose financial and family relationships with other Commissioners, Directors and/or controlling shareholders of the Bank in the report on the implementation of good governance

The following table illustrates the affiliation relationship between the Board of Commissioners and other members of the Board of Commissioners, Directors and/or the controlling shareholders of the Company.

Table of Affiliated Relationships of the Board of Commissioners

Name	Position	Family Relationship with:						Financial Relationship with:					
		The Board of Commissioners		The Board of Directors		Controlling Shareholders		The Board of Commissioners		The 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	-	√	-	√	-	√	-	√	-	√	-	√

2. Affiliated Relationship of the Board of Directors

Article 21 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states Directors shall disclose financial and family relationships with other members of the board of Directors, Commissioners and/or controlling

shareholders of the Bank in the report on the implementation of good governance.

The following table illustrates the affiliation relationship of the Board of Directors with other Directors, Commissioners and/or the controlling shareholders of the Company.

Table of Affiliated Relationships of the Board of Directors

Name	Position	Family Relationship with:						Financial Relationship with:					
		The Board of Commissioners		The Board of Directors		Controlling Shareholders		The Board of Commissioners		The Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jahja Setiaatmadja	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Eugene Keith Galbraith	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Suwignyo Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Henry Koenaifi	Director	-	√	-	√	-	√	-	√	-	√	-	√

Name	Position	Family Relationship with:						Financial Relationship with:					
		The Board of Commissioners		The Board of Directors		Controlling Shareholders		The Board of Commissioners		The Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Tan Ho Hien/ Subur/Subur Tan	Director (concurrently Director of Compliance)	-	√	-	√	-	√	-	√	-	√	-	√
Erwan Yuris Ang	Independent Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Direktur	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Inawaty Handoyo	Director	-	√	-	√	-	√	-	√	-	√	-	√

3. Statement of Independence

Section IX point 1 letter a of Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks on disclosure of Governance shall at least cover the performance of the duties and responsibilities of the Board of Directors and Board of Commissioners, which consist of:

- the number, composition, criteria, and independence of members of the Board of Directors and members of the Board of Commissioners;
- duties and responsibilities of the Board of Directors and Board of Commissioners; and
- recommendations of the Board of Commissioners.

Independence of Commissioners and Directors

All members of the Board of Commissioners have no financial relationship, family relationship up to the second degree with fellow Commissioners, Directors, and/or Controlling Shareholders, or relations with the Company which may affect his/her ability to act independently.

The majority of Directors have no financial relationship, management relationship, shareholder relationship and/or family relationship up to the second degree with Commissioners, other Directors and/or controlling shareholder or relationship with the Company which may affect its ability to act independently.

DIVERSITY IN THE COMPOSITION OF THE BOARDS OF COMMISSIONERS AND DIRECTORS

The Company has diversity in the composition of the membership of the Board of Commissioners and Board of Directors. The diversity in the composition is important as this supports the organization, management, operation and execution of duties of members of the Board of Commissioners and the Board of Directors.

Diversity in the Composition of Members of the Board of Commissioners

The composition diversity policy of the Board of Commissioners is set forth in the Board of Commissioners Code of Conduct and Working Guidelines in Section 3 concerning the Composition and Criteria of the Board of Commissioners. The composition of the members of the Board of Commissioners reflects the diversity of its members, whether in terms of education (field of study), work experience, age, and expertise. Each Commissioner is highly competent in supporting the improvement of the Company's performance.

Diversity in Composition of Members of Board of Commissioners can be seen in the following table:

No	Factor/Diversity	Description
1	Independent Commissioners	Out of 5 (five) members of the Board of Commissioners of Company, 3 (three) of them are Independent Commissioners.
2	Skill/Education	Level of education of members of the Board of Commissioners varies, starting from Bachelor, Magister, and Doctoral degree with different competences such as Economics, Technology, and Business.
3	Experience	Diversity in work experiences of members of the Board of Commissioners, such as banking professionals and national/multi-national financial institutions, consultant, lecturer, and government official.
4	Age	The age of members of the Board of Commissioners varies within the age range of 57-76 years.

Complete information of the Board of Commissioners can be viewed on the Corporate Profile page 66 – 69 of this 2017 Annual Report of the Company.

Diversity in the Composition of Members of the Board of Directors

The composition diversity policy of the Board of Directors has been set forth in the Board of Directors Code of Conduct and Working Guidelines in Section 3 concerning the Composition, Criteria and Independence of the Board of Directors. The composition of the membership of the Board of Directors reflects the diversity of its members, whether in terms of education (field of study), work experience, age, gender, and expertise. Each Director is highly competent to support the improvement of the Company's performance.

Diversity in the Composition of Members of the Board of Directors can be seen in the following table:

No	Factor/Diversity	Description
1	Independent Director	The Company has 1 (one) Independent Director out of 11 (eleven) members of the Board of Directors.
2	Skill/Education	The level of education of members of the Board of Directors varies, starting from Bachelor, Master, and Doctorate degrees with different competence including Economics, Accountancy, Information Technology, Legal, Technology, and Business.
3	Experience	Diversity in work experience of members of the Board of Directors, such as banking professionals as well as national/multinational financial institution, consultant, lecturer, corporate accountant, and economic planning advisor.
4	Age	The age of members of the Board of Directors varies within the age range 42-67 years old.
5	Gender	Out of 11 (eleven) members of the Board of Directors, the Company has 2 (two) female Directors and 9 (nine) male Directors.

Complete information of the Board of Director, can be viewed on the Corporate Profile page 56 – 65 of this 2017 Annual Report.

REMUNERATION POLICY**1. Remuneration for the Board of Commissioners**

The remuneration of the Board of Commissioners has been adjusted to the prevailing regulations and based on the procedures, structures and indicators, which form the basis of the determination of remuneration.

References of Disclosure

Disclosure of Remuneration of the Board of Commissioners is based on:

- a. Article 40 paragraph 3 of the Financial Services Authority Regulation No. 55/POJK.03/2016

concerning the Implementation of Good Corporate Governance for Commercial Banks states that the members of a board of commissioners shall disclose the remuneration and other facilities determined by the GMS in the governance implementation report with reference to the Financial Services Authority Regulation concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks.

- b. Article 28 of the Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that banks are required to disclose remuneration

policy information in the annual report on the implementation of good governance as stipulated in the implementation of Good Corporate Governance for commercial banks.

- c. Chapter IV concerning Disclosure in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that banks are required to disclose remuneration policy information in the annual report on good governance as stipulated in the provisions regulating good governance for commercial banks.
- d. Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance

Report of Issuers or the Public Company contains a brief description of the procedures, the basis for determination, structure and amount of remuneration for each member of the board of commissioners.

Procedure

Based on Resolution of the AGMS held in 2017, the 2017 AGMS authorized and granted:

- a. The majority shareholder to determine the amount of honorarium and other allowances to be paid by the Company to the members of the Board of Commissioners who served during fiscal year 2017.
- b. The majority shareholder to determine tantiem distribution among members of the Board of Commissioners and Board of Directors of the company.

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



Remuneration Structure of the Board of Commissioners

Based on Chapter IV letter i related to Disclosures in the Financial Services Authority Circular Letter No.40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages and facilities received by the Board of Commissioners cover remuneration structure and details of nominal amounts, as in the table below:

Type of Remuneration and Facilities	Amount Received in 1 Year	
	Board of Commissioners	
	Persons	In million Rupiah
1. Salary, bonus, routine allowance, tantiem, and other non-natura facilities	5	97,393
2. Other facilities in the form of natura (housing, health insurance, etc.) which:		
a. Can be owned	-	-
b. Cannot be owned	-	-
Total		97,393

Based on Chapter IV letter j related to Disclosure in the Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages that are classified into income levels received by the Board of Commissioners within 1 (one) year, as shown in the table below:

Total Remuneration per Person in 1 (One) Year *)	Board of Commissioners
	Persons
Above Rp2 billion	5
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Under Rp500 million	-

Description: *) received in cash

The amount of remuneration for each member of the Board of Commissioners in 1 (one) year is above Rp 2 billion, which was received in cash during 2017.

2. Remuneration for the Board of Directors

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

Reference of Disclosure

Disclosure of Remuneration for the Board of Directors is based on:

- Article 22 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that members of the Board of Directors shall disclose remuneration and other facilities in the good governance report with reference to the Financial Services Authority Regulation concerning Good Corporate Governance in Remuneration for Commercial Banks.
- Article 28 of Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks that states that banks are required to disclose remuneration policy information in the annual report on good governance as stipulated in Good Corporate Governance for commercial banks.
- Chapter IV Related to Disclosures in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that Banks are required to disclose remuneration policy information in

the annual report on the implementation of good governance as stipulated in the implementation of good governance for commercial banks.

- Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the procedures, the basis for determination, structure and amount of remuneration, for each member of the Board of Directors, as well as the relationship between remuneration and performance of the Issuer or Public Company.

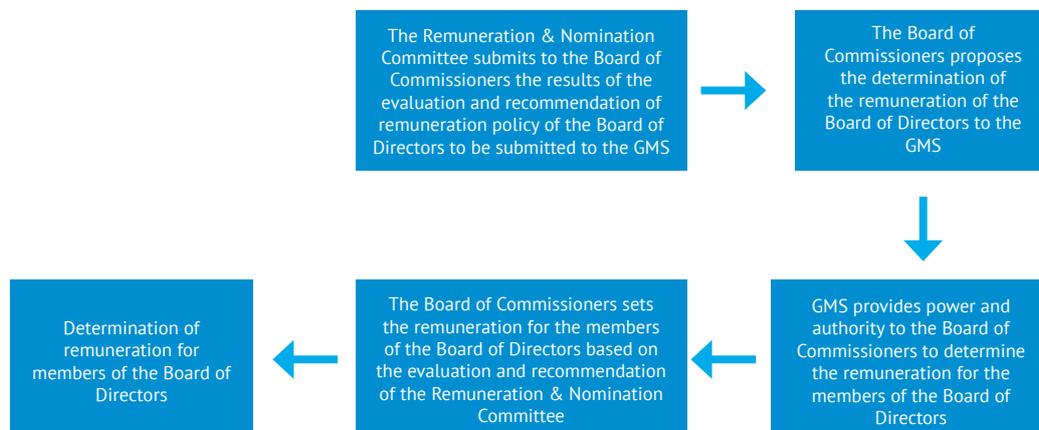
Procedure

Based on Resolution of the Company's AGMS, which was held in 2017, the 2017 AGMS authorized and granted:

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

In exercising such power and authority, the Board of Commissioners is concerned with the recommendations of the Remuneration and Nomination Committee.

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



Remuneration Structure of the Board of Directors

Based on Chapter IV letter i Related to the Disclosure in Financial Services Authority Circular Letter No.40/SEOJK.03/2016 concerning Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages and facilities received by the Board of Directors cover the remuneration structure and details of nominal amounts, as in the table below:

Type of Remuneration and Facilities	Amount Received in 1 (one) Year	
	The Board of Directors	
	Persons	In million Rupiah
1. Salary, bonus, routine allowance, tantiem, and other non natura facilities	11	353.807
2. Other facilities in the form of natura (housing, health insurance, etc.) which:		
a. Can be owned	-	-
b. Can not be owned	-	-
Total		353.807

Based on Chapter IV letter j Related to Disclosure in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages are classified into income levels received by the Board of Directors within 1 (one) year, as shown below:

Total Remuneration per Person in 1 (One) Year *)	Directors
	People
Above Rp2 billion	11
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Under Rp500 million	-

Description: *) received in cash

The amount of remuneration for each Director in 1 (one) year is above Rp 2 billion received in cash during 2017.

Indicators of Remuneration for the Board of Directors

Indicators as the basis for determining the remuneration of members of the Board of Directors are as follows:

- a. The performance of each individual member of the Board of Directors.
- b. Financial performance and reserve fulfillment as referred to in Law No. 40 Year 2007 on the Limited Liability Companies.
- c. Fairness with peer group. The equality of positions within the Company and to several similar banks in terms of assets and characteristics.
- d. Consideration of the Company's long term goals and strategies.

3. Company's Remuneration Implementation 2017

No	Regulation	Detail	Disclosure								
a.	Remuneration Committee	Member name, composition, duties and responsibilities	<p>Name of members:</p> <ol style="list-style-type: none"> 1. D.E. Setijoso 2. Raden Pardede 3. Hendra Tanumihardja <p>Composition of the remuneration committee:</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Filled by</th> </tr> </thead> <tbody> <tr> <td>Chairman (concurrently member)</td> <td>Independent Commissioner</td> </tr> <tr> <td>Member</td> <td> <ul style="list-style-type: none"> • Commissioner • Executive Officers (officers directly responsible to the Board of Directors and in charge of human resources) </td> </tr> <tr> <td>Secretary (concurrently member)</td> <td>A committee member appointed by the Committee for a period of time</td> </tr> </tbody> </table> <p>Duties and Responsibilities: Related to the remuneration function:</p> <ul style="list-style-type: none"> • Evaluate and ensure that the remuneration policy is in compliance with prevailing provisions that are based on performance, risk, fairness with peer group, long term goals and strategies of the Company, • The fulfillment of reserves as stipulated in legislation and future revenue potential of the Company in the future. • Assist the Board of Commissioners to conduct performance appraisals with the appropriateness of remuneration received by each member of the Board of Directors and/or the Board of Commissioners. • Submits evaluation and recommendation results to the Board of Commissioners on: <ol style="list-style-type: none"> 1. Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders (GMS); 2. The structure and amount of remuneration for Directors and Commissioners; 3. Remuneration Policy for Executive Officers and employees as a whole to be submitted to the Board of Directors. • Conduct periodic evaluations of the implementation of remuneration policies. 	Position	Filled by	Chairman (concurrently member)	Independent Commissioner	Member	<ul style="list-style-type: none"> • Commissioner • Executive Officers (officers directly responsible to the Board of Directors and in charge of human resources) 	Secretary (concurrently member)	A committee member appointed by the Committee for a period of time
Position	Filled by										
Chairman (concurrently member)	Independent Commissioner										
Member	<ul style="list-style-type: none"> • Commissioner • Executive Officers (officers directly responsible to the Board of Directors and in charge of human resources) 										
Secretary (concurrently member)	A committee member appointed by the Committee for a period of time										

No	Regulation	Detail	Disclosure
			<p>Related to the nomination function:</p> <ul style="list-style-type: none"> Establish and provide recommendations to the Board of Commissioners on the system and procedures for the selection and/or replacement of Commissioners and Directors to be submitted to the General Meeting of Shareholders (GMS). Provide recommendations to the Board of Commissioners on: <ol style="list-style-type: none"> Composition of positions of Directors and/or Commissioners The policies and criteria required in the nomination process, Performance evaluation policy for Directors and/or Commissioners. Assisting the Board of Commissioners to evaluate the performance of Directors and/or Commissioners based on the benchmarks that have been prepared as evaluation materials. Provide recommendations to the Board of Commissioners regarding the capacity building program for Directors and/or Commissioners. Provide recommendation on candidate members of the Board of Directors and eligible members of the Board of Commissioners to be submitted to the GMS. Provide recommendations on Independent Parties who will be a member of the Audit Committee and Risk Oversight Committee to the Board of Commissioners.
		Number of meetings conducted	During 2017, the Remuneration and Nomination Committee of the Company held 5 (five) meetings.
		Remuneration paid to Remuneration Committee members for 1 (one) year	Remuneration paid to Remuneration Committee members for 1 (one) year was Rp48,887,841,912.00.
b.	The process of formulating the Remuneration policy	A review of the background and objectives of the Remuneration policy	<p>Fixed remuneration policies at least notice the business scale, business complexity, peer group, inflation rate, financial condition and capability, as well as not contrary to statutory regulations.</p> <p>Specific variable remuneration, remuneration also concerns risk factors in the Company's business activities, namely credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk.</p>
		Review of Remuneration policy in the previous year, together with its improvements	Improvements to the remuneration policy review in accordance with the provisions of the Financial Services Authority Regulation No. 45/POJK.03/2015 on Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
		Mechanisms to ensure that the Remuneration for Personnel in the control unit is independent of the work unit under its supervision	<p>Performance appraisal in the control unit is not associated with achieving the business/performance targets of the supervised work units, this matter is ensured through 2 (two) ways:</p> <ol style="list-style-type: none"> Separation of organizational structure of the control unit to be independent For approval of business targeting shall be subject to the approval of the direct superior and the superior of the direct superior.
c.	Remuneration policy coverage and implementation per business unit, by region, and on subsidiary companies or branch offices located overseas		The Company has no overseas branch office.
d.	Remuneration is associated with risk	Key risk types used in applying Remuneration	The main risk of the Company at present is Credit Risk.
		Criteria for determining the types of major risks, including those for risk that are difficult to measure	The most significant type of transaction and business in generating profits and decisions taken for a business decision that have a major impact on the Company's business.

No	Regulation	Detail	Disclosure
		The impact of determining the types of major risks to the Variable Remuneration policy	Given the determination of the main types of risk will have an impact on KPI determination and impact on the variable.
		Changes in determining the main types of risk compared to last year and reason, if any	There was no change compared to last year.
e.	Performance measurement is associated with Remuneration	A review of the Remuneration policy associated with performance appraisal	<p>Indicators for the remuneration of Directors are as follows:</p> <ul style="list-style-type: none"> - Performance of each individual Director - The Company's financial performance - Benchmark industry - Risks that may arise in the future resulting in loss to the Company <p>Performance appraisal system of the Company is conducted as objectively as possible and oriented to the development of employees:</p> <ol style="list-style-type: none"> 1. Performance appraisal is directed at work performance and potential in employee where: <ul style="list-style-type: none"> • Employee promotions/rewards are the result of work and the achievement of employees to the job goals/targets • Employee potential is those factors within the self that affect the success of carrying out duties and responsibilities (competence) 2. Performance appraisal results become a reference to determine the direction of employee development
		Methods in relating individual Remuneration to Company performance, work unit performance, and individual performance	The performance of the Company will affect the determination of the amount of remuneration, especially those areas that are variable, and the individual performance is reviewed once every 1 year. The results of the individual performance appraisal will be the basis for the Company's appreciation in the form of promotion, rank review, and wage/salary increase, as well as employee benefits.
		A description of the method used by the Company to state that agreed performance cannot be achieved so that adjustment of Remuneration is required and the amount of Remuneration adjustment if the condition occurs	Performance measurements based on the performance agreed at the beginning of the year. Bonus based on individual performance appraisal where the determination has been established based on the Decision or Circular Letter. For the assessment of the achievement of a quantitative business/work objective, guidance is used such as; exceeding the target (> 110%), reaching the target (100-110%) and reaching part of the target (80-99%).
f.	Remuneration Adjustment is associated with Performance and Risk	The Variable Deferred Remuneration Policy, the magnitude, and the criteria for determining the amount	<p>For Material Risk Takers, in this case all the Board of Directors and the Board of Commissioners, 15% Tantiem are deferred and paid in pro rata in cash and stock, as follows:</p> <ol style="list-style-type: none"> 1. 5% in cash 2. 10% in the form of shares to be in lockup during the with-holding period <p>(Especially for Independent Commissioners, tantiems deferred are entirely in cash).</p>
		The Company policy regarding suspended variable remuneration which is delayed payment (Malus), or withdrawn in case already paid (Clawback)	Under certain conditions, the tantiem paid for Material Risk Takers (MRT) in cash or stock can be withdrawn (clawback).

No	Regulation	Detail	Disclosure																																						
g.	Remuneration Adjustment is associated with Performance and Risk	<p>The vesting policy of suspension is done, among other things, the term of payment</p> <hr/> <p>Disclosure of factors that determine the difference of Variable Remuneration that is suspended among the Employee or group of Employees</p>	<p>The with-holding period is 3 (three) years from the date the variable remuneration is announced to be paid.</p> <hr/> <p>The with-holding period is the same for all MRT</p>																																						
h.	Name of external consultant and consultant duties related to Remuneration policy		<p>Willis Tower Watson</p> <p>Scope:</p> <ul style="list-style-type: none"> - Identify the gap analysis with the stipulated conditions - Salary survey 																																						
i.	Remuneration Package and facilities received by the Board of Directors and Board of Commissioners cover the Remuneration structure and details of the nominal amount		<p>Remuneration Package and facilities received by the Board of Directors and Board of Commissioners cover the remuneration structure and details of the nominal amount, as in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="3">Type of Remuneration and Facilities</th> <th colspan="4">Amount Received in 1 (one) Year</th> </tr> <tr> <th colspan="2">The Board of Directors</th> <th colspan="2">The Board of Commissioners</th> </tr> <tr> <th>Person</th> <th>In million Rupiah</th> <th>Person</th> <th>In million Rupiah</th> </tr> </thead> <tbody> <tr> <td>Salaries, Bonuses, routine allowances, tantiem, and other facilities in non-natura form</td> <td>11</td> <td>353.807</td> <td>5</td> <td>97.393</td> </tr> <tr> <td>Other facilities in the form of natura (housing, health insurance, etc.) which:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>a. Can be owned</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>b. Cannot be owned</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td></td> <td>353.807</td> <td></td> <td>97.393</td> </tr> </tbody> </table>	Type of Remuneration and Facilities	Amount Received in 1 (one) Year				The Board of Directors		The Board of Commissioners		Person	In million Rupiah	Person	In million Rupiah	Salaries, Bonuses, routine allowances, tantiem, and other facilities in non-natura form	11	353.807	5	97.393	Other facilities in the form of natura (housing, health insurance, etc.) which:					a. Can be owned	-	-	-	-	b. Cannot be owned	-	-	-	-	Total		353.807		97.393
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j.	Remuneration packages that are grouped into earning levels received by Directors and Commissioners within 1 year		<p>Remuneration Packages are grouped into income levels received by Directors and Commissioners within 1 (one) year, as in the table below:</p> <table border="1"> <thead> <tr> <th>Total Remuneration per Person in 1 (One) Year *)</th> <th>Number of Directors</th> <th>Number of Commissioners</th> </tr> </thead> <tbody> <tr> <td>Above Rp2 billion</td> <td>11 people</td> <td>5 people</td> </tr> <tr> <td>Above Rp1 billion up to Rp2 billion</td> <td>-</td> <td>-</td> </tr> <tr> <td>Above Rp500 million up to Rp1 billion</td> <td>-</td> <td>-</td> </tr> <tr> <td>Under Rp500 million</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Description: *) received in cash</p>	Total Remuneration per Person in 1 (One) Year *)	Number of Directors	Number of Commissioners	Above Rp2 billion	11 people	5 people	Above Rp1 billion up to Rp2 billion	-	-	Above Rp500 million up to Rp1 billion	-	-	Under Rp500 million	-	-																							
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Under Rp500 million	-	-																																							

No	Regulation	Detail	Disclosure						
k.	Variable Remuneration	Forms of Variable Remuneration and the reasons for choosing the form	<p>The variable remuneration consists of cash and stock. Shares in the form of extra bonuses purchased by PT Bank Central Asia Tbk (BBCA) shares.</p> <p>Extra bonuses purchased by BCA by the Company are subsequently withheld (lock up) for 3 (three) years from the announcement of the distribution of bonuses.</p> <p>The additional bonuses purchased by BCA shares are intended:</p> <ul style="list-style-type: none"> • In recognition of the contribution of employees throughout the year of performance • Growing the sense of belonging of employees is expected to have a positive impact on the increased engagement • Increase productivity of employees • The creation of alignment among employees, management and shareholders in improving Company performance 						
		Explanation in the case of differences in the provision of Variable Remuneration among Directors, Commissioners and Employees, including the explanation of the factors that determine the difference and the underlying considerations	<p>Differences in the provision of Variable Remuneration, namely in the budget bonus (cash and stock) are differentiated based on the level of position:</p> <ol style="list-style-type: none"> 1. Board of Directors and Board of Commissioners 2. S1-S3 echelon Officer 3. S4-S8 echelon employee <p>The underlying consideration is the impact of the position on the achievement of the Company's performance, so the higher the level of office the greater the bonus budget.</p>						
l.	Number of Directors, Board of Commissioners and Personnel receiving Variable Remuneration for 1 (one) year and total nominal		<p>Number of Directors, Commissioners and Employees receiving Variable Remuneration for 1 (one) year and total nominal as in the table below</p> <table border="1"> <thead> <tr> <th colspan="2">Total Variable Remuneration for 1 (one) Year</th> </tr> <tr> <th>Persons</th> <th>In million Rupiah</th> </tr> </thead> <tbody> <tr> <td>24,117</td> <td>2,100,323</td> </tr> </tbody> </table>	Total Variable Remuneration for 1 (one) Year		Persons	In million Rupiah	24,117	2,100,323
Total Variable Remuneration for 1 (one) Year									
Persons	In million Rupiah								
24,117	2,100,323								
m.	Position and number of parties who become MRT		<ol style="list-style-type: none"> 1. President Director 2. All Directors 3. President Commissioner 4. All Commissioners <p>Total of MRT: 16 people</p>						
n.	Shares option owned by the Board of Directors, Board of Commissioners, and Executive Officers		No share options for the Board of Directors, Board of Commissioners and/or Executive Officers during 2017						

No	Regulation	Detail	Disclosure								
o.	The ratio of the highest and lowest salaries		The highest and lowest salary ratio, which includes: 1) highest and lowest salary ratio = 32.99 2) the highest and lowest salary ration of Board of Directors = 3.00 3) the highest and lowest salary ratio of the Board of Commissioners = 1.62 and 4) the highest salary ratio of Board of Directors and highest employee = 8.05								
p.	The number of recipients and the total amount of Unconditional Variable Remuneration will be granted by the Bank to prospective Directors, candidates for Board of Commissioners and/or prospective Employees during the first 1 (one) year of work		There was no correlation in the Company/no sign-on bonus.								
q.	Number of employees affected by termination of employment and total nominal severance paid		Number of employees affected by termination of employment and total nominal severance paid as shown in the table below: <table border="1" data-bbox="788 1012 1457 1218"> <thead> <tr> <th>Nominal Amount of Severance paid per Person in 1 (One) Year</th> <th>Number of Employees</th> </tr> </thead> <tbody> <tr> <td>Above Rp1 billion</td> <td>74 people</td> </tr> <tr> <td>Above Rp500 million up to Rp1 billion</td> <td>231 people</td> </tr> <tr> <td>Below Rp500 million</td> <td>518 people</td> </tr> </tbody> </table>	Nominal Amount of Severance paid per Person in 1 (One) Year	Number of Employees	Above Rp1 billion	74 people	Above Rp500 million up to Rp1 billion	231 people	Below Rp500 million	518 people
Nominal Amount of Severance paid per Person in 1 (One) Year	Number of Employees										
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r.	Total deferred Variable Remuneration, consisting of cash and/or shares or stock-based instruments issued by Bank		Total deferred Variable Remuneration, which consists of cash and/or shares or stock-based instruments issued by the Company, has not been implemented for payment of 2017								
s.	Total Deferred Variable Remuneration paid for 1 (one) year		Total Deferred Variable Remuneration paid for 1 (one) year has not been implemented for payment of 2017								

No	Regulation	Detail	Disclosure																		
t.	Details of Remuneration amount given in 1 (one) year	<ol style="list-style-type: none"> Fixed Remuneration or Variable Remuneration; Deferred and non-suspended remuneration; and Form of Remuneration granted in cash and / or shares or stock-based instruments issued by Bank 	<p>The details of remuneration given in 1 (one) year include:</p> <table border="1"> <thead> <tr> <th colspan="2">A. Fixed Remuneration *)</th> </tr> </thead> <tbody> <tr> <td>1. Cash</td> <td>155.614</td> </tr> <tr> <td>2. Shares/stock-based instruments issued by the Bank</td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">B. Variable Remuneration *)</th> </tr> <tr> <th></th> <th>Not With-held</th> <th>With-held</th> </tr> </thead> <tbody> <tr> <td>1. Cash</td> <td>263.629</td> <td>Rp 0</td> </tr> <tr> <td>2. Shares/stock-based instruments issued by the Bank **)</td> <td>26.985</td> <td>Rp 0</td> </tr> </tbody> </table> <p>Description: *) Only for MRT is disclosed in millions of Rupiah **) Shares locked up for 3 years</p>	A. Fixed Remuneration *)		1. Cash	155.614	2. Shares/stock-based instruments issued by the Bank		B. Variable Remuneration *)				Not With-held	With-held	1. Cash	263.629	Rp 0	2. Shares/stock-based instruments issued by the Bank **)	26.985	Rp 0
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1. Cash	263.629	Rp 0																			
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u.	Quantitative information	<ol style="list-style-type: none"> Remaining total Remuneration still pending, whether exposed to implicit or explicit adjustments; Remuneration deductions total caused due to explicit adjustment during the reporting period; and Remuneration deductions total caused due to implicit adjustment during the reporting period 	<p>Quantitative information relating to total residual Remuneration that still pending, whether exposed to implicit or explicit adjustments, total Remuneration deductions caused by explicit adjustments during the reporting period, and total Remuneration deductions caused by implicit adjustments during the reporting period are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Variable Remuneration *)</th> <th rowspan="2">Shares That Are Still With-held</th> <th colspan="3">Total Reductions during the Reporting Period</th> </tr> <tr> <th>Caused Explicit Adjustment (A)</th> <th>Caused Implicit Adjustment (B)</th> <th>Total (A)+(B)</th> </tr> </thead> <tbody> <tr> <td>1. Cash (In Million Rupiah)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2. Shares/ stock-based instruments issued by the Bank (in shares and nominal amount in million Rupiah converted from such shares)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Description: *) For Material Risk Takers only</p>	Variable Remuneration *)	Shares That Are Still With-held	Total Reductions during the Reporting Period			Caused Explicit Adjustment (A)	Caused Implicit Adjustment (B)	Total (A)+(B)	1. Cash (In Million Rupiah)	-	-	-	-	2. Shares/ stock-based instruments issued by the Bank (in shares and nominal amount in million Rupiah converted from such shares)	-	-	-	-
Variable Remuneration *)	Shares That Are Still With-held	Total Reductions during the Reporting Period																			
		Caused Explicit Adjustment (A)	Caused Implicit Adjustment (B)	Total (A)+(B)																	
1. Cash (In Million Rupiah)	-	-	-	-																	
2. Shares/ stock-based instruments issued by the Bank (in shares and nominal amount in million Rupiah converted from such shares)	-	-	-	-																	

COMMITTEES UNDER BOARD OF COMMISSIONERS

Committees under the Company's Board of Commissioners are:

1. Audit Committee
2. Risk Oversight Committee
3. Remuneration and Nomination Committee
4. Integrated Governance Committee

AUDIT COMMITTEE

The Audit Committee is formed by, and answers directly to, the Board of Commissioners. The purpose of Audit Committee is to assist the Board of Commissioners to support the effectiveness of the oversight/supervision duties and functions on matters related to financial reporting, internal control systems, performance of intern and extern audit function, implementation of Good Corporate Governance (GCG) and compliance with the applicable laws and regulations.

A. Legal Basis

The formation of Audit Committee refers to:

- Financial Services Authority Regulation No. 55/POJK.04/2015 on Establishment and Guidelines of Work Implementation of Audit Committee.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.

B. Audit Committee Charter

In performing its duties and responsibilities to monitor internal control, the Company's Audit Committee has already been equipped with work program established in the Audit Committee Charter. The Company's Audit

Committee Charter and Code of Conduct have been adjusted to the prevailing provisions of Financial Services Authority and approved based on the Decision of Board of Commissioners No. 057/SK/KOM/2016 dated March 16, 2016 on Approval of Audit Committee Charter of PT Bank Central Asia Tbk.

The scope governed in Audit Committee Charter is as follows:

- Duties and Responsibilities.
- Authority.
- Structure and Membership Committee.
- Membership requirements.
- Term of Duty.
- Work mechanism.
- Work hours.
- Meetings.
- Reporting.
- Handling of Complaints/Reports regarding Claims about Infractions in Financial Reports.
- Code of ethics.

Audit Committee Charter and Code of Conduct have been uploaded to the official website of the Company (www.bca.co.id) under Good Corporate Governance.

C. Structure and Membership of Audit Committee

The Company's Audit Committee comprises 3 (three) members as follows:

- one Independent Commissioners cum Head of Audit Committee;
- one Independent Party having expertise in finance/accounting; and
- one Independent Party having expertise in banking.

Composition of Audit Committee as of December 31, 2017

Name	Position	Period of Service
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)	2016 - 2021
Ilham Ikhsan	Member (Independent Party)	2016 - 2021
Tjen Lestari	Member (Independent Party)	2016 - 2021

The Company's Audit Committee has complied with the prevailing provisions and is appointed based on the Decision Letter of Board of Directors No. 078/SK/DIR/2016 dated June 2, 2016 and Meeting Decision of Board of Commissioners No. 23/RR/KOM/2016 dated June 1, 2016.

D. Profile of Audit Committee Members**Cyrrillus Harinowo**

Educational background, position and work experience of Audit Committee member can be seen in Corporate Profile section on page 70 of this 2017 Annual Report.

Ilham Ikhsan

Educational background, position and work experience of Audit Committee member can be seen in Corporate Profile section on page 70 of this 2017 Annual Report.

Tjen Lestari

Educational background, position and work experience of Audit Committee member can be seen in Corporate Profile section on page 71 of this 2017 Annual Report.

E. Education or Training Activities

During the year, members of Audit Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Ilham Ikhsan	9 th National Conference	IAIB	Surabaya	November 9-10, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
2.	Tjen Lestari	9 th National Conference	IAIB	Surabaya	November 9-10, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017

F. Term of Duty of Audit Committee

Term of duty of the Audit Committee members shall expire at the end of the term of the Audit Committee Chairman who is also an Independent Commissioner. The Audit Committee term of duty for this period will end at the closing of the 2021 Annual GMS.

G. Independence and Requirements of Audit Committee Members

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

Independency aspect the Audit Committee is described in the following table:

Independency Aspect	Cyrrillus Harinowo	Ilham Ikhsan	Tjen Lestari
Having no financial relationship with the Board of Commissioners and the Board of Directors	√	√	√
Having no management relationship at the Company, subsidiaries or affiliated companies	√	√	√
Having no share ownership in the Company	√	√	√
Having no family relationship with the Board of Commissioners, Board of Directors, and/or other members of Audit Committee	√	√	√
Not serving as an officer at any political party or government official	√	√	√

Requirements for Audit Committee members are as follows:

1. Having good integrity, character and morals.
2. Possessing the skills, knowledge and experience in accordance to his/her field of duties, and having good communication skills.
3. Having the understanding of the financial statements, business of the Company – particularly in relation to Company's services or business activities, audit process, and rules and regulation in Capital Markets and other relevant laws and regulations.
4. Complying with the Company's code of ethics and Audit Committee's code of conduct established by the Company.
5. Being willing to continuously improve competence through training and education.
6. Having at least one member with educational background and expertise in accounting and/or finance.
7. Not serving as a member of Public Accountant Firm, Law Firm, Appraiser, or other parties providing assurance service, non-assurance service, appraisal service, and/or other consulting services to the Company within the past 6 (six) months.
8. Not working or having authority and responsibilities to plan, lead, control, or supervise the Company's activities within the past 6 (six) months, except for position as Independent Commissioner.
9. Not serving on a board of directors in other banks.
10. Not having either direct or indirect share ownership in the Company.
11. In the event an Audit Committee member acquires shares either directly or indirectly as a result of a legal event, the concerned member must transfer the shares to other parties within a maximum period of 6 (six) months after the shares were acquired.
12. Not being affiliated with the members of Board of Commissioners or Board of Directors, or major shareholders of the Company.
13. Not having direct or indirect business relationship with the Company's business activities.
14. For the Head of Audit Committee, only having another concurrent position as Head of Committee at 1 (one) Committee in the Company.

15. For Audit Committee members who are independent parties, holding more than one position as an independent party at other Committees in the Company, other banks, and/or other companies is allowed, as long as he/she:
 - a. Meets all the required competencies;
 - b. Meets the independence criteria;
 - c. Is able to keep Company matters confidential;
 - d. Observes the applicable code of conduct; and
 - e. Not neglecting the implementation of duties and responsibilities as a member of the Committee

H. Duties and Responsibilities of Audit Committee

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

- 1) Monitoring and evaluating the planning and implementation of audit activities as well as monitoring the follow-up actions of audit findings in order to assess the adequacy of internal controls including the adequacy of financial reporting process.
- 2) To conduct duties as describe in point 1) and to provide and evaluating the following in order to carry out the above-stated duties and to provide recommendations to the Board of Commissioners, Audit Committee, provide the oversight and evaluation to:
 - The implementation of tasks by the Internal Audit Division;
 - The adherence of the conduct of audit performed by Public Accountant Firm with the prevailing auditing standards;
 - The adherence of Financial Statements to the prevailing Accounting Standards;
 - Provision of independent opinion in the event of dissenting opinions between the Management and Public Accountant Firm for the service rendered.
- 3) Conducting follow up actions made by the Board of Directors on the findings of Audit Internal Division, Public Accountant Firm and supervision results of Financial Services Authority and Bank Indonesia.
- 4) Reviewing other financial information that will be issued by the Company to the public and/or authorities such as projections and other reports relating to the financial information of the Company.

- 5) Reviewing the Company's compliance with the laws and regulations in banking, capital market, and other laws and regulations pertaining to the Company's business activities.
 - 6) Providing recommendation to the Board of Commissioners concerning the appointment of Public Accountant Firm, based on the independence, scope of work, and fees.
 - 7) Reviewing and reporting to the Board of Commissioners regarding complaints in relation to the accounting process and financial reporting of the Company.
 - 8) Reviewing and providing advice to the Board of Commissioners in relation to potential conflict of interest at the Company.
 - 9) Reviewing and monitoring the implementation of effective and sustainable GCG practices.
 - 10) Performing other tasks relevant to the functions of Audit Committee at the request of the Board of Commissioners.
 - 11) Maintaining the confidentiality of documents, data and information of the Company.
- 2) To access documents, data and information regarding the Company's employees, funds, assets and other resources as required.
 - 3) To communicate directly with employees, including the Board of Directors and other parties executing internal audit and risk management functions, and Accountants regarding the duties and responsibilities of Audit Committee.
 - 4) If needed, to involve independent parties outside the members of Audit Committee whose services are required in order to assist the Committee in carrying out its duties.
 - 5) To perform other actions with authority granted by the Board of Commissioners.

I. Authority of Audit Committee

In performing its duties, the Audit Committee has the authority to carry out the following activities:

- 1) To receive reports from Head of Internal Audit Division, including, among others, Internal Audit Division work plan, internal audit implementation report and internal audit result report.

J. Policies and Implementation of Audit Committee Meetings

Audit Committee holds 4 (four) meetings, at the very least, in a year as stipulated in Decision Letter of the Board of Commissioners No. 057/SK/KOM/2017 on Audit Committee Charter. During 2017, the Company's Audit Committee has held 21 (twenty-one) meetings.

Delivery of results of Audit Committee meeting is as follows:

- 1) Results of Audit Committee meetings should be stated in the minutes of meeting and properly documented.
- 2) Dissenting opinions that occur in the meetings of the committee should be clearly stated in the minutes of meeting along with the reasons behind such dissent.

Attendance of Audit Committee's members in meetings conducted during the year is described in the following table:

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

Meetings of Audit Committee during 2017 are as follows:

Date	Agenda
8 February 2017	Audit Committee Q4 2016 Report to the Board of Commissioners
10 February 2017	Audit Result of KPMG (Public Accountant Firm)
16 February 2017	Work Realization of Internal Audit Division in 2016 and 2017 Work Plan
26 February 2017	Published Financial Statement December 2016 (Audited)
29 March 2017	Audit Committee Report to the Board of Commissioners on LAKU Project Update
5 April 2017	Routine Meeting of Audit Committee with Internal Audit Division (I)
13 April 2017	Published Financial Statement Q1 2017

Date	Agenda
26 April 2017	Routine Meeting of Audit Committee with Internal Audit Division (II)
17 May 2017	Audit Committee Q1 2017 Report to the Board of Commissioners
7 June 2017	Presentation for the Appointment of Public Accountant Firm in 2017
12 July 2017	Routine Meeting of Audit Committee with Internal Audit Division (III)
26 July 2017	Published Financial Statement Q2 2017
23 August 2017	Audit Committee Q2 2017 Report to the Board of Commissioners
30 August 2017	Realization of Internal Audit Division of Semester II of 2017
11 October 2017	Routine Meeting of Audit Committee with Internal Audit Division (IV)
25 October 2017	Published Financial Statement Q3 2017
25 October 2017	Audit Plan and Audit Progress (KAP-PwC)
15 November 2017	Audit Committee Q3 2017 Report to the Board of Commissioners
22 November 2017	Routine Meeting of Audit Committee with Internal Audit Division (V)
15 December 2017	Routine Meeting of Audit Committee with Internal Audit Division (VI)
15 December 2017	PwC (Public Accountant Firm) Audit Results

K. Realization of Work Program and Implementation of Activities of Audit Committee in 2017

The following points described the realization of work programs as well as activities of the Audit Committee in 2017:

- 1) Conducted meetings with Siddharta Widjaja & Partners Public Accountant Firm to discuss the final audit results on the Company's Financial Statements for 2016 fiscal year along with the Management Letter.
- 2) Provided recommendations to the Board of Commissioners regarding Public Accountant Firm replacement to conduct audit activities on the Company's Financial Statements for 2017 fiscal year.
- 3) Conducted meetings with Tanudiredja, Wibisana, Rintis & Partners Public Accountant Firm to discuss the plan and scope of audit activities on the Company's Financial Statements for 2017 fiscal year.
- 4) Conducted meetings with Finance and Planning Division to review the Bank's Financial Statements to be published quarterly.
- 5) Conducted 8 (eight) meetings with the Internal Audit Division to:
 - a) Evaluate annual planning.
 - b) Evaluate internal audit implementation in every semester.
 - c) Discuss audit results deemed significant.
- 6) Attended internal audit exit meetings at 2 (two) work units at the Head Office and 3 (three) Main Branch Offices, and inspection of 2 (two) Supporting Branch Offices as part of internal audit quality assessment process as well as assessment of the internal audit adequacy and effectiveness.
- 7) Reviewed internal audit result reports (more than 150 reports) and monitor the follow-up actions.
- 8) Reviewed the Company's compliance with the applicable provisions, regulations, and laws in banking field through the review of compliance report on prudent principles reported in each semester.
- 9) Reviewed the credit portfolio report issued in each semester.
- 10) Monitored the implementation of risk management through the Company's Risk Profile quarterly report and Operation Risk Management Information System (ORMIS) monthly report.
- 11) Conducted reviews on:
 - a) Examination results by the Financial Services Authority and its follow-ups.
 - b) Examination results by Bank Indonesia and its follow-ups.
 - c) Management Letter from Siddharta Widjaja & Partners Public Accountant Firm and its follow-ups.
- 12) Reported the result of reviews and regular evaluation on the aspects of governance, risk management, compliance and control to the Board of Commissioners every quarter.
- 13) Attended GMS, Analyst Meeting, and the 2018 National Meeting of the Company to monitor GCG implementation.

RISK OVERSIGHT COMMITTEE

Risk Oversight Committee (ROC) is established to assist the Board of Commissioners in carrying out their responsibilities to supervise risk in accordance with the prevailing regulations.

A. Legal Basis

The establishment of Risk Oversight Committee refers to the following:

- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.
- Decision Letter of Board of Commissioners of PT Bank Central Asia Tbk No. 033/SK/KOM/2007 dated February 22, 2007 on Risk Oversight Committee Structure.
- Decision Letter of Board of Directors of PT Bank Central Asia Tbk No. 108/SK/DIR/2016 dated August 11, 2016 on Appointment and Replacement of Chairman of Risk Oversight Committee.
- Decision Letter of Board of Directors of PT Bank Central Asia Tbk No. 144A/SK/DIR/2016 dated September 30, 2016 on Appointment

and Replacement of Members of Risk Oversight Committee.

B. Risk Oversight Committee Charter

In performing their duties and responsibilities, the Risk Oversight Committee has established work guidelines stipulated in the Risk Oversight Committee Charter. The Risk Oversight Committee Charter has been approved by the Decision of Board of Commissioners No. 188/SK/KOM/2017 dated July 12, 2017 on Risk Oversight Committee Charter of PT Bank Central Asia, Tbk.

The Charter governs the Committee's duties and responsibilities, authority, membership structure, membership requirements, work mechanism, code of ethics, work hours, and meeting mechanism.

C. Structure and Membership of Risk Oversight Committee

The Risk Oversight Committee comprises 3 (three) members as follows:

- One Independent Commissioners concurrently Chairman of Risk Oversight Committee;
- One Independent Party having expertise in risk management; and
- One Independent Party having expertise in finance.

Composition of Risk Oversight Committee per December 31, 2017 is as follows:

Name	Position	Period of Service
Sumantri Slamet	Chairman (concurrently as Independent Commissioner)	2016 - 2021
Endang Swasthika Wibowo	Member (Independent Party)	2016 - 2021
Lianny Somyadewi D.	Member (Independent Party)	2016 - 2021

The appointment of members of Risk Oversight Committee of PT Bank Central Asia Tbk was conducted by the Board of Directors through Decision Letter No. 144A/SK/DIR/2016 dated September 30, 2017, and Meeting Decision of Board of Commissioners No. 40/RR/KOM/2016 dated September 28, 2016.

D. Profile of Risk Oversight Committee Members

Sumantri Slamet

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2017 Annual Report.

Endang Swasthika Wibowo

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2017 Annual Report.

Lianny Somyadewi D.

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2017 Annual Report.

E. Education or Training Activities

Throughout 2017, members of Risk Oversight Committee participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Endang S. Wibowo	Liquidity Regulation, Parameters and Strategy	IAIB	Bali	August 9-10, 2017
		Seminar IBEX	Perbanas	Jakarta	September 19, 2017
		Indonesia Knowledge Forum VI	BCA	Jakarta	October 3-4, 2017
2.	Lianny Somyadewi D.	Refreshment Program: Risk Management Certification	BARa	Jakarta	March 23-24, 2017
		Seminar IBEX	Perbanas	Jakarta	September 19, 2017
		Indonesia Knowledge Forum VI	BCA	Jakarta	October 3-4, 2017

F. Term of Duty of Risk Oversight Committee

The Term of duty of the Risk Oversight Committee members shall expire upon the completion of the term of duty of the Chairman who also serves as an Independent Commissioner. Accordingly, the term of duty of Risk Oversight Committee members within this period also resembles the term of duty of the Board of Commissioners which will end upon the close of the Annual GMS of 2021.

G. Independency and Requirements of Risk Oversight Committee Members

All members of Risk Oversight Committee are independent parties, not having financial and management relationship, share ownership and/or family relationship with members of Board of Commissioners, Board of Directors, and/or Controlling Shareholders, or business relationship with the Company that may influence their ability to act independently.

Independency of the Risk Oversight Committee is described in the following table:

Independency Aspect	Sumantri Slamet	Endang S. Wibowo	Lianny Somyadewi D.
Having no financial relationship with the Board of Commissioners and Board of Directors	√	√	√
Having no management relationship at the Company, subsidiaries or affiliated companies	√	√	√
Having no share ownership in the Company	√	√	√
Having no family relationship with the Board of Commissioners, Board of Directors, and/or other members of Risk Oversight Committee	√	√	√
Not serving as an officer at any political party or government official	√	√	√

The requirements to be met by members of Risk Oversight Committee are, among others, as follows:

- Chairman of Risk Oversight Committee can hold only 1 (one) other concurrent positions at another committee of the Company.
- For Risk Oversight Committee members who are independent parties, holding more than one position as an independent party at other Committees in the Company, other banks, and/or other companies is allowed, as long as he/she:
 - Meets all the required competencies;
 - Meets the independence criteria;
 - Is able to keep Company matters confidential;
 - Observes the applicable code of conduct; and
- For Risk Oversight Committee members who are independent parties, they must be originate from external party of the Company and have no financial and management relationship, share ownership and/or controlling shareholders or relationship with the Company that may influence their ability to act independently.
- Former members of Board of Directors or Executive Officers of the Company or other parties having relationship with the Company that may influence the ability to act independent are not allowed to become an Independent Party to serve on the
- Does not neglect the implementation of duties and responsibilities as a member of the Committee.

Company's Risk Oversight Committee, if he/she has not passed the cooling off period for 6 (six) months. This provision is not applicable for former Directors or Executive Officers whose duties are to conduct oversight function.

5. Members of Risk Oversight Committee shall have good integrity, character and moral.
6. Members of Board of Directors are not allowed to become a member of Risk Oversight Committee.

H. Duties and responsibilities of Risk Oversight Committee

Duties and responsibilities of the Risk Oversight Committee are, among others:

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

3. Preparing and/or updating work guidelines and procedures of Risk Oversight Committee.
4. Conducting other duties that are relevant with the oversight function as requested by the Board of Commissioners.

I. Authority of Risk Oversight Committee

In implementing its function, the Risk Oversight Committee has the following authority:

1. To receive reports from the Board of Directors and management regarding significant risk management issues so as to be able to provide recommendations to the Board of Commissioners.
2. To perform other activities in accordance with the Guidelines of Risk Oversight Committee as delegated by the Board of Commissioners.

J. Policies and Meeting Implementation of Risk Oversight Committee

Risk Oversight Committee meetings are held at least 4 (four) times a year as stipulated in the Risk Oversight Committee Charter. During 2017, Risk Oversight Committee held 12 (twelve) meetings. Minutes of meetings are prepared for each meeting detailing the dates of meetings, attendance of the Risk Oversight Committee members, meeting agenda, and meeting materials.

Attendance of Risk Oversight Committee's members in the meeting conducted during the year is described in the following table:

Name	Total Meetings	Attendance	Percentage
Sumantri Slamet	12	12	100%
Endang Swasthika Wibowo	12	11	92%
Lianny Somyadewi D.	12	12	100%

Agendas of Risk Oversight Committee meeting in 2017 are as follows:

Date	Agenda
January 30, 2017	Credit Risk: Review and stress test of credit issues at Branches and MSMEs
February 16, 2017	Risk Oversight Committee Q4/2016 Report to the Board of Commissioners
March 6, 2017	Reputation Risk: Fraud and non-Fraud events, and social media monitoring
April 17, 2017	Operational Risk: IT Security
May 24, 2017	Risk Oversight Committee Q1/2017 Report to the Board of Commissioners
July 31, 2017	Credit Risk: Corporate Loan Portfolio Review & Stress Test
August 8, 2017	Discussion: updated potential triggers, Crisis Management and BCP
August 23, 2017	Risk Oversight Committee Q2/2017 Report to the Board of Commissioners
October 24, 2017	Review on the Regulations of Recovery Plan and Risk Grading
October 31, 2017	Market Risk and Liquidity Risk: review and stress test
November 15, 2017	Risk Oversight Committee Q3/2017 Report to the Board of Commissioners
December 18, 2017	Review on the Regulations of Capital Additions by Seeking Loans to the Recovery Plan

K. Realization of Work Program and Implementation of Activities of Risk Oversight Committee in 2017

The following points described the realization of work programs as well as activities of Risk Oversight Committee in 2017:

1. Monitored the implementation of duties of Risk Management Committee.
2. Monitored the implementation of duties of Risk Management Work Unit.
3. Reviewed the Company's Risk Profile, especially those related to operational risk, reputation risk, market risk and liquidity risk.
4. Reviewed and conducted stress test on Market Risk and Liquidity Risk, as well as stress test on Credit Risk.
5. Prepared Risk Oversight Committee Charter that is adjusted to the development of the new regulations.
6. Reviewed Financial Services Authority Regulation No. 14/POJK.03/2017 on Recovery Plan, particularly those related to the authority of Board of Commissioners and Board of Directors.
7. Prepared Risk Grading to monitor credit, market, liquidity and operational risks.
8. Ensured that the proper implementation of GCG is in place by attending the General Meeting of Shareholders, Analyst Meeting, and 2018 National Work Meeting.

REMUNERATION AND NOMINATION COMMITTEE

A. Legal Basis

The establishment of Remuneration and Nomination Committee refers to the following:

- Financial Services Authority Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee in Issuers or Public Companies.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.
- Corporate Governance Guidelines of the Company.
- The Board of Commissioners Decision Letter of PT Bank Central Asia Tbk No. 035/SK/KOM/2017 dated

February 24, 2017 on Structure of Remuneration and Nomination Committee.

- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 107A/SK/DIR/2016 dated August 10, 2016 on Appointment of Members of Remuneration and Nomination Committee.

B. Principal Function of Remuneration and Nomination Committee

The Remuneration and Nomination Committee is established to enhance the quality of top management through the remuneration and nomination policies by always taking into account the Company's business sustainability.

C. Remuneration and Nomination Committee Guidelines

In performing its duties and responsibilities, the Remuneration and Nomination Committee has been equipped with work guidelines of Remuneration and Nomination Committee as stipulated in the Good Corporate Governance Manual on the Chapter of Committees under Board of Commissioners.

Work Guidelines and Procedures of Remuneration and Nomination Committee cover:

- Composition and Structure of Membership.
- Duties and Responsibilities.
- Work Mechanism.
- Ethics and Work Hours.
- Meetings.
- Activity Reporting System.
- Procedures for Replacement Members.
- Term of duty.

D. Membership of Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee comprises 3 (three) members as follows:

- one Independent Commissioner as Chairman of Remuneration and Nomination Committee;
- the President Commissioner; and
- one Executive Officer in charge of Human Capital Management Division (Human Resources). The Executive Officer is knowledgeable of remuneration and/or nomination system and succession plan.

Composition of Remuneration and Nomination Committee as of December 31, 2017 is as follows:

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

The appointment of Remuneration and Nomination Committee members is undertaken by the Board of Directors through Decision Letter No. 107A/SK/DIR/2016 dated August 10, 2016 based on the Meeting Decision of Board of Commissioners No. 31/RR/KOM/2016 dated August 10, 2016.

Educational background, position and work experience of Remuneration and Nomination Committee members can be found under Corporate Profile section on page 73 of this 2017 Annual Report.

E. Profile of Remuneration and Nomination Committee Members

Raden Pardede

Educational background, position and work experience

F. Education or Training Activities

Throughout 2017, members of Remuneration and Nomination Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Hendra Tanumihardja	Workshop KPI Alignment	BCA	Jakarta	February 27, 2017
		Leadership in Agile Organization	BCA	Jakarta	July 14, 2017
		Strategic Leaders Program-Vision, Strategy and Managing The Organization To Drive Result	Michigan Ross Execution Education	Hong Kong	November 20-24, 2017

G. Term of Duty of Remuneration and Nomination Committee

Term of duty of the Remuneration and Nomination Committee members shall expire upon the completion of the term of duty of the Chairman who also serves as an Independent Commissioner. Accordingly, the term of duty of Remuneration and Nomination Committee members within this period will end upon the close of the AGMS of 2021.

H. Independency and Requirements of Remuneration and Nomination Committee

All members of Remuneration and Nomination Committee are independent parties, not having financial and management relationship, share ownership and/or family relationship with members of Board of Commissioners, Board of Directors, and/or Controlling Shareholders, or business relationship with the Company that may influence their ability to act independently.

Independency of the Remuneration and Nomination Committee is described in the following table:

Independency Aspect	Raden Pardede	D.E. Setijoso	Hendra Tanumihardja
Having no financial relationship with the Board of Commissioners and Board of Directors	√	√	√
Having no management relationship at the Company, subsidiaries or affiliated companies	√	√	√
Having no share ownership in the Company	√	√	√
Having no family relationship with the Board of Commissioners, Board of Directors, and/or other members of Risk Oversight Committee	√	√	√
Not serving as an officer at any political party or government official	√	√	√

of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2017 Annual Report.

D.E. Setijoso

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2017 Annual Report.

Hendra Tanumihardja

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2017 Annual Report.

I. Duties and Responsibilities of Remuneration and Nomination Committee

Duties and responsibilities of the Company's Remuneration and Nomination Committee are, among others:

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

In addition, pursuant to Financial Services Authority Regulation No. 34/POJK.04/2014 dated December

8, 2014 regarding Nomination and Remuneration Committee of Issuers or Public Companies, the Remuneration and Nomination Committee has the following duties and responsibilities:

- a. Relating to Nomination function:
 1. Providing recommendations to the Board of Commissioners on:
 - a) composition of Board of Directors and/or Board of Commissioners;
 - b) policies and criteria required in Nomination process; and
 - c) performance evaluation policy for Board of Directors and/or Board of Commissioners.
 2. Assisting the Board of Commissioners to assess the performance of Board of Directors and Board of Commissioners based on pre-established benchmarks as the evaluation material.
 3. Providing recommendations to the Board of Commissioners on the competence development for Board of Directors and/or Board of Commissioners.
 4. Nominating the candidates for Directors and/or Commissioners to the Board of Commissioners to be submitted to the GMS.
- b. Relating to Remuneration function:
 1. Providing recommendations to the Board of Commissioners on:
 - a) remuneration structure;
 - b) remuneration policy; and
 - c) amount of remuneration.
 2. Assisting the Board of Commissioners to assess the performance in accordance with the Remuneration received by each member of Board of Directors and/or Board of Commissioners.

J. Policies and Meetings implementation of Remuneration and Nomination Committee

The Remuneration and Nomination Committee holds meetings in accordance with the needs of the Company, at the very least once every 4 (four) months, as stipulated in the Financial Services Authority Regulation No. 34/POJK.04/2014 dated December 8, 2014 on Nomination and Remuneration Committee of Issuers or Public Companies. In 2017, the Company's Remuneration and Nomination Committee held 5 (five) meetings.

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

Attendance of Remuneration and Nomination Committee's members in the meeting conducted during the year is described in the following table:

Name	Total Meetings	Attendance	Percentage
Raden Pardede	5	5	100%
D.E. Setijoso	5	5	100%
Hendra Tanumihardja	5	5	100%

K. Policies Concerning Board of Directors Succession Plan

- 1) Develop and provide recommendations on systems and procedure of selection and/ or replacement of members of Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the GMS.
- 2) Provide recommendations on prospective members of Board of Commissioners and/or Board of Directors to the Board of Commissioners to be submitted to the GMS.
- 3) Rotate the positions of each executive officer in order to prepare the executive officers of the Company to gain broad knowledge and experience as an officer at the head or branch offices.

L. Realization of Work Program of Remuneration and Nomination Committee in 2017

Over the course of the year, the Remuneration and Nomination Committee has held 5 (five) meetings and realized the Committee's work programs as follows:

1. Provided recommendations to the Board of Commissioners on the distribution of *tantiem* for 2016 fiscal year to all members of Board of Commissioners and Board of Directors who were in charge in 2016 fiscal year, to be communicated at the Annual GMS on April 6, 2017 for approval.
2. Provided recommendations to the Board of Commissioners of follow-up action of the implementation of Bank Indonesia's Regulation in the Employment of Foreign Workforce in relation to the Change in Controlling Shareholders of the company.
3. Provided recommendations to the Board of Commissioners to increase the number of Board of Directors' members that will lead the Finance function for the period of 2018 – 2021.
4. Conducted discussions related to the policy proposal on delay in *tantiem* and clawback

provisions for the Board of Directors and Board of Commissioners in order to implement Financial Services Authority Regulation No. 45/POJK.03/2015.

INTEGRATED GOVERNANCE COMMITTEE

The Integrated Governance Committee is established by and answer directly to the Board of Commissioners as the Primary Legal Entity within the Financial Conglomerates. The Committee's purpose is to assist the Company's Board of Commissioners to oversee the implementation of Integrated Governance.

A. Legal Basis

The establishment of Integrated Governance Committee refers to the following:

- Financial Services Authority Regulation No. 18/POJK.03/2014 on Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on Implementation of Integrated Governance for Financial Conglomerates.
- The Board of Commissioners Decision Letter of PT Bank Central Asia Tbk No. 037/SK/KOM/2015 dated February 26, 2015 on Establishment of Integrated Governance Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 109/SK/DIR/2016 dated August 11, 2016 on Appointment and Changes Made on the Position of Head of Integrated Governance Committee.

- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 119/SK/DIR/2017 on Appointment of Members of Integrated Governance Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 160A/SK/DIR/2017 dated November 21, 2017, on Revision to the Guideline of Integrated Governance.

B. Integrated Governance Manual

In performing its duties and responsibilities, the Integrated Governance Committee has established work guidelines stipulated in the Integrated Governance Guidelines of the Company.

The Integrated Governance Manual covers the following matters:

- Legal basis.
- Position.
- Duties and responsibilities.
- Structure of membership.
- Number and Composition of Independent Commissioners.

- Term of Duty.
- Work Mechanism.
- Committee Meetings.
- Minutes of Meetings.
- Reporting.

C. Structure and Membership of Integrated Governance Committee

Membership of the Integrated Governance Committee at least must consist of:

- an Independent Commissioner of the Bank (as Primary Legal Entity) as the Chairman concurrently as Member of the Committee;
- Independent Commissioners representing and appointed by Financial Services Institution in the Financial Conglomerates as Committee's members;
- an Independent Party as Committee is member; and
- members of Sharia Supervisory Board from Financial Services Institution in the Financial Conglomerates as Committee is member.

Composition of Integrated Governance Committee per December 31, 2017 is as follows:

Name	Position	Period of Service
Sumantri Slamet	Chairman (concurrently as Independent Commissioner of Primary Legal Entity)	2016 - 2021
Wimpie Rianto	Member (Independent Party of Primary Legal Entity)	2016 - 2021
Adhi Gunawan Budirahardjo	Member (Independent Commissioner of PT BCA Finance)	2016 - 2021
Gustiono Kustianto	Member (Independent Commissioner of PT Asuransi Umum BCA)	2016 - 2021
Pudjianto	Member (Independent Commissioner of PT Asuransi Jiwa BCA)	2016 - 2021
Suyanto Sutjiadi	Member (Independent Commissioner of PT Bank BCA Syariah)	2016 - 2021
Sutedjo Prihatono	Member (Member of Sharia Supervisory Board of PT Bank BCA Syariah)	2016 - 2021
Rudy Harjono	Member (Independent Director of BCA Finance Limited)	2016 - 2021
Mendari Handaya	Member (Independent Commissioner of PT Central Santosa Finance)	2016 - 2021
Hendra Iskandar Lubis	Member (Independent Commissioner of PT BCA Sekuritas)	2017 - 2021

Number and Composition of Independent Commissioners

The number and composition of Independent Commissioners serving as members of the Integrated Governance committee have been adjusted to the needs of the Financial Conglomerates as well as the efficiency and effectiveness in carrying out its duties, by at least taking into consideration the representation of each financial service provider within the Financial Conglomerates.

D. Profile of Integrated Governance Committee Members

Sumantri Slamet

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 74 of this 2017 Annual Report.

Wimpie Rianto

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 74 of this 2017 Annual Report.

Adhi Gunawan Budirahardjo

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 75 of this 2017 Annual Report.

Gustiono Kustianto

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 75 of this 2017 Annual Report.

Pudjianto

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 76 of this 2017 Annual Report.

Suyanto Sutjiadi

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 76 of this 2017 Annual Report.

Sutedjo Prihatono

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 77 of this 2017 Annual Report.

Rudy Harjono

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 77 of this 2017 Annual Report.

Mendari Handaya

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 78 of this 2017 Annual Report.

Hendra Iskandar Lubis

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 78 of this 2017 Annual Report.

E. Education or Training Activities

Throughout 2017, members of Integrated Governance Committee participated in the following education or training activities.

No	Name	Education/Training	Organizer	Location	Date
1.	Wimpie Rianto	IKF VI	BCA	Jakarta	October 3-4, 2017
2.	Adhi Gunawan Budirahardjo	National Seminar "Opportunities and Challenges in 2018"	Indonesian Financial Services Association	Yogyakarta	October 20, 2017
3.	Gustiono Kustianto	The "Nuts & Bolts" of Treaty Reinsurance	Singapore College of Insurance	Singapore	March 27-28, 2017
		Master Class Risk Governance International	ERMA	Yogyakarta	December 6, 2017
		Conference on Navigating the Future of Risk	ERMA	Yogyakarta	December 7-8, 2017

F. Term of Duty of Integrated Governance Committee

Term of duty of the Integrated Governance Committee members is the same as the term of duty of members of Board of Commissioners of the Company (Primary Legal Entity), and can be reappointed for the following period. The term of duty of Integrated Governance Committee members within this period will end upon the close of the Company's Annual GMS of 2021.

G. Independency and Requirements Membership of Integrated Governance Committee

Independency and requirements for members of Integrated Governance Committee follows the independency and requirements for the Board of Directors/Board of Commissioners of the Primary Legal Entity and/or independency and requirements for the Board of Directors/Board of Commissioners of Subsidiaries within the Financial Conglomerates.

H. Duties and Responsibilities of Integrated Governance Committee

The duties and responsibilities of the Company's Integrated Governance Committee are as follows:

- 1) Evaluating the implementation of Integrated Governance through, at the very least, assessing the adequacy of internal control and implementation of an integrated compliance function.
- 2) Providing recommendation to the Board of Commissioners of the Bank as the Primary Legal Entity within the Financial Conglomerates to improve the Integrated Governance Manual.

I. Work Mechanism

The work mechanism of the Integrated Governance Committee is as follows:

- 1) Duties and responsibilities of the Integrated Governance Committee, among others, are carried out through Integrated Governance Committee meetings.
- 2) To ensure that duties are well implemented, the Integrated Governance Committee is assisted by a Committee Secretary to perform secretarial duties such as:
 - a) Arranging the schedule of meetings.
 - b) Proposing and contacting the keynote speakers when needed.
 - c) Preparing and distributing invitation and materials for the meetings.
 - d) Preparing and distributing the minutes of meetings.
- 3) Whenever required, the Integrated Governance Committee may invite keynote speakers from the members of Board of Commissioners, Board of Directors, or other internal and external parties of the Primary Legal Entity and the Financial Services Institution within the Financial Conglomerates.

J. Policies and Meeting Implementation of Integrated Governance Committee

Integrated Governance Committee held at least 1 (one) meeting in 6 (six) months as governed under the Integrated Governance Committee Manual. In 2017, the Integrated Governance Committee held 5 (five) meetings.

Attendance of Integrated Governance Committee's members in the meetings conducted during the year is described in the following table.

Name	Total Meetings	Attendance	Percentage
Sumantri Slamet	5	5	100%
Wimpie Rianto	5	5	100%
Adhi Gunawan Budirahardjo	5	4	80%
Gustiono Kustianto	5	5	100%
Pudjianto	5	4	80%
Suyanto Sutjiadi	5	4	80%
Sutedjo Prihatono	5	5	100%
Rudy Harjono	5	5	100%
Mendari Handaya	5	5	100%
Hendra Iskandar Lubis*	1	1	100%

Remarks:

*: has been serving as a member of Integrated Governance Committee since September 25, 2017.

Implementation of Integrated Governance Committee's meetings during 2017 is as follows:

Date	Agenda
March 13, 2017	Monitoring Results during Semester II/2016
May 4, 2017	Entry Meeting Review Financial Services Authority
June 12, 2017	Monitoring Results during Semester I/2017
September 20, 2017	Duties and Responsibilities, Results of On-Site Review of Financial Services Authority
December 13, 2017	Update of Monitoring Result and Follow-Up of Financial Services Authority's Review Results

K. Realization of Work Program and Implementation of Activities of Integrated Governance Committee in 2017

The following points describe the realization of work programs Integrated Governance Committee as well as activities of Integrated Governance Committee in 2017:

- 1) Evaluated the implementation of integrated governance within Company's Financial Conglomerates through, among others, presentation and discussion of Integrated Report of Internal Audit Results and Integrated Compliance Report, Integrated Risk Profile Report.
- 2) Conducted review and followed-up the results of Financial Services Authority's review.
- 3) Reviewed the Integrated Governance Manual.

EXECUTIVE COMMITTEES OF BOARD OF DIRECTORS

In carrying out their duties and responsibilities, the Company's Board of Directors is supported by 7 (seven) Executive Committees appointed by the Board of Directors. The Executive Committees are in charge of providing the Board of Directors with objective opinion and helping with the effectiveness of duty implementation of the Board of Directors in a systematic manner, as well as providing contributions in line with their duties and responsibilities. The Executive Committee under the Board of Directors are as follows:

1. Asset & Liability Committee
2. Risk Management Committee
3. Integrated Risk Management Committee
4. Credit Policy Committee
5. Credit Committee
6. Information Technology Steering Committee
7. Personnel Case Advisory Committee

I. Asset & Liability Committee

The Asset & Liability Committee (ALCO) is a permanent committee under the Board of Directors with the mission of achieving an optimum level of profitability for the Company as well as ensuring that liquidity risk, interest rate risk and foreign exchange risk are controlled through the establishment of policies and strategies for Company's asset and liability management.

ALCO is established based on the Board of Directors Decision Letter No. 114/SK/DIR/2017 dated September 12, 2017 on Structure of Asset & Liability Committee (ALCO), and the Board of Commissioners Decision Letter No. 327/SK/KOM/2017 dated December 18, 2017 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

A. Main Functions of ALCO

- To establish and evaluate liquidity management policies and strategies to maintain liquidity in accordance with the applicable provisions, and to meet the Company's liquidity needs, including unexpected funds requirements, while minimizing idle funds.
- To establish and evaluate policies and strategies related to market risks, including interest rate risk and foreign exchange risk.
- To establish and evaluate pricing policies and strategies for products such as funding, credit, and inter-office accounts.
- To establish and evaluate policies and strategies for managing the investment portfolio.
- To establish and evaluate policies and strategies for arranging balance sheet structure by anticipating changes in interest rates to achieve an optimum net interest margin.

B. Authority of ALCO

ALCO has the authority to take strategic decisions in the management of Company's assets and liabilities within parameters set by the Board of Directors, as follows:

- To establish interest rates on time deposits, savings, and current accounts.
- To establish lending rates.
- To establish funding and investment strategies.
- To establish hedging strategy where necessary.
- To establish limits relating to liquidity risk, interest rate risk, and foreign exchange risk according to the overall risk management policy.

C. Membership Structure of ALCO and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as member)	President Director	Reserve voting rights
Member	<ul style="list-style-type: none"> • Deputy President Director 1 • Deputy President Director 2 • Compliance & Risk Management Director • Corporate Banking Director • SME & Commercial Banking Director • Individual Banking Director • Network Distribution Director • Credit Director • Transaction Banking Director • Executive Vice President (EVP) of Treasury Division and International Banking Division • Executive Vice President (EVP) of Corporate Banking Group • International Banking Division Head • Treasury Division Head • Financial and Planning Division Head • Corporate Banking & Corporate Finance Group Head • SME & Commercial Business Division Head • Banking Transaction Product Development Division Head • Business Development & Marketing of Banking Transaction Division Head • Joint Banking Transaction Solution Division Head • Consumer Credit Business Division Head • Risk Management Work Unit Head 	Reserve voting rights
Secretary	Senior Adviser at Risk Management Work Unit of Asset Liability Management (ALM)	No voting rights

Independency of ALCO

All members of ALCO have met the independency criteria and are capable of conducting their duties independently.

D. Education or Training Activities

During the year, members of ALCO have participated in the following education or training activities:

No	Name	Training Program	Organizer	Location	Date
1.	Branko Windoe	Global Banks Conference 2017	Citibank NA	Athens, Greece	May 8-10, 2017
		ACI World Congress 2017	ACI Dublin	Dublin, Ireland	May 11-13, 2017
2.	Wira Chandra	Term of Reference for Green Banking Delegation Tour in Berlin	Renewable Academy	Jerman	September 11-15, 2017
3.	Irianto Sutanto	Treasury Management Workshop 2017	BCA	Bogor	August 12, 2017
4.	Janto Havianto	ACI World Congress 2017	ACI Dublin	Dublin, Ireland	May 11-13, 2017
		Seminar of Impact Investing Discussion	PT. Bahana TCW Investment Management	Sydney, Australia	March 13-14, 2017
5.	Eduard G. Purba	Seminar BARA's Monthly Sharing Session : Risk Management Framework for Successful Transaction Banking Business	BARA	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017

No	Name	Training Program	Organizer	Location	Date
		Seminar Risk Minds Asia	Global Finance & Technology KNect 365	Singapore	October 9-11, 2017
		Workshop Assesor candidate Risk Competence Management	LSPP	Jakarta	November 16-20, 2017
		Seminar BARa's Monthly Sharing Session : Risk Management in Capital Market	BARa	Jakarta	November 21, 2017
6.	Aditijanto	Risk Mind Asia 2017	Global Finance & Technology	Singapore	October 10-11, 2017
7.	Edmund Tondobala	Commonwealth Bank of Australia's Asian Bank Seminar	Commonwealth Bank of Australia	Singapore	April 4, 2017
		International Banking Workshop 2017	BCA	Bogor	September 7, 2017
		Global Payment Advisory Group Seminar	Wells Fargo Bank	New York, USA	October 12, 2017
		Citi's Payment Operation Pre- Sibos Visit	Citi Bank	New York, USA	October 13, 2017
		Sibos 2017	SWIFT	Toronto, Canada	October 16-19, 2017
8.	Felicia M. Simon	Training BCA-KJPP 2017	BCA	Bogor	April 1, 2017
		Training CE Management KPR 2017	BCA	Bogor	May 6, 2017
		Training Operational KPR 2017	BCA	Bogor	August 5, 2017
9.	Ina Suwandi	Review Security Product E-Channel BCA	BCA	Bogor	February 7, 2017
		Gartner Customer Experience & Technologies Summit 2017	Gartner Summit	London	May 10-11, 2017
		Study Visit Union Pay International Headquarter	Union Pay International	Shanghai, Cina	December 6-8, 2017
10.	Mira Wibowo	Web Summit 2017	Web Summit Global Network	Portugal	November 6-9, 2017
11.	Niniek S. Rahardja	Mastercard Innovation Forum 2017	Master Card	Singapore	September 27-29, 2017
12.	Lay Susiana Santoso	Advance Cash Management & Supply Chain	BCA	Bogor	January 18, 2017
		Banking Seminar Program	JP Morgan	London & Bournemouth	June 5-9, 2017

E. Duties and Responsibilities of ALCO

ALCO, among others tasks, functions to establish the liquidity management policies and strategies to meet the liquidity needs of the Company and minimize idle funds. In addition, ALCO establishes policies and strategies related to market risk, pricing strategy, investment portfolio management

strategy, and balance sheet structuring strategies by anticipating interest rate movements so as to optimize the net interest margin (NIM). ALCO reports its performance and activities through regular meetings and special meetings held to discuss specific issues.

Main Duties of ALCO Members

Voting ALCO members have main duties as follows:

- To provide input to the ALCO secretary for the preparation of meeting agenda and materials.
- To provide input in the form of information and analysis on the ALCO meeting, regarding:
 - Methodology of product pricing and loan funds.
 - Methodology of measuring liquidity risk, interest rate risk and foreign exchange risk.
 - Determination of product price and loan funds.
 - The competitiveness of interest rates and funding products.
 - Strategies of Bank competitors.
 - Constraints, if any, in the implementation of ALCO decisions.
 - The behavior of customers and market changes.

Charter

In order to support the implementation of its duties, ALCO refers to the Decision Letter of Board of Directors No. 114/SK/DIR/2017 dated September 12, 2017, on Structure of Asset Liability Committee (ALCO).

F. Meetings of ALCO

- ALCO meetings are held as necessary and at least once every month.
- ALCO meetings meet quorum if attended by at least ½ (half) plus one of the members of ALCO including the Chairman or alternate, or attended by 6 (six) Directors, including the Chairman or alternate.

G. Decision Making

- Decision making in relation with the exercise of ALCO's authority will only be taken through legitimate ALCO meeting decisions.
- ALCO meeting decisions are valid and binding if approved by ½ (half) plus 1 (one) of the members with voting rights present plus 1 (one) vote.

H. Frequency of ALCO Meeting in 2017

Up until December 31, 2017, ALCO held 12 (twelve) meetings with details described in the following table:

Frequency of ALCO Meeting in 2017

Position	Total Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja) ¹⁾	12	11	92%
Deputy President Director (Eugene K. Galbraith)	12	9	75%
Deputy President Director (Armand W. Hartono)	12	7	58%
Compliance & Risk Management Director (Subur Tan)	12	11	92%
Corporate Banking Director (Rudy Susanto)	12	9	75%
SME & Commercial Banking Director (Henry Koenafi)	12	12	100%
Individual Banking Director (Suwignyo Budiman)	12	10	83%
Network Distribution Director (Erwan Yuris Ang)	12	9	75%
Credit Director (Inawaty Handoyo)	12	11	92%
Banking Transaction Director (Santoso)	12	7	58%
Executive Vice President (EVP) of Treasury Division and International Banking Division	12	11	92%
Executive Vice President (EVP) of Corporate Banking Group ²⁾	5	2	40%

Members Division Head or Representing Officers			
International Banking Division	12	12	100%
Treasury Division	12	12	100%
Finance & Planning Division	12	12	100%
Corporate Banking and Corporate Finance Group	12	12	100%
SME & Commercial Business Division	12	11	92%
Banking Transaction Product Development Division	12	11	92%
Business Development & Marketing of Banking Transaction Division	12	6	50%
Joint Banking Transaction Solution Division	12	3	25%
Consumer Credit Business Division	12	12	100%
Risk Management Work Unit	12	12	100%

¹⁾ Chairman of ALCO

²⁾ Has been serving as EVP since August 1, 2017

I. Report of Responsibility

Realization of the Committee's work is reported through:

- Minutes of regular meetings.
- Minutes of special meetings held to discuss specific issues.
- Data and information related to the areas covered.
- Notes and ALCO's opinion regarding the minutes of meetings and relevant data and information.

J. Realization of Work Program in 2017

In performing its duties throughout 2017, ALCO held 12 (twelve) meetings with the following agenda:

1. Report of follow-ups of previous ALCO meeting decisions.
2. Review of economic parameters including inflation rates, Bank Indonesia Term Deposit interest rates, yield curves of Rupiah and USD, Rupiah & USD market liquidity and exchange rate of Rupiah.
3. Liquidity reserves comprising Primary and Secondary Rupiah and Foreign Exchange Reserves, Rupiah and Foreign Exchange Fund Structure, Credit Projection, Liquidity Projection and losses due to liquidity risk.
4. Interest rate risks, including Repricing Gap and Sensitivity Analysis, both for Rupiah and Foreign Exchange.
5. Foreign Exchange Risk, in regard with development of the Net Open Position (NOP) and the related risks.

6. Loan Portfolio, which comprises limit and outstanding loans and type of debtors.
7. Yield and Cost of Fund of Rupiah and Foreign Exchange.
8. Analysis of Assets/Liabilities Management.
9. Comparison of the composition of Bank Funds to the banking sector.
10. Discussion and decision of changes in interest rates for Funds and Loans, Prime Lending Rates and limits relating to the Asset Liability Management (ALM).
11. Review of the results of profit/loss simulations in accordance with the strategy applied by the ALM of the Company.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee is established to ensure that the enterprise-wide risk management framework provides adequate protection against all risks encountered by the Company. Risk Management Committee was established based on the Board of Directors Decision Letter No. 167/SK/DIR/2017 dated November 28, 2017 on Structure of Risk Management Committee. In addition, the establishment of Risk Management Committee refers to:

- Financial Services Authority Regulation No. 18/POJK/03/2016 dated March 16, 2016 on Implementation of Risk Management for Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

A. Main Functions of Risk Management Committee

- To develop policies, strategies, and guidelines for implementation of enterprise-wide risk management.
- To improve the implementation of risk management based on the results of evaluations on the implementation process and effective risk management system.
- To determine matters related to business decisions that deviate from normal procedures (irregularities).

B. Authority of Risk Management Committee

The Risk Management Committee is authorized to review and provide recommendations on risk management related matters to be requested approval from the Board of Directors.

C. Membership Structure of Risk Management Committee and Voting Right Status

Based on the Board of Director Decision Letter No. 167/SK/DIR/2017 dated November 28, 2017 in Structure of Risk Management Committee, the membership structure and voting right status of the Committee are described in the following table:

Position	Served by	Voting Rights
Chairman (concurrently as permanent Member)	Compliance & Risk Management Director	Reserve voting rights
Permanent member ¹⁾	<ul style="list-style-type: none"> • All members of Board of Directors • Executive Vice President of Credit Risk Analysis Group (EVP GARK) • Head of Compliance Work Unit 	Reserve voting rights
Non-permanent member ²⁾	<ul style="list-style-type: none"> • Executive Vice President other than EVP GARK • All Head of Divisions/Units/Groups other than Permanent Members 	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Risk Management Work Unit/Alternate	Reserve voting rights

Note:

¹⁾ If there is any concurrent position, the person only reserves the right of 1 (one) vote.

²⁾ Relevant with the topics discussed.

Independency of Risk Management Committee

All members of Risk Management Committee have met the independency criteria and are capable of conducting their duties independently.

D. Education or Training Activities

During the year, members of Risk Management Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Eduard Guntoro Purba	Seminar BARA's Monthly Sharing Session : Risk Management Framework for Successful Transaction Banking Business	BARA	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017
		Seminar Risk Minds Asia	Global Finance & Technology KNect 365	Singapore	October 9-11, 2017

No	Name	Education/Training	Organizer	Location	Date
		Seminar BARa's Monthly Sharing Session : Risk Management in Capital Market	BARa	Jakarta	November 21, 2017
		Workshop Assessor Candidate for Risk Management Competence	LSPP	Jakarta	November 16-20, 2017
2.	Arif Singgih Halim Wijaya	Training Wells Fargo Overseas Bankers Training Program, SSan Francisco, US	Wells Fargo Bank	San Fransisco, USA	June 5-14, 2017
		Workshop Mentorship of Implementation of Risk-Based APU PPT Programs in Financial Services Sector	Financial Services Authority	Jakarta	August 21-22, 2017
		Seminar Managing Risk In The Foreign Exchange, Money, Derivative Markets	Riehl World Training and Consulting	Jakarta	November 15-17, 2017

E. Duties and Responsibilities of Risk Management Committee

Main Duties of Risk Management Committee Members

- To provide input to the secretary of Risk Management Committee in the form of topics and meeting materials to be discussed in the Risk Management Committee meetings.
- To provide input in the form of information and analysis related to topics to be discussed in the Risk Management Committee meetings.
- Topics that can be discussed in the meetings include:
 - Directions and targets of the Company in formulating policies, strategies, and guidelines for risk management, with adjustments if deemed necessary.
 - Assessment of the effectiveness of risk management framework implementation.
 - Developments and trends of the total risk exposure of the Company and proposal of the overall risk tolerance level (risk appetite).
 - Results of the review on total risk exposure faced by the Company and its possible impacts.
 - Assessment of capital adequacy of the Company in responding to risk of loss that may arise under different stress test scenarios.
 - Propose development to the risk measurement methods, contingency plans for abnormal conditions (worst case scenario) as well as other methods related with risk management of the Company.

- Matters needing justifications associated with business decisions that deviate from normal procedures (irregularities).
- Limit of authority, exposures, and the concentration of the loan portfolio as well as other parameters designed to limit risk.

Charter

In order to support the implementation of its duties, Risk Management Committee refers to the Decision Letter of Board of Directors No. 167/SK/DIR/2017 dated November 28, 2017, on Structure of Risk Management Committee.

F. Meetings of Risk Management Committee

The following provisions regulate the meetings of Risk Management Committee:

- Risk Management Committee meetings are held as necessary, with a minimum of once in 3 (three) months or 4 (four) times in 1 (one) year.
- The meeting shall fulfill quorum if attended by at least 2/3 (two-thirds) of the number of permanent members or 1/2 (half) of total number of permanent members but with the approval of all permanent members.

G. Decision Making

The following provisions regulate the decision making-process in the Committee:

- Decision-making related to the exercise of Risk Management Committee's authority will only be carried out through legitimate Risk Management Committee meeting decisions.
- Risk Management Committee meeting decisions are valid and binding if approved by more than half the number of present members.

H. Frequency of Risk Management Committee Meeting in 2017

Up until December 31, 2017, the Risk Management Committee held 4 (four) meetings with details described in the following table:

Name of Director	Total Meetings	Meeting Attendance	Percentage
President Director (Jahja Setiaatmadja)	4	3	75%
Deputy President Director (Eugene Keith Galbraith)	4	4	100%
Deputy President Director (Armand W. Hartono)	4	2	50%
Compliance & Risk Management Director (Subur Tan) ¹⁾	4	4	100%
Individual Banking Business Director (Suwignyo Budiman)	4	2	50%
SME & Commercial Business Director (Henry Koenafi)	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	2	50%
Corporate Business Director (Rudy Susanto)	4	2	50%
Credit Director (Inawaty Handoyo)	4	4	100%
Banking Transaction Director (Santoso)	4	3	75%
Human Capital Director (Lianawaty Suwono)	4	2	50%
Compliance Work Unit Head	4	3	75%
EVP of Credit Risk Analysis Group	4	3	75%
Risk Management Unit Head (Secretary)	4	4	100%
Corporate Credit Risk Analysis Group Head (GARK) ²⁾	1	1	100%
Finance and Planning Division Head ²⁾	2	2	100%
Consumer Credit Strategic Management Sub-Division Head (DBKK) ²⁾	1	1	100%
Corporate Banking Group Head (GBKF) ²⁾	1	1	100%
SME & Commercial Business Development Sub-Division Head ²⁾	2	2	100%
SME and Commercial Credit Risk Analysis Group Head (GARK) ²⁾	1	1	100%

Note:

¹⁾ Chairman

²⁾ Total meetings for non-permanent members correspond to the invitations for relevant topics

I. Report of Responsibility

Responsibilities and work realization of Risk Management Committee are reported through:

- Written reports on a regular basis at least once in a year to the Board of Directors, containing results of regular Risk Management Committee meetings.
- Written reports to the Board of Directors concerning the results of special meetings held to discuss specific issues.
- Special reports or activity reports (if necessary).

J. Realization of Work Program in 2017

In performing its duties throughout 2017, Risk Management Committee held 4 (four) meetings with the realization of work programs of the Committee as follows:

1. Informed the adjustment of Board of Directors' authority in determining loan interest rate.
2. Informed matters related to the results of credit risk stress test.
3. Informed matters related to the methods and measurement results of interest Rate Risk in the Banking Book (IRRBB).

4. Informed matters related the results of Risk Appetite review.
5. Informed matters related to the determination of liquidity gap limit.
6. Informed matters related loan portfolio condition of the Company per September 2017.

INTEGRATED RISK MANAGEMENT COMMITTEE

The Integrated Risk Management Committee is established to ensure that the risk management framework has provided an integrated and adequate coverage over all risks faced by the Company and its Subsidiaries.

The Structure of Integrated Risk Management Committee is established based on Board of Directors Decision Letter No. 061/SK/DIR/2015 dated May 4, 2015 on Structure of Integrated Risk Management Committee, which has been revised through Board of Directors Decision Letter No. 168/SK/DIR/2017 dated November 28, 2017 on Structure of Integrated Risk Management Committee.

The establishment of Integrated Risk Management Committee refers to Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 on Implementation of Integrated Risk Management for Financial Conglomerates.

A. Main Functions of Integrated Risk Management Committee

To give recommendations to the Board of Directors, which at least includes:

- Development of an integrated risk management policy.
- Improvements on the integrated risk management policy based on evaluation results.

B. Authority of Integrated Risk Management Committee

The Integrated Risk Management Committee is authorized to review and provide recommendations on risk management related matters to be requested approval from the Board of Directors.

C. Membership Structure of Integrated Risk Management Committee and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as permanent Member)	Director who head integrated risk management function	Reserve voting rights
Permanent member ¹⁾	<ul style="list-style-type: none"> • All members of Board of Directors • Head of Compliance Work Unit 	Reserve voting rights
Non permanent member ²⁾ 1. Executive Officer	<ul style="list-style-type: none"> • All Executive Vice Presidents • All Heads of Divisions/Business Units/Groups/Work Units that are related with the Subsidiaries, other than Permanent Members 	Reserve voting rights
2. Director of Subsidiaries ³⁾	Director who represents and is appointed by Subsidiaries	
Secretary (concurrently as permanent member)	Head of Risk Management Work Unit/Alternate	Reserve voting rights

Note:

^{*)} The number and composition are adjusted to the needs as well as efficiency and effectiveness of duty implementation of Integrated Risk Management Committee by taking into account, among others, the representation of each financial service sector

¹⁾ If there is any concurrent position, the person only reserves the right of 1 (one) vote.

²⁾ Based on the topics discussed.

³⁾ If Internal Audit Division head attends the Integrated Risk Management Committee meeting, he/she reserves no right to vote.

D. Education or Training Activities

During the year, members of Integrated Risk Management Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Arif Singgih Halim Wijaya	Training Wells Fargo Overseas Bankers Training Program,	Wells Fargo Bank	San Francisco, USA	June 5-14, 2017
		Workshop Mentorship of Implementation of Risk-Based APU PPT Programs in Financial Services Sector	Financial Services Authority	Jakarta	August 21-22, 2017
		Seminar Managing Risk In The Foreign Exchange, Money, Derivative Markets	Riehl World Training and Consulting	Jakarta	November 15-17, 2017
2.	Eduard G. Purba	Seminar BARa's Monthly Sharing Session : Risk Management Framework for Successful Transaction Banking Business	BARa	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017
		Seminar Risk Minds Asia	Global Finance & Technology KNect 365	Jakarta	October 9-11, 2017
		Workshop Assessor candidate for Risk Management Competence	LSPPP	Singapore	November 16-20, 2017
		Seminar BARa's Monthly Sharing Session : Risk Management in Capital Market	BARa	Jakarta	November 21, 2017
3.	Hendro Wenan	Roundtable Discussion: Exposition on Implementation of Risk Management on Infrastructure Projects that are Ensured by the Government and Observed from Corporate Point of View	LSPMR	Jakarta	June 14, 2017
4.	David Hamdan	Refreshment Risk Management Certification	BCA	Bogor	June 9, 2017

E. Duties and Responsibilities

In implementing its functions, the Integrated Risk Management Committee carries out the following duties:

- Providing recommendations to the Secretary of Integrated Risk Management Committee regarding the topics and meeting materials to be discussed in the Integrated Risk Committee meeting.
- Providing recommendation in the form of information and analysis related with the topics discussed in the Committee meeting.

The topics discussed in the meeting may cover, among others:

- Direction and target of the Bank in developing policy, strategy, and guidelines for the integrated risk management application, and its amendment when necessary.
- Assessment on the effectiveness of the integrated risk management framework application.
- Report on the development and tendency of integrated risk exposure and recommendation on risk appetite and risk tolerance.
- Result of review on the total exposure of integrated risk and its impact.

- Assessment on the Company's capital adequacy in handling the risk of loss incurred by using various stress test scenarios.
- Recommendation on developing risk measurement methods, contingency plans in the worst case scenario, and other methods in regard with the integrated risk management.
- Other matters that require justification as related with business decisions taken out of normal procedure (irregularities).
- Limit of authority, exposure, and credit portfolio concentration as well as other parameters to limit risks.
- Improvement of the integrated risk management both regularly and incidentally as a result of changes in internal and external conditions that may affect capital adequacy, risk profile, and ineffectiveness of the current integrated risk management application based on evaluation.

Guidelines

In performing their duties and responsibilities, the Integrated Risk Management Committee refers to the Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 on Implementation of Integrated Risk Management for Financial Conglomerates, and Decision Letter of Board of Directors on Structure of Integrated Risk Management Committee.

F. Meetings of Integrated Risk Management Committee

The following provisions regulate the meetings of Integrated Risk Management Committee:

- Integrated Risk Management Committee meetings are held as necessary, with a minimum of once in 6 (six) months.
- The meeting shall fulfill quorum if attended by at least 51% (fifty-one per cent) of the number of permanent members.

G. Decision Making

The following provisions regulate the decision making-process in the Committee:

- Decision-making related to the exercise of Integrated Risk Management Committee's authority will only be carried out through legitimate Integrated Risk Management Committee meeting decisions.
- Integrated Risk Management Committee meeting decisions are valid and binding if approved by more than half the number of present members.

H. Frequency of Integrated Risk Management Committee Meeting in 2017

Up until December 31, 2017, the Integrated Risk Management Committee held 3 (three) meetings with details as follows:

- on April 10, 2017
- on September 13, 2017
- on November 8, 2017

Frequency of Integrated Risk Management Committee Meetings in 2017

Name of Director/Membership	Total Meetings	Meeting Attendance	Percentage
President Director (Jahja Setiaatmadja) ¹⁾	3	3	100%
Deputy President Director (Eugene Keith Galbraith) ¹⁾	3	3	100%
Deputy President Director (Armand W. Hartono) ¹⁾	3	1	33%
Individual Banking Director (Suwignyo Budiman) ¹⁾	3	2	67%
Compliance & Risk Management Director (Subur Tan) ^{1)*)}	3	3	100%
SME & Commercial Banking Director (Henry Koenafif) ¹⁾	3	3	100%
Network Distribution Director (Erwan Yuris Ang) ¹⁾	3	2	67%
Corporate Business Director (Rudy Susanto) ¹⁾	3	1	33%
Credit Director (Inawaty Handoyo) ¹⁾	3	3	100%
Human Capital Director (Lianawaty Suwono) ¹⁾	3	2	67%
Banking Transaction Director (Santoso) ¹⁾	3	1	33%
Compliance Work Unit Head ¹⁾	3	2	67%
Risk Management Unit Head (Secretary) ¹⁾	3	3	100%
Finance and Planning Division Head (DKP) ²⁾	1	0	0%
EVP of Strategic Information Technology Group ²⁾	1	1	100%
Enterprise Security Work Unit Head ²⁾	1	1	100%

Name of Director/Membership	Total Meetings	Meeting Attendance	Percentage
Director of BCA Finance ²⁾	3	3	100%
Director of CS Finance ²⁾	3	2	67%
Director of BCA Syariah ²⁾	3	3	100%
Director of BCA Finance Limited Hong Kong ²⁾	3	1	33%
Director of BCA Sekuritas ²⁾	3	2	67%
Director of BCA Insurance ²⁾	3	2	67%
Director of BCA Life ²⁾	3	3	100%
Director CCV ²⁾	2	2	100%

Note :

¹⁾ Total meetings for non-permanent members correspond to the invitations for relevant topics.

¹⁾ Permanent Members

²⁾ Non-Permanent Members

I. Responsibilities Report

Responsibilities and work realization of Integrated Risk Management Committee are reported through:

- Written reports on a regular basis at least once in a year to the Board of Directors, containing results of regular Integrated Risk Management Committee meetings.
- Written reports to the Board of Directors concerning the results of special meetings held to discuss specific issues.
- Special reports or activity reports (if necessary).

J. Realization of Work Program in 2017

In performing its duties throughout 2017, Integrated Risk Management Committee had realized its work programs through discussion on the following topics:

1. Integrated Risk Management Information System of The Financial Conglomerate of the Company.
2. Risk Appetite and Risk Tolerance of the Financial Conglomerates of the Company.
3. Information on the Review of New Business Line of the Financial Conglomerates of the Company of 2017.
4. Integrated BCP of The Financial Conglomerates of the Company.
5. Integrated Stress Test of the Financial Conglomerates of the Company.
6. Status update and follow-up integrated actions of Financial Services Authority inputs.
7. Integrated Risk Profile Report (LPRT) of the Financial Conglomerates of The Company of Semester I of 2017.
8. Integrated Risk Limit of the Financial Conglomerates of the Company.

CREDIT POLICY COMMITTEE

The Credit Policy Committee is established to direct the provision of loans through the credit policy formulation in order to achieve prudent lending targets. The Credit Policy Committee of PT Bank Central Asia Tbk was established based on the Board of Directors Decision Letter No. 135/SK/DIR/2017 dated October 19, 2017 on Structure of Credit Policy Committee.

The establishment of Credit Policy Committee refers to:

- Financial Services Authority Regulation No. 42/POJK.03/2017 dated July 12, 2017 on Requirements to Prepare and Implement Bank Creditor Financing Policy for Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

A. Main functions of Credit Policy Committee

- To assist the Board of Directors in formulating credit policies, primarily with regard to the prudent lending principle.
- To monitor and evaluate the implementation of credit policies to be applied consistently and consequently.
- To perform periodic reviews on Basic Credit Policy of the Company.
- To monitor the progress and condition of credit portfolio.
- To provide advice and steps to improve the results of monitoring and evaluation that has been conducted.

B. Authority of Credit Policy Committee

The Credit Policy Committee is authorized to provide advice and improvement steps to the Board of Directors associated with the credit policy.

C. Membership Structure of Credit Policy Committee and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as permanent member)	President Director	Reserve voting rights
Member ¹⁾	<ul style="list-style-type: none"> • Deputy President Director(WP1) • Credit Director • Compliance & Risk Management Director • Corporate banking Director ²⁾ • SME and Commercial Banking Director ²⁾ • Individual Banking Director ²⁾ • Executive Vice President of Credit Risk Analysis Group (EVP GARK) • Executive Vice President of Corporate Banking and Corporate Finance Group (EVP GBKF) ²⁾ • Executive Vice President of the Treasury Division and International Banking Division (EVP DTR-DPI) ²⁾ • Head of Credit Risk Analysis Group and/or Head of SME & Commercial Business Division and/or Head of Corporate Banking and Corporate Finance Group and/or Head of Consumer Credit Bsuiness Division and/or Heads of Work Units under the Banking Transaction Directorate and/or Head of International Banking Division or Alternate ²⁾ • Head of Internal Audit Division or Alternate • Head of Compliance Work Unit or Alternate 	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Risk Management Work Unit or Alternate	Reserve voting rights

Note :

¹⁾ Other Directors may attend the Credit Policy Committee, yet without voting rights.

²⁾ Based on the topics being discussed.

D. Education or Training Activities

During the year, members of Credit Policy Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Branko Windoe	Global Banks Conference 2017	Citibank NA	Athens, Greece	May 8-10, 2017
		ACI World Congress 2017	ACI Dublin	Dublin, Ireland	May 11-13, 2017
2.	Wira Chandra	Term of Reference for Green Banking Delegation Tour in Berlin	Renewable Academy	Germany	September 11-15, 2017
		e-L APU PPT v.1.1	BCA	Jakarta	March 31, 2017
3.	Edy Gunawan	e-L Anti Fraud Awareness	BCA	Jakarta	March 31, 2017
		e-L APU PPT v.1.1	BCA	Jakarta	April 4, 2017
4.	Rickyadi Widjaja	Refresher SMR Level 4-5	BCA	Jakarta	September 15, 2017
5.	Tjahjadi Sufripto	e-L APU PPT v.1.1	BCA	Jakarta	March 29, 2017

No	Name	Education/Training	Organizer	Location	Date
6.	Lay Susiana Santoso	Advance Cash Management & Supply Chain	BCA	Bogor	January 18, 2017
		HPP Sharing Session	BCA	Bogor	March 3, 2017
		e-LAPU PPT v.1.1	BCA	Jakarta	March 31, 2017
		Banking Seminar Program	JP Morgan	London & Bournemouth	June 5-9, 2017
7.	Felicia Mathilda Simon	E-LAPU PPT V.1.1	BCA	Jakarta	March, 28 2017
		Training BCA KJPP 2017	BCA	Jakarta	April 1, 2017
		Training Ce Management KPR 2017	BCA	Jakarta	May 6, 2017
8.	Mira Wibowo	WEB Summit 2017	WEB Summit Global Network	Portugal	November 6-9, 2017
9.	Linda Djojonegoro	Workshop Collection 2017	BCA	Jakarta	March 8, 2017
		Tibco Now 2017	Tibco Software Inc.	Singapore	March 27-28, 2017
		Visa Asia Pacific Security Summit 2017	Visa Asia Pacific Security Summit 2017	South Korea	May 24-25, 2017
		Leadership in Agile Organization	BCA	Jakarta	July 14, 2017
10.	Niniek Surijanti Rahardja	Mastercard Innovation Forum 2017	Mastercard	Singapore	September 27-29, 2017
11.	Edmund Tondobala	Commonwealth Bank of Australia's Asian Bank Seminar	Commonwealth Bank of Australia (CBA)	Singapore	April 4, 2017
		International Banking Workshop 2017	BCA	Jakarta	September 7, 2017
		Global Payment Advisory Group Seminar	Wells Fargo Bank	New York, USA	October 12, 2017
		Citi's Payment Operation Pre-Sibos Visit	Citi Bank	New York, USA	October 13, 2017
		SIBOS 2017	Swift	Toronto, Canada	October 16-19, 2017
12.	Jacobus Sindu Adisuwono	Refresher SMR Level 4-5 Tahun 2017	BCA	Bogor	March 3, 2017
13.	Arif Singgih Halim Wijaya	Wells Fargo Overseas Bankers Training Program	Wells Fargo Bank	San Fransisco, USA	June 5-14, 2017
14.	Eduard Guntoro Purba	Seminar Bara's Monthly Sharing Session: Risk Management Framework For Successful Transaction Banking Business	BARa	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017
		Seminar Risk Minds Asia	Global Finance & Technology Knect 365	Singapore	October 9-11, 2017
		Workshop Calon Asesor Kompetensi Risk Management	LSPP	Jakarta	November 16-20, 2017
		Seminar Bara's Monthly Sharing Session: Risk Management In Capital Market	BARa	Jakarta	November 21, 2017

E. Main Duties of Credit Policy Committee Members

The main duties of members of Credit Policy Committee are as follows:

- To provide input to the secretary of Credit Policy Committee in the preparation of meetings agenda and materials.
- To provide input in the form of information and analysis at the Credit Policy Committee meetings in order to make Committee decision regarding the following:
 - Development of credit policies (Corporation, Commercial, SME, KUK, and Consumer Credits, as well as Credit Card and interbank credit) in accordance with the Company's mission and business plan.
 - Compliance with the provisions of laws in granting credit.
 - Overall development and quality of credit portfolio.
 - Proper implementation of loan approval authority.
 - Proper process of lending, development, and quality of loan given to related parties and certain large borrowers.
 - Proper implementation of the Legal Lending Limit (LLL).
 - Handling of Non-Performing Loans in accordance with the credit policies.
 - Adequacy on the allowance for Company loan losses.
 - Results of oversight on the implementation of the Banking Basic Credit Policy of the Company (KDPB).

Guidelines

In order to support the implementation of its duties, Credit Policy Committee refers to the Board of Directors Decision Letter No. 135/SK/DIR/2017 dated October 19, 2017, on Structure of Credit Policy Committee.

F. Meetings of Credit Policy Committee

The following provisions regulate the meetings of Risk Management Committee:

- Credit Policy Committee meetings are held as necessary, with a minimum of once in a year.
- The meeting shall fulfill quorum if attended by at least 2/3 (two-thirds) of the total number of members.

G. Decision Making

The following provisions regulate the decision making process in the Committee

- Decision-making related to the exercise of Credit Policy Committee's authority will only be carried out through legitimate Credit Policy Committee meeting decisions.
- Credit Policy Committee meeting decisions are valid and binding if approved by more than half the number of present members.

H. Frequency of Credit Policy Committee Meeting in 2017

Position (Name of Director/Membership)	Total Meetings**)	Attendance	Percentage	Information
President Director (Jahja Setiaatmadja)	1	1	100%	-
Deputy President Director 1 (Eugene K. Galbraith)	1	1	100%	-
Deputy President Director 2 ¹⁾ (Armand W. Hartono)	1	1	100%	
Credit Director (Inawaty Handoyo)	1	1	100%	
Corporate Banking Director (Rudy Susanto)	1	1	100%	
Compliance and Risk Management Director (Subur Tan)	1	1	100%	-
SME and Commercial Banking Director ¹⁾ (Henry Koenafifi)	1	1	100%	
Individual Banking Director (Suwignyo Budiman)	1	1	100%	
Banking Transaction Director ¹⁾ (Santoso)	1	1	100%	
Network Distribution Director (Erwan Yuris) ²⁾	1	1	100%	
Human Capital Director (Lianawaty Suwono) ³⁾	1	1	100%	
Executive Vice President of Treasury Division and International Banking Division ¹⁾	1	1	100%	
Executive Vice President of Credit Risk Analysis Group (EVP GARK)	1	NA	-	The position of EVP GARK has not been established on the date of the meeting
Executive Vice President of Corporate Banking and Corporate Finance Group (EVP GBKF) ¹⁾	1	NA	-	The position of EVP GBKF has not been established on the date of the meeting
Head of Credit Risk Analysis Group or Alternate ¹⁾	1	1	100%	
Head of SME and Commercial Business Division or Alternate ¹⁾	1	NA	-	The topic discussed does not relate to policies in SME and Commercial Business.
Head of Corporate Banking and Corporate Finance Group or Alternate ¹⁾	1	1	100%	
Head of Consumer Credit business Division or Alternate ¹⁾	1	NA	-	The topic discussed does not relate to policies in consumer credit.

Position (Name of Director/Membership)	Total Meetings**)	Attendance	Percentage	Information
Head of Work Units under Banking Transaction Directorate or Alternate ¹⁾	1	NA	-	The topic discussed does not relate to policies in Banking Transaction.
Head of international Banking Division or Alternate ¹⁾	1	NA	0%	Absent
Head of Internal Audit Division or Alternate	1	1	100%	-
Head of Compliance work Unit or Alternate	1	1	100%	-
Head of Risk Management Work Unit or Alternate	1	1	100%	-

Note :

- The meeting was held on June 8, 2017

¹⁾ Based on the topics being discussed

²⁾ Non-member

I. Report of Responsibility

- Written reports on a regular basis to the Board of Directors forwarded to the Board of Commissioners, containing results of monitoring and evaluation of Banking Basic Credit Policy, as well as required improvement inputs.
- Data and other information related to the result of monitoring and evaluation activities.

J. Realization of Work Program in 2017

In performing its duties throughout 2017, Credit Policy Committee has implemented its work programs, namely:

Provided recommendation for Board of Directors action in granting the credit that required approval of the Board of Commissioners, from Rp1 trillion to be above Rp3 trillion/debtor group (including to make investment in the form of securities), either for non-bank counterparty or bank counterparty.

CREDIT COMMITTEE

The Credit Committee is established to assist the Board of Directors in making loan evaluations and/or loan approval decisions within the authorized limits set by the Board of Directors with regards to business development without abandoning the prudent principles.

The Credit Committee is established based on the Board of Directors Decision Letter No. 136/SK/DIR/2017 dated October 19, 2017 on Structure of Credit Committee.

In addition, the establishment of Credit Committee refers to:

- Financial Services Authority Regulation No. 42/POJK.03/2017 dated July 12, 2017 on Requirements to Prepare and Implement Bank Creditor Financing Policy for Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Board of Directors Decision Letter No.094/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Credit Risk Analysis Group (GARK).
- Board of Directors Decision Letter No. 096/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Corporate Banking and Corporate Finance Group (GBKF).
- Corporate Credit Manual.
- Commercial Credit Manual.

A. Main Functions of Credit Committee

- To provide credit guidance and to conduct a more intensive and comprehensive credit analysis when necessary.
- To provide decisions or recommendations on credit approval proposals submitted by the referral/proposal associated with:
 - Corporate and commercial debtors (large loans);
 - Specific industries; and
 - Special requests from the Board of Directors.

- To coordinate with the Asset & Liability Committee (ALCO) on funding and adjustments of interest rates for corporate loans.

Level of the Credit Committee

In carrying out its duties, the Credit Committee is grouped under the following credit categories:

- Corporate Credit Committee.
- Commercial Credit Committee.

B. Authority of Credit Committee

The authority of Credit Committee includes making credit decisions or providing recommendations for the draft of credit decisions, by referring to the provisions concerning the authority to approve credit as contained in the Corporate Credit Manual and Commercial Credit Manual.

The following is the scope of authority vested in the Credit Committee:

- In terms of the magnitude of authority:
The Credit Committee has the authority to approve credit in accordance with the authorized maximum amounts specified for each type of borrower.

- In terms of the object of credit decisions:
 - Making credit decisions for corporate and commercial categories above a certain value.
 - Providing a decision on proposed credit facilities.
 - Determining the take-over/purchase of loans that have or have not been restructured from other financial institutions.

C. Membership Structure of Credit Committee and Voting Right Status

Membership structure of credit committee and voting rights of Corporate Credit Committee and Commercial Credit Committee are as follows:

Based on the Board of Directors Decision Letter No. 136/SK/DIR/2017 on Structure of Credit Committee:

Membership Structure and Voting Right Status of Corporate Credit Committee

Position	Served by	Voting Rights ¹⁾
Chairman (concurrently as permanent member)	Credit Director (DKR)	Reserve voting rights
Permanent member	<ul style="list-style-type: none"> President Director (PD) Deputy President Director (WP1) Corporate Banking Director (DBK) EVP GARK EVP GBKF²⁾ EVP DTR-DPI²⁾ 	No voting rights
Non-Permanent member	<ul style="list-style-type: none"> Other directors having the authority to approve credit Compliance & Risk Management Director (DCR)³⁾ 	Reserve voting rights
Secretary (concurrently as permanent member)	Head of GARK	No voting rights

Note :

¹⁾ Decision in the meeting is made through voting mechanism.

²⁾ Based on the topics being discussed

³⁾ With voting rights in terms of credit settlement and other matters related to risk management.

Membership of Commercial Credit Committee and Voting Right Status

Position	Served by	Voting Rights ¹⁾
Chairman ²⁾ (concurrently as permanent member)	Head of GARK based on the appropriate commercial credit exposure being handled	Reserve voting rights
Permanent member	<ul style="list-style-type: none"> • Director of SME & Commercial Banking (DKS) • Credit Director (DKR) • EVP GARK • Head of Regional Office 	
Non-Permanent Member	Compliance & Risk Management Director (DCR) ³⁾	
Secretary (also act as permanent member)	Credit Adviser	No voting rights

Note :

1) Decision in the meeting is made through voting mechanism.

2) Chairman duties are shared in turns among Group Heads based on the appropriate commercial credit exposure being handled

3) With voting rights in terms of credit settlement and other matters related to risk management.

D. Duties and Responsibilities of Credit Committee

Duties of Credit Committee of the Company are:

- To provide direction for a more comprehensive credit analysis when necessary, should information presented be insufficient for decision making;
- To give consideration to draft decisions, proposals and recommendations submitted by the provider of the recommendation/referral;
- To decide on credit based on professional skills in an honest, objective, accurate, and thorough fashion;
- To provide input to the Credit Committee secretary regarding the meeting needs.

E. Meetings of Credit Committee

The following provisions govern the meetings of the Credit Committee:

- Credit Committee Meetings are held as necessary with at least 6 (six) meetings per year;
- Meetings can be held and declared to meet quorum if attended by at least 3 (three) members with voting rights;
- Meetings can be conducted through teleconference;
- For the Corporate Credit Committee, the Compliance and Risk Management Director or his alternate shall attend every Credit Committee meeting;
- Commercial Credit Committee meetings can be held both at the head office and regional offices;
- Details of each Credit Committee meeting must be noted in minutes of meetings.

F. Decision Making

The following provisions govern the decision-making process of Credit Committee:

- Decision making on credit approval can be made in a draft decision, which is circulated in writing or memo circulation by email to the members of the Credit Committee or through legitimate Credit Committee meetings. If a circulated draft decision is not approved by one member of the Committee, then the secretary needs to reschedule a Credit Committee meeting immediately;
- For the Corporate Credit Committee, if the credit decision that is made at a Credit Committee meeting has not complied with the required authority of Board Credit of Directors in such loan approval, the draft credit decision is circulated to seek approvals from other The Board of Director and/or The Board of Commissioners;
- Monitoring and Resource Persons do not have voting rights in the credit decision.

Accountability of Credit Committee

Accountability of Credit Committee can be delivered through the minutes of Credit Committee meeting, circulated decision memorandum, and periodic Credit Committee reports.

G. Frequency of Credit Committee Meeting in 2017

Meeting implementation and attendance rate of members of both Corporate Credit Committee and Commercial Credit Committee are as follows:

Frequency and Attendance Rate of Board of Directors in Corporate Credit Committee Meetings in 2017

Position (Name of the Director)	Total Meeting	Attendance	Percentage
President Director (Jahja Setiaatmadja)**	8	7	88%
Deputy President Director (Eugene Keith Galbraith)**	8	5	63%
Deputy President Director (Armand W. Hartono)****	8	4	50%
Credit Director (Inawaty Handoyo)*	8	8	100%
Corporate Banking Director (Rudy Susanto)**	8	8	100%
SME & Commercial Banking Director (Henry Koenaifi)***	8	8	100%
Individual Banking Director (Suwignyo Budiman)****	8	1	13%
Compliance & Risk Management Director (Subur Tan)***	8	6	75%
Network Distribution Director (Erwan Yuris Ang)****	8	1	13%
Banking Transaction Director (Santoso)***	8	3	38%
Human Capital Director (Lianawaty Suwono)****	8	2	25%
EVP GARK (Deddy Muljadi H)**	8	8	100%
EVP GBKF (Wira Chandra)**	8	5	63%
EVP DTR-DPI (Linus Ekabrango Windoe)**	-	-	-

Note :

* Chairman (concurrently as Permanent Member).

** Permanent Member.

*** Non-Permanent Member.

**** Other Board of Directors Members.

Frequency and Attendance Rate of Board of Directors in Commercial Credit Committee Meeting in 2017

Position (Name of the Director)	Total Meeting	Attendance	Percentage
Credit Director (Inawaty Handoyo)**	8	8	100%
SME & Commercial Banking Director (Henry Koenaifi)**	8	8	100%
EVP of Credit Risk Analysis Group (Deddy Muljadi H)**	8	7	88%
Head of Credit Risk Analysis Group*	8	8	100%
Head of Small and Medium Enterprise Division (Liston Nainggolan)****	8	7	88%
Head of Compliance Work Unit (Arif Singgih Halim Wijaya)*****	8	3	38%
Regional Head**	8	8	100%

Note :

* Chairman (concurrently as Permanent Member).

** Permanent Member.

*** Resource Personnel.

**** Monitoring Personnel.

H. Realization of Work Programs of Credit Committee in 2017

In performing the duties throughout 2017, both Corporate Credit Committee and Commercial Credit Committee held 8 (eight) meetings each with the realization of the meetings as follows:

Date of Corporate Credit Committee Meeting	Date of Commercial Credit Committee Meeting
February 9, 2017	January 30, 2017
February 23, 2017	March 6, 2017
May 4, 2017	June 5, 2017
June 20, 2017	July 31, 2017
July 6, 2017	August 23, 2017
July 25, 2017	August 30, 2017
August 8, 2017	September 29, 2017
October 19, 2017	October 31, 2017

INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee (IT Steering Committee) is established to ensure that the implementation of the information technology (IT) system is in line with the Company's strategic plans and aim to improve the Company's competitive advantage through the utilization of appropriate IT functions. The IT Steering Committee is established based on the Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 on Structure of Information Technology Steering Committee.

The establishment of IT Steering Committee refers to:

- Financial Services Authority Regulation No. 38/POJK.03/2016 dated December 1, 2016 on Implementation of Risk Management in the Utilization of Information Technology by Commercial Banks.
- Financial Services Authority Circular Letter No. 21/SEOJK.03/2017 dated June 6, 2017 on Implementation concerning Risk Management in the Utilization of Information Technology by Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Board of Directors Decision Letter No. 110/SK/DIR/2014 dated September 24, 2014 on Structure of Information Technology Steering Committee.
- Board of Directors Decision Letter No. 095/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Strategic Information Technology Group (GSIT).

C. Membership Structure of IT Steering Committee and Voting Right Status

Based on the Board of Directors Decision Letter No. 127 dated October 10, 2017 on Structure of Information Technology Steering Committee, the membership structure and voting right status of the Committee are as follows:

Position	Served by	Voting Rights
Chairman (concurrently as permanent member)	Director headed the Information Technology field	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Data Management and IT Management Office Group	Reserve voting rights
Member	<ul style="list-style-type: none"> • Director of Compliance and Risk Management • Director of Network Distribution • Executive Vice President of Information Technology (EVP IT) • Strategic Information Technology Group (GSIT)¹⁾: <ul style="list-style-type: none"> - Head of Data Management and IT Management Office Group - Head of IT Architecture & Service Quality Group - Head of Application Management Group - Head of IT Infrastructure & Operation Group - Head of Digital Innovation Solutions Group • Head of Enterprise Security Work Unit • Head of Risk Management Work Unit • Head of Compliance Work Unit • Head of Strategy and Development of Operation-Service Division • Head of IT Main User Work Unit²⁾ • Head of Internal Audit Division 	Reserve voting rights
		No voting rights

Note :

¹⁾ GSIT only has 1 (one) voting right represented by EVP IT.

²⁾ Participation in the meeting is based on the topics relevant to the respective work unit.

- Board of Directors Decision Letter No. 127/SK/DIR/2017 on the structure of IT Steering Committee, dated October 10, 2017.
- Basic Policies of Risk Management in Information Technology Utilization.

A. Main Functions of IT Steering Committee

- To review and provide recommendations for IT strategic plan so as to be in line with the Company's business plan.
- To perform regular evaluations of IT support for the Company's business activities.
- To ensure that IT investments provide added values to the Company.

B. Authority of IT Steering Committee

The authority of the IT Steering Committee are as follows:

- To provide recommendations to the Board of Directors for the IT strategic plan in line with the Company's business activities and strategic plans.
- To review and recommend strategic steps to minimize the risk of Company investments in IT sector.
- To review and make recommendations on the feasibility of IT investments that will contribute to the achievement of the Company's business objectives.
- To review and provide recommendations on the formulation of major IT policies, standards and procedures.

D. Education or Training Activities

During the year, members of IT Steering Committee participated in the following education or training activities:

No	Name	Training Program	Organizer	Location	Date
1.	Nur Hermawan Thendean	Executive Conversation	Dimension Data	Japan	February 16-17, 2017
		Sunline Global Financial Summit 2017	Sunline	China	July 27-28, 2017
		Gartner Symposium ITExpo	Gartner	Barcelona	November 5-9, 2017
2.	Kho Vincentius Chandra Kosasih	Dissemination of New Competence	BCA	Jakarta	February 14, 2017
		Glory's New Technology and Solutions In Line With The Development and Market Demands In The Future	PT Glory Global Solutions Indonesia	Japan	May 15-19, 2017
		Leadership In Agile Organization	BCA	Jakarta	July 14, 2017
3.	Lukman Hadiwijaya	Review Security Product E-Channel BCA	BCA	Jakarta	February 7, 2017
		Dissemination of New Competence	BCA	Jakarta	March 8, 2017
		Systematic Thinking In Business	BCA	Bandung	May 8, 2017
		Framework In Business Thinking	BCA	Jakarta	May 8, 2017
		Basic Understanding In FS-Banking	BCA	Jakarta	May 9, 2017
		Principle In Value Creation: Ops & invest	BCA	Jakarta	May 10, 2017
		Developing Business Strategy	BCA	Jakarta	May 12, 2017
		STR IMP: Strategic Alliance & BSC	BCA	Jakarta	May 15, 2017
		Value Innovation In Banking	BCA	Jakarta	May 16, 2017
		Managing Team: To Engage & Inspire	BCA	Jakarta	May 17, 2017
		Transformational Leadership	BCA	Jakarta	May 17, 2017
		Sprint's Client Gathering-Communic Asia 2017	Sprint Asia Technology	Singapore	May 23-25, 2017
		Palo Alto Networks Ignite 17 Conference	Palo Alto Networks	Vancouver, Canada	June 12-15, 2017
Money 20/20: The Spotlight Is On You	Money 20/20	Las Vegas, USA	October 22-25, 2017		
4.	Lilik Winarni	Dissemination of New Competence	BCA	Jakarta	February 20, 2017
		e-Learning KPO	BCA	Jakarta	April 3, 2017
		Workshop ATM 2017	BCA	Jakarta	August 29, 2017
5.	Jacobus Sindu Adisuwono	Dissemination of New Competence	BCA	Jakarta	February 14, 2017

E. Duties and Responsibilities of IT Steering Committee

The duties and responsibilities of the IT Steering Committee are as follows:

- Reviewing IT strategic plans so as to be in line with the Company's business activities and strategies.
- Reviewing the effectiveness of strategic steps to minimize the risk of Company investments in IT sector.
- Reviewing the feasibility of IT investments that will contribute to the achievement of the Company's business objectives.
- Reviewing the formulation of major IT policies, standards and procedures.
- Monitoring and ensuring the conformity of approved IT projects with the IT strategic plans.

- Monitoring and ensuring the conformity of IT projects implementation with the approved project plans (project charter).
- Monitoring and ensuring the conformity of IT sector with the needs of management information system and the Company's business needs.
- Monitoring IT performance and efforts to improve it.
- Monitoring settlement efforts of various IT related matters that cannot be settled by user work unit and IT implementation work unit in an effective, efficient and timely manner.
- Ensuring the availability and allocation of resources of the Company.

Charter

In order to support the implementation of its duties, IT Steering Committee refers to Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017, on Structure of Information Technology Steering Committee.

F. Meetings of IT Steering Committee

The following provisions govern the meeting of IT Steering Committee:

- IT Steering Committee Meetings are held as necessary with at least 4 (four) meetings in a year;
- IT Steering Committee Meetings can be held if attended by, at the very least, 2/3 (two-thirds) of the number of invited members with voting right.

G. Decision Making

The following provisions govern the decision making-process in the Committee:

- Decision-making related to the exercise of the IT Steering Committee's authority will only be carried out through legitimate Committee meeting decisions.
- IT Steering Committee meeting decisions are valid and binding if approved by at least ½ (half) plus 1 (one) of the members with voting rights present.

H. Frequency of IT Steering Committee Meeting in 2017

Up until December 31, 2017, the IT Steering Committee has held 4 (four) meetings with the following details:

- IT Steering Committee 1 dated May 2, 2017
- IT Steering Committee 2 dated July 19, 2017
- IT Steering Committee 3 dated September 15, 2017
- IT Steering Committee 4 dated November 27, 2017

Meeting Schedule and Frequency of IT Steering Committee during 2017

Based on Board of Directors Decision Letter No. 110/SK/DIR/2014 dated September 24, 2014 on Structure of Information Technology Steering Committee.

Position (Name of the Director)	Total Meetings	Attendance	Percentage
Deputy President Director (Armand W. Hartono) ¹⁾	4	4	100%
Compliance and Risk Management Director (Subur Tan)	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	3	75%
Executive Vice President of Information Technology	4	4	100%
Strategic Information Technology Group (GSIT) ²⁾ :			
- Head of IT Management Office ³⁾	4	4	100%
- Head of IT Infrastructure & Operation Management ³⁾	4	4	100%
- Head of Core Application Management	4	3	75%
- Head of Delivery Channel & Middleware Application Management	4	4	100%
Head of Enterprise Security Work Unit	4	4	100%
Head of Risk Management Work Unit	4	1	25%
Head of Compliance Work Unit	4	2	50%
Head of Strategy and Development of Operation-Service Division	4	2	50%
Head of Internal Audit Division ³⁾	4	3	75%

Note :

¹⁾ Chairman

²⁾ GSIT only has 1 (one) voting right represented by EVP IT

³⁾ No voting right

⁴⁾ Concurrently by EVP IT

Meeting Schedule and Frequency of IT Steering Committee during 2017

Based on Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 on Structure of Information Technology Steering Committee.

Position (Name of the Director)	Total Meetings	Attendance	Percentage
Deputy President Director (Armand W. Hartono) ¹⁾	4	4	100%
Compliance and Risk Management Director (Subur Tan)	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	3	75%
Executive Vice President of Information Technology	4	4	100%
Strategic Information Technology Group (GSIT) ²⁾ :			
- Head of Data Management & IT Management Office	4	3	75%
- Head of IT Architecture & Service Quality Group	4	4	100%
- Head of Application Management Group ³⁾	-	-	-
- Head of IT Infrastructure & Operation Group ⁴⁾	-	-	-
- Head of Digital Innovation Solutions Group	4	3	75%
Head of Enterprise Security Work Unit	4	4	100%
Head of Risk Management Work Unit	4	1	25%
Head of Compliance Work Unit	4	2	50%
Head of Strategy and Development of Operation-Service Division	4	2	50%
Head of Internal Audit Division ⁵⁾	4	3	75%

Note :

¹⁾ Chairman.

²⁾ GSIT only has 1 (one) voting right represented by EVP IT.

³⁾ Currently, the position of Application Management Group Head is vacant; hence, in the IT Steering Committee meeting, it is represented by:

- SR IT Adviser Integration & Transactional Banking Application.
- SR IT Adviser International Business & Back Office Application

⁴⁾ Currently, the position of IT Infrastructure & Operation Group Head is vacant; hence, in the IT Steering Committee meeting, it is represented by:

- Head of IT System Infrastructure
- Head of IT System Operation

⁵⁾ No voting right

I. Report of Responsibility

Accountability report/work realization report of the IT Steering Committee is submitted through minutes of IT Steering Committee meetings with the following provisions:

- Attendance of IT Steering Committee members in the meeting has met the quorum.
- Results of IT Steering Committee meeting must be written in minutes of meetings and be well documented.
- Minutes of meetings are prepared by the Secretary of the IT Steering Committee and signed by the Chairman of the IT Steering Committee.

J. Work Programs of IT Steering Committee

Work Programs of the IT Steering Committee in 2017 were as follows:

- To provide recommendations to the Board of Directors regarding IT strategic plan.
- To monitor IT performance and its improvement efforts.
- To evaluate and monitor IT application in accordance with the Company's business requirements.
- To ensure that IT investments deliver optimum investment value.
- To ensure the effectiveness of efforts to minimize risk on the Company's IT investments.

K. Realization of Work Programs of IT Steering Committee in 2017

In performing its duties throughout 2017, the IT Steering Committee has carried out the following programs:

- Evaluated and monitored the implementation of strategic IT projects aligned with strategic corporate objectives and business direction of the Company.
- Evaluated the implementation of process and technology used in IT project development.
- Reviewed and monitored strategic measures in minimizing IT investment risks.
- Monitored the use of IT budget in 2017.
- Reviewed and evaluated new IT strategic projects, namely:
 - a) Omni-Channel that was developed to optimize the features and functions at BCA channel.
 - b) Utilization of Application Programming Interface (API) to strengthen the Company's position as transaction banking service provider.
 - c) Development of Data Lake (Big Data) to support business and data analysis needs in the future.
- Evaluated and monitored IT initiatives carried out to support the delivery of IT strategic projects. The initiatives were:
 - a) Development of microservices architecture that is beneficial for the development of new technology.
 - b) Procurement and development of Software Report Management to improve efficiency in report distribution process at Head and Branch Offices.
 - c) Implementation of link network facility and utilization of VSAT provider distribution as a mitigation step and improvement effort for ATM service.
 - d) Development of BCS Mobile Keyboard to facilitate the customers in conducting financial transactions.
- Reviewed and evaluated capability development of IT Human Resources and Management Office.
- Reviewed and evaluated IT Risk Management and IT Compliance Governance processes.

PERSONNEL CASE ADVISORY COMMITTEE

The Personnel Case Advisory Committee is established by and answers directly to the Board of Directors. Personnel Case Advisory Committee's mission is to provide recommendations to the Board of Directors regarding the settlement of personnel cases based on the principles of fairness and equality by reviewing cases of violations of policy and/or possible illegal activity undertaken by employees. The Personnel Case Advisory Committee is established based on the Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013.

In addition, the establishment of Personnel Case Advisory Committee refers to:

- Board of Directors Decision Letter No. 021/SK/DIR/2012 on Changes to the Management of Violations Guidelines.
- Board of Directors Decision Letter No. 018/SK/DIR/2013 on Revised Decision Letter of Authority within the Scope of Human Resources at Head Office.
- Board of Commissioners Decision Letter No. 089/SK/KOM/2013 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Guidelines of Standardized Authority of Branch Office and Regional Office.

A. Main Functions of the Personnel Case Advisory Committee

- To review cases of violations and/or crime committed by employees, which require decision by the Board of Directors for follow-up settlement.
- To provide recommendation to the Board of Directors in determining follow-up settlement of cases of violations and/or crime, which includes the sanctions imposed, operational system & procedures improvements, and legal proceedings if necessary.
- To periodically review the settlement of violations and/or crime implemented by the Heads of Main Branch Offices and Regional Offices.
- To provide advice and guidance (if necessary) to branch and regional offices in handling cases of violations and/or crime.

B. Authorities of the Personnel Case Advisory Committee

The Personnel Case Advisory Committee is authorized to make suggestions/recommendations to the Board of Directors concerning the settlement of violations and/or crime committed by employees.

C. Membership Structure of Personnel Case Advisory Committee

Based on Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013 on Committee Structure, the membership structure and voting right status of Personnel Case Advisory Committee are as follows:

Position	Served by	Status Voting Rights*)
Chairman (concurrently as permanent member)	Head of Human Capital Management Division	Reserve voting rights
Member	<ul style="list-style-type: none"> Head of Internal Audit Division Head of Legal Group Head of Strategy and Development of Operation-Service Division 	Reserve voting rights
Non-permanent member	Head of Regional Network and Planning Management Work Unit	Reserve voting rights
Secretary	Head of Branch Audit Sub-Division	No voting rights

Independency of Personnel Case Advisory Committee

All members of the Personnel Case Advisory Committee have met the independency criteria and are capable of conducting their duties independently.

D. Education or Training Activities

During 2017, members of Personnel Case Advisory Committee have participated in the following education or training activities:

No	Name	Training Program	Organizer	Location	Date
1.	Hendra Tanumihardja	Workshop KPI Alignment	BCA	Jakarta	February 27, 2017
		Leadership In Agile Organization	BCA	Jakarta	July 14, 2017
		Strategic Leaders Program-Vision, Strategy and Managing The Organization To Drive Result	Michigan Ross Executive Education	Hong Kong	November 20-24, 2017
2.	Jacobus Sindu Adisuwono	New Competence Dissemination	BCA	Jakarta	February 14, 2017
		KPI Alignment	BCA	Jakarta	February 27, 2017
		Refresher SMR Level 4-5 th 2017	BCA	Jakarta	March 3, 2017
		KPI Cascading	BCA	Jakarta	March 21, 2017
3.	Ayna Dewi Setianingrum	Sound Practice In ICAAP Implementation & Benchmarking	BARa	Ceko, Swiss, Jerman	October 17-22, 2017
4.	Lilik Winarni	Business English 3-Advising Clients	BCA	Jakarta	February 1, 2017
		Business English 3-Networking	BCA	Jakarta	February 1, 2017
		Business English 3-Speak Up	BCA	Jakarta	February 1, 2017
		e-L APU PPT v.1.1	BCA	Jakarta	February 8, 2017
		New Competence Dissemination	BCA	Jakarta	February 20, 2017
		e-Learning KPO	BCA	Jakarta	April 3, 2017
		Workshop ATM 2017	BCA	Jakarta	August 29, 2017

E. Main Duties of the Personnel Case Advisory Committee

Main Duty KPKK

Personnel Case Advisory Committee members have voting rights, with the main tasks of providing input in the form of information, analysis, and consideration at the meetings in order to make suggestions/recommendations with regard to:

- Sanctions to be imposed;
- Improvements of operational systems and procedures;
- Legal proceedings

Personnel Case Advisory Committee members who are unable to attend the meeting can be represented by other officials (with a level equal to the Sub-Division Head or Bureau Head) appointed by the concerned member.

Charter

In order to support the implementation of its duties, Personnel Case Advisory Committee refers to Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013.

H. Frequency of the Personnel Case Advisory Committee Meetings in 2017

As of December 31, 2017, the Personnel Case Advisory Committee held 12 (twelve) meetings with details described below.

Frequency of Personnel Case Advisory Committee Meeting in 2017

Position (Name of the Director)	Total Meeting	Attendance	Percentage
Head of Human Capital Division (Hendra Tanumihardja) ¹⁾	12	12	100%
Head of Internal Audit Division (Sindu Adisuwono/Ayna Dewi) ^{1)#)}	12	12	100%
Head of Legal Group (Hermanto) ¹⁾	12	9	75%
Head of Legal Group (Theresia Endang) ¹⁾	12	10	83%
Head of Strategy and Development of Operation-Service Division (Lilik Winarni) ¹⁾	12	3 ^{#)}	25%
Head of Regional Network and Planning Management Work Unit (Hendrik Sia) ²⁾	12	8	67%

Note :

¹⁾ Chairman

¹⁾ Member

²⁾ Non-permanent member

^{#)} Mrs. Ayna Dewi has effectively served in her position since November 1, 2017

^{#)} Mrs. Lilik Winarni was unable to attend the meeting

I. Report of Responsibility

Realization of the Personnel Case Advisory Committee work is reported in:

- Minutes of the Personnel Case Advisory Committee regular meetings.
- Minutes of the Personnel Case Advisory Committee special meetings held to discuss specific issues.

F. Meetings of the Personnel Case Advisory Committee

The following are several provisions regarding the Committee Meetings:

- Personnel Case Advisory Committee meetings are held as necessary.
- Voting rights are held by members.
- Personnel Case Advisory Committee meetings meet quorum if attended by at least 2/3 (two-thirds) of the total members.

G. Decision Making

The following are several provisions of the Committee meeting decisions and the decision-making process:

- Decision-making related to the exercise of Personnel Case Advisory Committee's authority can only be made through legitimate Committee meeting decisions.
- Decisions made in the Committee meetings can be in the form of:
 - A recommendation to the Board of Directors agreed upon by all members, or
 - More than one recommendation (if consensus is not reached).

J. Realization of Work Programs of Personnel Case Advisory Meeting in 2017

In performing its duties throughout 2017, the Personnel Case Advisory Committee has held 12 (twelve) meetings. Realization of the Personnel Case Advisory Committee work program was to provide input in the form of information, analysis and consideration to make recommendations to the Board of Directors for actions to be taken to resolve violations committed by employees that required the Board of Directors decision for settlement, including the imposition of sanctions and/or improvement of systems and operational procedures and/or legal proceedings.

- Decision of Board of Directors of IDX No. 339/BEJ/07-2001 dated July 20, 2001 on Amendment to the Provisions of letter C.2.e on Regulation of Registration of Securities No. I-A regarding General Provisions for Registration of Equity Securities at Stock Exchange.

Through the Corporate Secretary, the Company strives to improve information disclosure and communication to all stakeholders. The Corporate Secretary is responsible for ensuring that the Company has implemented good corporate governance principles, manage the positive images and necessity of Company, maintaining good relationship with all stakeholders, supporting the Company's business conducted by the management, implementing secretariat duties, and ensuring the compliance of the Company with all applicable regulations.

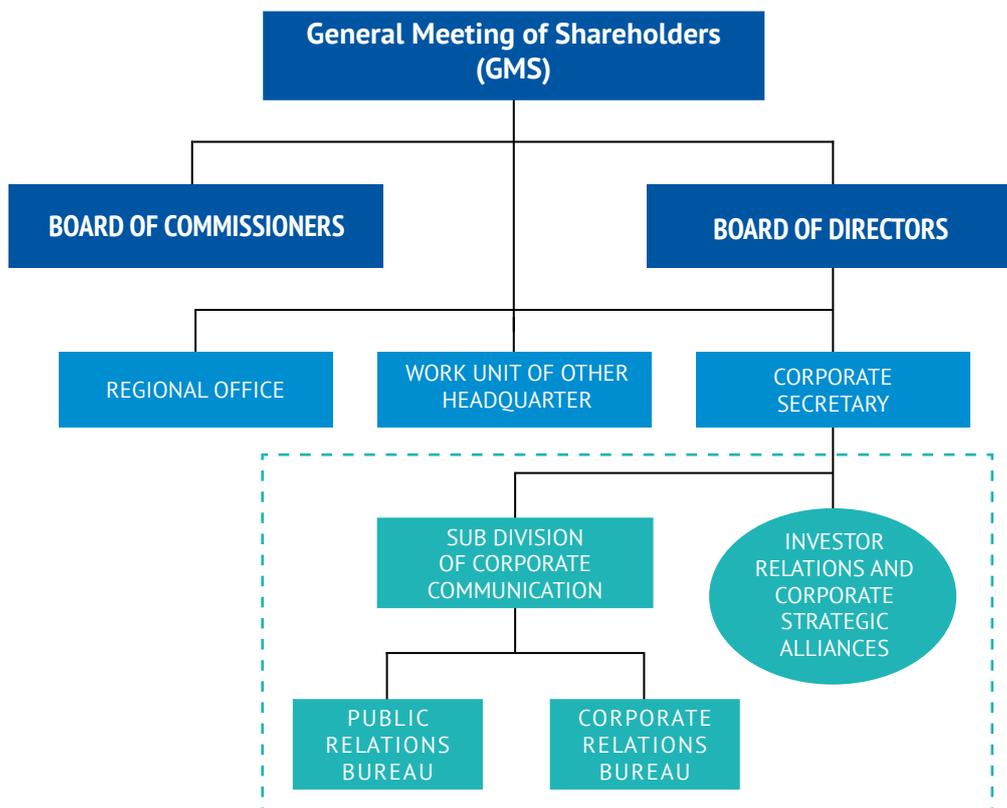
CORPORATE SECRETARY

The Company established the position of Corporate Secretary based on the prevailing regulations, covering:

- The Financial Services Authority Regulation No. 35/POJK.04/2014 on Corporate Secretary of Issuers or Public Companies;
- Decision Letter of Board of Directors of PT. Bursa Efek Indonesia (IDX) No. Kep-00001/BEI/01-2014 on Amendment to Regulation No. I-A regarding Registration of Equity Share and Securities Issued by Listed Companies; and

Structure and Position of Corporate Secretary

The function of Corporate Secretary at the Company is carried out by the Corporate Secretariat, which is headed by a Corporate Secretary whose position is on par with the Head of Divisions and is directly responsible to the Board of Directors. This function is supervised by the Deputy President Director.



Note:
= Based on Board of Directors Decision Letter No. 124/SK/DIR/2016 dated August 31, 2016 on Organizational Structure of Corporate Secretariat.

Corporate Secretary Profile

Company's Corporate Secretary position has been held by Jan Hendra since October 1, 2016 based on the Decision Letter No. 2235/SK/HCM-KP/A/2016. There was no change to the position of Corporate Secretary in 2017.

Jan Hendra is an Indonesian citizen and domiciled in Indonesia. Jan Hendra's work experience in the banking industry began in 2005. Prior to being appointed as Corporate Secretary, Jan Hendra served in various managerial positions in the

Consumer Card Business Group (Card Center) as the Head of Marketing and Product Development (April 2013-September 2016), Head of Consumer Card Portfolio Management (2012-2013), Head of Issuing Portfolio Management (2012), and Head of Business Development (2009-2012). He obtained his Bachelor Degree in Electrical Engineering from Trisakti University, Jakarta (1997), and completed his Master Degree in Software System Engineering from the University of Melbourne, Australia (2000).

Corporate Secretary Competence Development and Training Programs

As an effort to support the conduct of his duties, the Corporate Secretary participated in a series of competence development and training programs in 2017, such as:

No	Training Program	Organizer	Location	Date
1	Dissemination of New Competence	BCA	Jakarta	February 14, 2017
2	Workshop KPI Alignment	BCA	Jakarta	February 27, 2017
3	Induction of Major P2M	BCA	Jakarta	May 3, 2017
4	Assessment of Major P2M	BCA	Jakarta	May 4, 2017
5	Systematic Thinking In Business	BCA	Jakarta	May 8, 2017
6	Framework In Business Thinking	BCA	Jakarta	May 8, 2017
7	Basic Understanding In FS - Banking	BCA	Jakarta	May 9, 2017
8	Principle In Value Creation: Ops&Invest	BCA	Jakarta	May 10, 2017
9	Developing Business Strategy	BCA	Jakarta	May 12, 2017
10	Strategic Alliance&Bsc	BCA	Jakarta	May 15, 2017
11	Managing Team:To Engage&Inspire	BCA	Jakarta	May 17, 2017
12	Transformational Leadership	BCA	Jakarta	May 17, 2017
13	Corporate Secretary Workshop	ICSA	Jakarta	July 18, 2017

Corporate Secretary Functions

The functions of the Corporate Secretary at the Company are:

1. keeping abreast of development in capital markets, especially the laws and regulations applicable in capital markets;
2. providing input to the Board of Directors and Board of Commissioners to comply with the provisions contained in the laws and regulations of capital markets;
3. assisting the Board of Directors and Board of Commissioners in the implementation of corporate governance, covering:
 - a. information disclosure to the public, including information availability on Company's website;
 - b. timely delivery of reports to the Financial Services Authority;
 - c. conventions and documentation of General Meetings of Shareholders;
 - d. organization and documentation of meetings of the Board of Directors and/or the Board of Commissioners; and
 - e. implementation of orientation program for the new members of the Boards of Directors and/or the Board of Commissioners.
4. acting as a liaison officer between the Company and the shareholders, Financial Services Authority, and other stakeholders.

Duties and Responsibilities of Corporate Secretary

Based on Decision Letter No. 084/SE/POL/2017 dated April 21, 2017 on Description of Duties and Responsibilities of Corporate Secretary which refers to Board of Directors Decision Letter No. 124/SK/DIR/2016 dated August 31, 2016 on Organizational Structure of Corporate Secretariat, as well as the related Capital Market provisions, the duties and responsibilities of the Company's Corporate Secretary are as to:

- Determine strategies and Corporate Secretariat work programs and monitor implementation.
- Represent the Board of Directors in liaising with government agencies and private institutions.
- Build and manage the Company's positive image and identity by fostering public relation activities through mass media, internal media and other facilities.
- Support the conduct and implementation of good corporate governance in the Company.
- Administer the operations of the Company by the Board of Directors and Board of Commissioners so as to comply with the Articles of Association and other regulations, including those on corporate activities (GMS, public expose, and other corporate actions).
- Nurture good relations with internal parties, work partners, investors, capital market community, and shareholders.
- Allocate work programs as well as monitoring and evaluating their implementation.
- Support the conduct and implementation of good corporate governance.
- Maintain and improve the Company's financial reputation and credibility in wholesale financial markets, so that the Company has a strong access potential when requiring funds from wholesale financial markets.

- Handle and ensure settlement of issues in Corporate Secretariat.
- Adhere to the policies of the Board of Directors, Regulations of the Bank Indonesia, Regulations of Financial Services Authority and other regulations.

Brief Description on Duty Implementation of Corporate Secretary in 2017

During the year, the Corporate Secretary conducted the following activities;

1. Convened the Annual General Meeting of Shareholders.
2. Conducted self-assessment on the Implementation of Good Corporate Governance and Integrated Governance.
3. Prepared the Good Corporate Governance Implementation Report.
4. Prepared Corporate Social Responsibility Report.
5. Adjusted Good Corporate Governance implementation with regulator provisions.
6. Organized Porseni (sports and cultural event) in celebration of the Company's 60th anniversary.
7. Conducted public expose (together with Investor Relations).
8. Conducted Press Conference & Analyst Meetings.
9. Organized National Work Meeting (together with other work units).
10. Conducted press conferences to disclose the Company's performance and progress.
11. Organized corporate communication materials and media of the Company for both external and internal parties, e.g. website development in accordance with regulations, issuer's reports to regulators, Info BCA Magazine, and others.
12. Conducted review and update of existing policies of corporate governance of the Company and its units.

Corporate Secretary Report in 2017

Details of the Corporate Secretary Report in 2017 are as follows:

- a. Keeping abreast of the development in capital market, especially the laws and regulations applicable in capital market.

No.	Matters	Description
1.	Organization of Corporate Action	Organizing the convention of 2016 Annual GMS of the Company on April 6, 2017
2.	Implementation of capital market provisions	Implementation of Financial Services Authority Regulation No. 11/POJK.04/2017 on Share Ownership Report/Every Change of Share Ownership of Public Companies

- b. Providing input to the Board of Directors and Board of Commissioners to comply with provisions contained in law and capital market regulations.

No.	Matter	Description
1.	Analysis on Capital Market Provisions	<p>Analysis on capital market provisions is contained in a Memorandum to the Board of Directors and/or Board of Commissioners or uploaded to the Bank's internal portal, namely MyBCA, in hotspot section, with GCG Info links among others:</p> <ul style="list-style-type: none"> - Analysis of Financial Services Authority Regulation No. 13/POJK.03/2017 on Use of Public Accountant Service and Public Accountant Firm in Financial Service Activities - Analysis of Financial Services Authority Regulation Draft, Proposal of Electronic Registration/Electronic Corporate Action - Analysis of Financial Services Authority Regulation Draft, Holding Company in Financial Conglomerates - Analysis on Mechanism of reporting flow of share ownership of certain shareholders, based on Financial Services Authority Regulation No. 11/POJK.04/2017 on Share Ownership Report/Every Change of Share Ownership of Public Companies.
2.	Inputs/Opinions	<ul style="list-style-type: none"> - Related to the drafting of Guidelines for Affiliate Transactions and Conflict of Interest as approved through Board of Directors Decision Letter No. 079/SK/DIR/2017 dated June 21, 2017 on Affiliate Transactions and Transactions Containing Conflict of Interest. - Related to the Submission Flow of Self-Assessment Report on Integrated Governance as approved through Decision Letter No. 282/SE/POL/2017 dated November 30, 2017 on Mechanism of Drafting and Submission of Report on Self-Assessment of Integrated Governance Implementation.
3.	Adjusted the implementation of updated governance regulations, such as Bank Indonesia Regulation, Financial Services Authority Regulation and provisions contained in the ASEAN Corporate Governance Scorecard	<ul style="list-style-type: none"> - Reviewed the Governance Manual; - Reviewed the Integrated Governance Manual; <p>Reviews are conducted in coordination with related work units.</p>

- c. Assisting the Board of Directors and the Board of Commissioners in the implementation of corporate governance, having:

No.	Matter	Description
1.	Information disclosure to the public, including information availability on the Website of Issuers or Public Companies;	<ul style="list-style-type: none"> - Reviewed and updated the Company's website as adjusted to new prevailing provisions; - Provided reports on information disclosure/investor news, both to the investors and to the public. Such reports can be accessed on the Bank's website at: https://www.bca.co.id/id/Tentang-BCA/Hubungan-Investor/Berita-Investor - Provided Company reports on its website, among others: <ul style="list-style-type: none"> a. Annual Report (https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Tahunan); b. Monthly, Quarterly and Annual Financial Statements (https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Kuangan); c. Corporate Governance Report (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan); d. Integrated Governance Report (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan); e. Sustainability and/or Corporate Social Responsibility Reports (https://www.bca.co.id/en/Tentang-BCA/Korporasi/Cari-Tahu-Tentang-BCA/sustainability-report).

No.	Matter	Description
2.	Timely delivery of reports to the Financial Services Authority	<ul style="list-style-type: none"> - Conducted self-assessment on the implementation of Corporate Governance in Semester I (in June 2017) and Semester II (in December 2017), and delivered the result reports to the Financial Services Authority. - Submitted Reports or correspondence related to governance implementation and fulfillment of capital market provisions to the Financial Services Authority and Bank Indonesia. - Submitted annual Good Corporate Governance Implementation report. - Conducted self-assessment on the implementation of Integrated Governance in Financial Conglomerates in Semester I (in June 2017) and Semester II (in December 2017), and delivered the result report to the Financial Services Authority. - Submitted Reports or correspondence related to integrated governance implementation to the Financial Services Authority and Indonesia Stock Exchange.
3.	Convention and documentation of General Meeting of Shareholders	<p>The data of the Annual GMS of the Company consisted of announcement, summons and resolutions of the Annual GMS have been properly documented, among others, through:</p> <ul style="list-style-type: none"> - Website of the Company as accessible on https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan; - Softcopy and hardcopy data managed by Corporate Relationship Bureau of Corporate Secretary Division (including correspondence related to the Annual GMS to regulators)
4.	Organization and documentation of meetings of Board of Directors and/or Board of Commissioners	<p>Documentation of meetings of Board of Directors and Board of Commissioners is managed by the Board of Directors Bureau. Every semester, the Board of Directors Bureau delivers data of Board of Directors and/or Board of Commissioners meetings to Corporate Relationship Bureau of Corporate Secretary Division to be administrated.</p> <p>Total meetings of Board of Directors and Board of Commissioners in 2017 can be seen in the page 337 chapter on Meeting of Board of Directors and Board of Commissioners in this Annual Report.</p>
5.	Implementation of orientation program for new Directors and Commissioners	<p>The orientation program is conducted for new Directors and Commissioners. Reports on orientation program can be seen in the page 315 and 325 chapter on Board of Commissioners and Board of Directors in this Annual Report.</p>

- d. Acting as a liaison officer between the Company and the shareholders, Financial Services Authority, and other stakeholders:

No.	Matter	Description
1.	Implementation of Public Expose	Conducted Public Expose (together with Investor Relations) on August 9, 2017 at Stock Exchange Building, Jakarta.
2.	Implementation of Press Conference & Analyst Meeting	<p>In 2017, Press Conference & Analyst Meetings were conducted on:</p> <ul style="list-style-type: none"> - April 20, 2017 (position of Q1 of 2017) - July 27, 2017 (position of Semester 1 of 2017) - October 26, 2017 (position of Q3 of 2017)
3.	Communication media and internal event	<ul style="list-style-type: none"> - Organized Porseni Nasional (sports and cultural national event) in celebration of the Bank's 60th anniversary on February 24-25, 2017 at Soemantri Kuningan Jakarta. The event involved 1,218 athletes and officials from all Regional Offices, Head Office and Subsidiaries of the Company. - Organized National Work Meeting on December 7-8, 2017 (together with other work units).
4.	Communication materials of the Company	<ul style="list-style-type: none"> - Managed and updated information on the Company's website in accordance with prevailing regulations. - Organized press conferences related to the Company's performance and progress. 2017 Press Release Report on page 430 in this Annual Report. - Organized Company corporate communication materials such as publication of financial statements through mass media, advertisements on national holidays, and so on. - Developed and implemented Company sponsorship activities in line with the Company's policies.

INVESTOR RELATIONS FUNCTION

Main Duties of Investor Relations

The main duty of Investor Relations is to represent the Board of Directors in liaising with investors and capital markets community, including to:

- Formulate communication strategies, specifically toward investors, potential investors, analysts, and the capital market community in general.
- Prepare the necessary materials and organize various activities such as road shows, analyst meetings and conference calls.
- Communicate various matters related to the Company's shares and performance, and provide Financial Statements to parties such as analysts, investors and potential investors.
- Manage relationships with analysts, fund managers, experts and economists (specifically related to stocks).
- Monitor and report the results of analysis on the Company's performance and stock prices to the Board of Directors on a periodic basis.
- Coordinate the preparation, publication and distribution of annual reports to investors/analysts.
- Provide financial data and information for investors and the capital markets community.

Investor Relations Activity

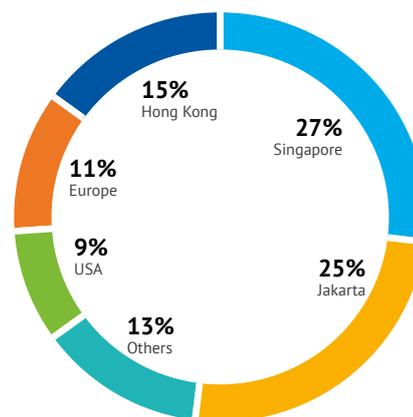
Investor Relations communicates with the financial and capital market community so that they can have the right and accurate information on the performance, business prospect or other necessary information for decision making. Investor relations activities are carried out by duly observing the principles of confidentiality and equal treatment for all investor.

Company holds analyst meeting event on regular basis to disclose the quarterly performance. Company is also active in attending conference and non-deal road show, events held by securities companies, where Company can meet with the investors. In addition, Company also host the investors visit or conducted conference call upon request by the investors.

Statistics of Investor Relation Activities in 2017 and 2016

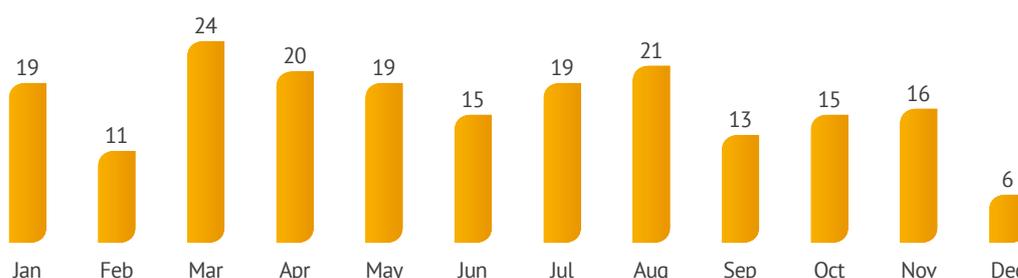
	2017	2016
Analyst Meeting & Public Expose	5	5
Non-deal road show	2	2
Investor Conferences (domestic and overseas)	14	11
Investor Visits	122	155
Conference call	55	80
Total	198	253

The number of investors/analysts conducting visits and conference calls amounted to 351 people, with the following composition by country of origin:



Note:
*) Others from Thailand, Malaysia, South Korea, Australia, South Africa and United Arab Emirates.

Frequency of Monthly Investor Relations Activities in 2017



Average frequency of Investor Relation activities in 2017 was 16 activities each month.

INTERNAL AUDIT

The Internal Audit Division was established to enhance and protect the value of the Company through the provision of assurance, advice, and insight based on risk and in an objective manner.

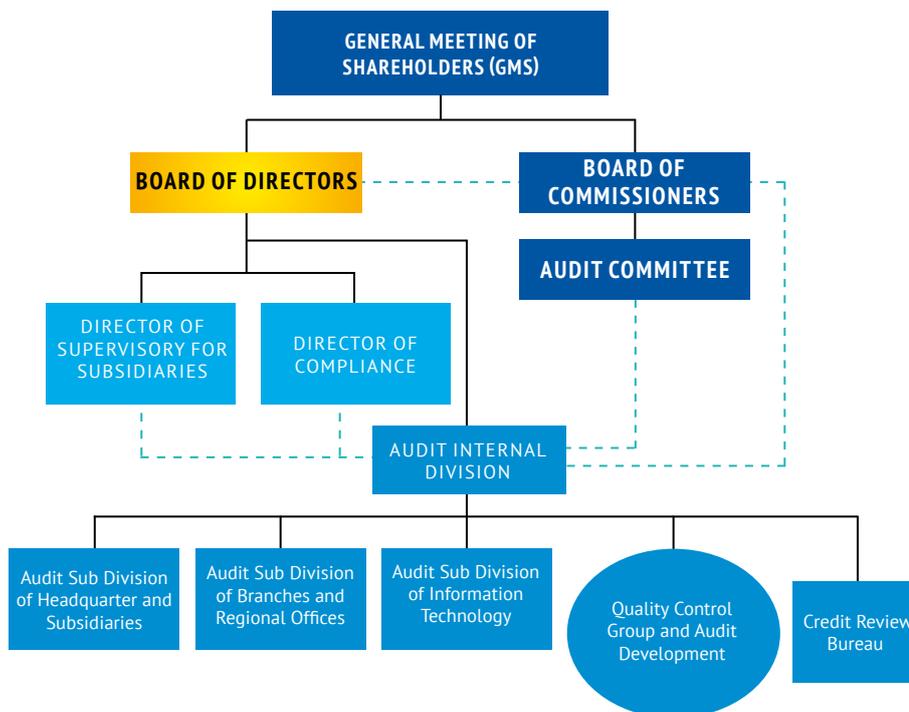
In performing its functions, Internal Audit assesses the adequacy and effectiveness of risk management processes, internal controls, governance, and performance to support the achievement of the Company's objectives, as well as to provide consultation to internal parties of the Company as needed.

To support the implementation of integrated governance for the BCA Financial Conglomerate, the function of the Integrated Internal Audit Unit is implemented by the Bank's Internal Audit in accordance with the Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates.

Position and Structure of the Internal Audit Division

Internal Audit is chaired by the Division Head who is responsible to the President Director as well as having direct communication with the Board of Commissioners, the Audit Committee, the Compliance Director and the Director in charge of the Subsidiaries.

The following is the organizational structure of Internal Audit:



Note:
 ----- communication/information line

Profile of the Head of Internal Audit

Jacobus Sindu Adisuwono served as the Head of Internal Audit from 1 November 2008 based on Employee Appointment Decision No. 1390/SK/DHR/A/2008 dated 24 October 2008, which was signed by the President Director and has obtained the approval of the Board of Commissioners until the end of his term of office on 31 October 2017.

He has considerable experience in the field of internal audit, having previously held various positions in the Internal Audit Division of PT Bank Central Asia, Tbk since 1987 and obtained Certified Internal Auditor (CIA) and Qualified Internal Auditor (QIA) certifications.

He is also active in internal audit profession organization activities, and served for the 2014 - 2017 period as Chairman of the Bank Internal Auditors Association (IAIB), which is a professional association of bank internal auditors, as well as a member of The Institute of Internal Auditors of Indonesia.

Since 1 November 2017, the Head of Internal Audit is Ayna Dewi Setianingrum based on the Employee Appointment Decision No. 3141/SK/HCM-KP/A/2017 dated 24 October 2017, which was signed by the President Director and obtained the approval of the Board of Commissioners.

She has considerable experience in internal audit, having previously held various positions in Internal Audit of PT

Bank Central Asia Tbk since 1995 and obtained the Qualified Internal Auditor (QIA) certification.

The appointment, replacement, or dismissal of the Head of Internal Audit shall be conducted by the President Director with the approval of the Board of Commissioners, and reported to the Financial Services Authority.

Competence Development and Training Program of the Head of Internal Audit Division

To develop competence and support the implementation of its duties, the Head of Internal Audit attended a series of training programs, along with a competency development program, which was attended by the Head of Internal Audit in 2017.

1. Jacobus Sindu Adisuwono

No	Training Program	Organizer	Location	Date
1	Understanding, Macroeconomis, Risk Awareness	BCA	Jakarta	3 March 2017
2	IIA International Conference	IIA	Australia	24-28 July 2017
3	Indonesia Knowledge Forum	BCA	Jakarta	3-4 October 2017

2. Ayna Dewi Setianingrum

No	Training Program	Organizer	Location	Date
1	Seminar IBEX 2017	Perbanas	Jakarta	19-20 September 2017
2	Indonesia Knowledge Forum - 2017	BCA	Jakarta	3-4 October 2017
3	Sound Practices In ICAAP Implementation "How to Pinpoint the Weak Spots in the Business Strategic Plan and Risk Management"	Bankers Association for Risk Management (BARa)	Prague, Czech Republic & Vienna, Austria	15-23 October 2017

Independency

To support independence and ensure a smooth implementation of audits, the Head of Internal Audit is responsible to the President Director and able to communicate directly with the Board of Commissioners, the Audit Committee, the Compliance Director and the Director in charge of the subsidiaries to inform matters that are related to audit. Internal Audit is not granted the authority and responsibility to carry out operational activities of the Company or its Subsidiaries.

During 2017, 8 (eight) meetings of Internal Audit with the President Director and the Audit Committee were held, while 2 (two) meetings were held with the Board of Commissioners.

Duties and Responsibilities of the Internal Audit Division

The scope of assignment of Internal Audit includes the activities of all Branch Offices, Regional Offices, Divisions, Work Units and Business Groups at Head Office, Subsidiaries, as well as Company activities that are outsourced, with the following duties and responsibilities to:

1. Assist the President Director, Board of Commissioners, and the Audit Committee in performing the supervisory functions.
2. Develop and implement a risk-based annual audit plan and report its realization to the President Director, the Board of Commissioners, and the Audit Committee.
3. Test and evaluate risk management processes, internal control, and governance processes to assess adequacy and effectiveness as well as providing recommendations for improvement.
4. Monitor, analyze, and report on the implementation of follow-ups that have been conducted by the auditee based on the recommendation of the audit results.
5. Conduct credit quality assessment.
6. Perform special investigation/assessment based on request of the Board of Commissioners, Audit Committee, Board of Directors, work units based on specific indications.
7. Act as a consultant for internal parties of the Company in need of such services, particularly in regards with the scope of duties of internal audits.
8. Implement an integrated internal audit function, monitor the effectiveness of internal audit function, and support the improvement of internal audit quality in each subsidiary in order to carry out the integrated internal audit function.

9. Develop programs to evaluate and improve the quality of internal audit activities.

Internal Audit Division Implementation Standards (Internal Audit Manual)

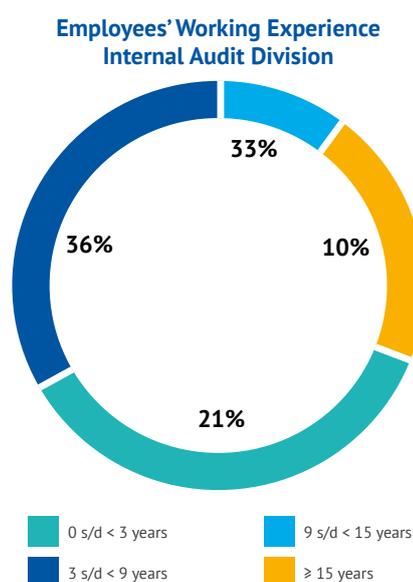
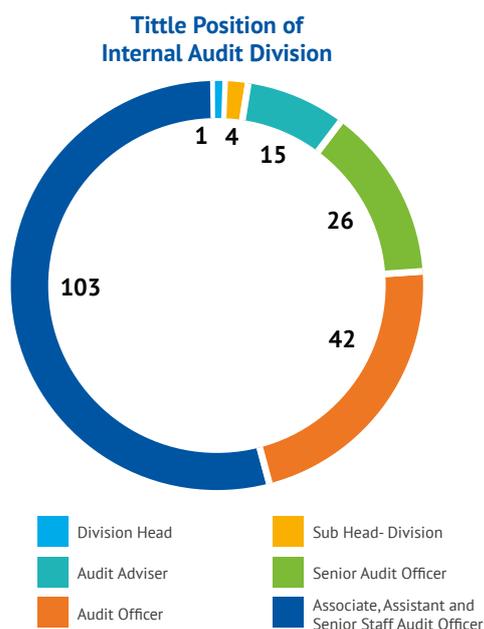
Audit implementation refers to the Internal Audit Charter and audit manuals that have been aligned with the Bank Internal Audit Function Implementation Standards (SPFAIB) and other regulatory provisions

As a reference to global best practices, Internal Audit also uses the mandatory guidelines issued by The Institute of Internal Auditors (including The Core Principles for the Professional Practice of Internal Auditing, The Code of Ethics, The Standards and The Definition of Internal Auditing) as well as the Information System Audit & Control Association (ISACA).

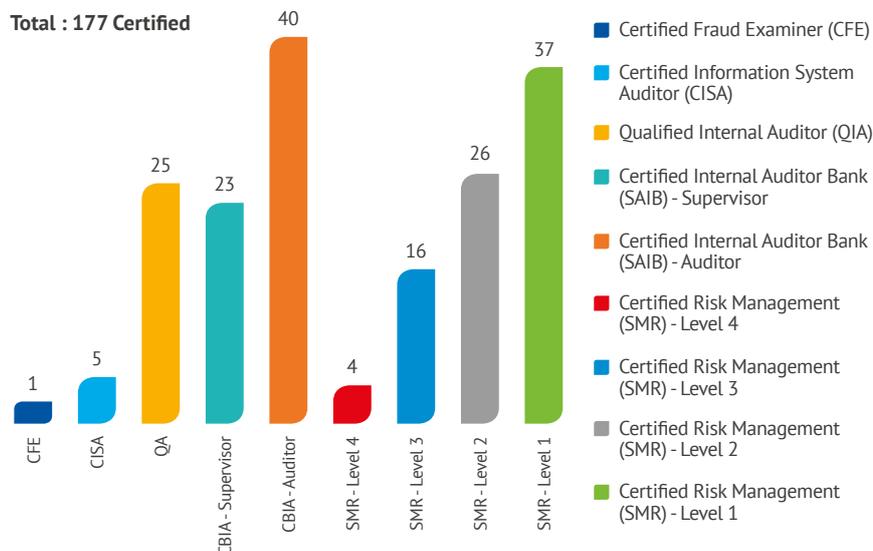
The effectiveness of the implementation of the internal audit function and its compliance with the SPFAIB is reviewed by an independent external party at least once in 3 (three) years. The most recent external review was performed at the end of 2016 and was reported to the Financial Services Authority on 23 January 2017.

Number of Auditors in Internal Audit

As of 31 December 2017, Internal Audit was supported by a total of 191 (one hundred and ninety one) auditors with diverse job positions, work experience, and professional certifications.



Internal Audit Division



Competency Development:

Internal Audit has a competency development program that refers to the IIA Competency Framework and is consistent with the Company's strategy. The education and training programs are carried out continuously. Training or seminars to develop competencies are conducted internally and externally, both domestically and overseas to keep up with the best audit practice.

Audit Management System & Continuous Audit Information System

To improve the effectiveness and efficiency of audit implementation, the Internal Audit Division has utilized the Audit Management System from the planning stage of the audit up to the follow-up monitoring of the audit results. The Internal Audit Division also develops the Continuous Audit Information System to improve monitoring of transaction activities in a more effective and efficient manner.

Reporting

Internal Audit reports periodically to:

1. The Board of Commissioners, the Audit Committee, and the Board of Directors consisting of:
 - a. Audit Reports.
 - b. Follow-up Reports on Audit Results.
 - c. Reports on Investigation Results.
 - d. Audit Activity Realization Reports.
 - e. Integrated Internal Audit Reports.
 - f. Reports on the Results of Quality Control Review.

2. The Financial Services Authority on the implementation of the Internal Audit functions, consisting of:
 - a. Reports on the implementation and fundamental results of internal audits.
 - b. Special reports on any internal audit findings that may disrupt the sustainability of banking operations.
 - c. Reports on external parties' reviews that provide opinions on the performance of Internal Audit and its compliance with the Bank Internal Audit Function Implementation Standards, as well as possible improvements

Activities of Internal Audit in 2017

Activities carried out by Internal Audit in 2017 focused on the following:

1. Implementation of risk management in the utilization of information technology and enterprise security in connection with the increasingly complex utilization of information technology in the Company.
2. Electronic channels of Internet Banking as in line with the increasing volume of transactions through e-channels.
3. Payment instruments using cards and e-Money electronic banking products.
4. Issuing and acquiring business activities, in connection with the increase in transactions using cards.
5. Commercial loan processes to maintain good commercial credit quality.

6. Implementation of Internal Control Over Financial Reporting in connection with the implementation of good corporate governance.
 7. Conducting audits on Branch Offices, Regional Offices, Divisions/ Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan that was stipulated based on risk assessment results.
 8. Increasing the utilization of technology in the management of audit activities through the development of an Audit Management System.
 9. Develop and implement proactive monitoring through continuous auditing and analytical review.
2. The Public Accountant appointed by the Company conducted audits in accordance with professional standards, work agreements, and audit scope.
 3. In accordance with resolution of the Annual GMS of 2017, the appointment of the Public Accountant Firm and the determination of the fee shall be conducted by the Board of Commissioners by taking into account the recommendations of the Audit Committee.
 4. The appointment of Public Accountant Firm is conducted in accordance with the applicable provisions, among others:
 - The Public Accountant Firm and Public Accountant (partner-in-charge) are registered with the Financial Services Authority/ Bank Indonesia. The Company only took into consideration 4 (four) of the largest Public Accountant Firms registered with the Financial Services Authority/ Bank Indonesia.
 - Does not provide other services to the Company in that year to prevent the likelihood of conflict of interest.
 - Employ the same Public Accountant for a maximum of 3 (three) consecutive fiscal years, although employing the same Public Accountant Firm, and re-employ the auditing services of the same Public Accountant after 2 (two) consecutive reporting years.

Focus of Audit Plan in 2018

1. Conducting audits on Branch Offices, Regional Offices, Divisions/ Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan as stipulated based on risk assessment results.
2. Focusing audit on:
 - The System Development Life Cycle (SDLC) process, in line with the relatively large amounts of development in information technology.
 - Mobile banking in line with the increased volume of transactions through this channel.
 - Corporate loan processes to maintain good corporate credit quality.
 - Credit card products, in line with the implementation of the National Payment Gateway.
 - Regulatory audits on payment system processes and the Internal Capital Adequacy Assessment Process (ICAAP) in accordance with Bank Indonesia and Financial Services Authority regulation.
3. Evaluate the development of Continuous Auditing and Analytical Review to support audit activities.
4. Improving audit focus to identify strategic issues.

PUBLIC ACCOUNTANT FIRM (EXTERNAL AUDITOR)

In order to comply to External Audit function pursuant to Financial Services Authority Regulation No.32/POJK.03/2016 on the Amendment to Financial Services Authority Regulation No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports, and Bank Indonesia Circular No. 3/32/DPNP on the Relationship between Banks, Public Accountant Firm and Bank Indonesia, hence:

1. The Company's Financial Statements have been audited by a Public Accountant registered with the Financial Services Authority/ Bank Indonesia who is independent, competent, professional and objective, and uses professional care accurately and thoroughly (due professional care).

Tanudiredja, Wibisana, Rintis & Partners Public Accountant Firm affiliated with PwC International, was appointed as the auditor of the Company to perform the audit on the financial statements of the Company for the year ended 31 December 2017, with estimated service fees of 6,200,000,000.00 (six billion two hundred million rupiah) excluding VAT.

On the appointment of Tanudiredja, Wibisana, Rintis & Partners Public Accountant Office, the Company has submitted a report to Financial Services Authority through the Letter No. 004/KOM/2017. This is in conformity with the provisions stipulated in Financial Services Authority Regulation No. 13/ POJK.03/2017 on the Employment of Public Accountant Services and Public Accountant Firm in Financial Services Activities and Financial Services Authority Circular Letter No. 36/SEOJK.03/2017 on Employment Procedures of Public Accountant Service and Public Accountant Firm in Financial Services Activities.

The Company granted the power to the Public Accountant Firm to submit the audited financial statements (audit report), accompanied with a Management Letter to the Financial Services Authority no later than 4 (four) months after the fiscal year.

Public Accountant Firms and Public Accountants that have audited the Company's Financial Statements (2013, 2014, 2015, 2016, 2017)

	2017	2016	2015	2014	2013
Public Accounting Office	Tanudiredja, Wibisana, Rintis & Partners	Siddharta Widjaja & Partners	Siddharta Widjaja & Partners	Siddharta Widjaja & Partners	Siddharta & Widjaja
Public Accountant	Lucy Luciana Suhenda	Kusumaningsih Angkawijaya	Kusumaningsih Angkawijaya	Elisabeth Imelda	Elisabeth Imelda

COMPLIANCE FUNCTION

Company business activities have continuously undergone changes and improvements due to advancements in information technology, resulting in higher complexity in business activities. Such increasingly complex business activities have created greater business challenges and business exposures.

Company takes proactive steps to mitigate increasingly complex risks such as compliance risk. Hence, in accordance with prevailing regulations, Company has appointed one Director as Compliance Director to manage and mitigate compliance risk and to oversee the compliance function.

In order to assist the duties of the Board of Directors supervising Compliance function, Company has formed a Compliance Working Unit, which is independent and free from undue influence from other working units. The unit is responsible for monitoring the Company's compliance level in complying with requirements set by Financial Services Authority, Bank Indonesia as well as other regulators. The Compliance Working Unit is also responsible for implementing policies related to compliance functions, as well as implementation of Anti Money Laundering and Counter Terrorist Financing (APU and PPT)—including responsibility to conduct risk assessment in implementing APU and PPT programs in accordance with the latest regulations. The Unit is also responsible to monitor and evaluate compliance levels in each subsidiary in implementing Integrated Governance.

In order to ensure the implementation of Company's compliance function, the Board of Directors and Board of Commissioners also performs active supervision of the compliance function, such as through approval of policies and procedures, periodic reporting, requests for explanations, and meetings.

Compliance Activities in 2017

The activities performed by the Compliance Working Unit in 2017 are as follows:

1. In order to encourage a Compliance Culture:
 - Socialized and informed new regulations to the Board of Directors and Board of Commissioners.
 - Disseminated new provisions from regulators to related units.
 - Socialized regulations to employees.
 - Provided information regarding regulations issued by Financial Services Authority, Bank Indonesia, and other prevailing regulations on Company intranet accessible by employees.
 - Involved human resources in the Unit in various trainings, seminars, socialization on regulations from regulators, and participated in compliance certification conducted by Bankers Certification Institution (LSPP) to improve the human resources quality, including actively participating in Banking Compliance Director Communication Forums (FKDKP).
 - Carried out the consultative function related to implementation of prevailing regulations by giving suggestion/feedback on the questions addressed by Working Units or Branch Offices.

2. In managing compliance risk and ensuring that policies, terms, systems, and procedures as well as business activities carried out by the Company are in line with these provisions:
 - Conducted a gap analysis and examined the impact of new policies on Company operations.
 - Proposed adjustments to internal manuals, policies, and procedures.
 - Reviewed and offered input on product and new activities in the pipeline to ensure that they conform to applicable laws and regulations.
 - Reviewed draft internal policies to be issued to ensure conformity of internal policies with existing laws and regulations.
 - Conducted study adherence to the release of corporate credit.
 - Tested the level of compliance on the implementation of policies by branch offices in cooperation with Branch Internal Supervisors.
 - Updated existing regulation database.
 - Monitored compliance level on the prevailing regulations related to prudential banking principals such as KPMM, GWM, PDN, BMPK, and NPL. Throughout 2017, the Bank's operations were already in line with prudential banking principals.
 - Monitored the submission of reports to regulators.
 - Monitored imposition of sanctions/penalties by regulators.
 - Assessed compliance risks and prepared a quarterly compliance risks profile report as part of an effort to effectively manage compliance risks.
 - Prepared Quarterly Report of Compliance Monitoring submitted to the Board of Directors and the Board of Commissioners.
 - Reviewed documents for the purpose of ensuring the operational readiness of the opening, transferring, and closing of offices.
 - Coordinated with related work units in performing the Risk-Based Soundness Level of the Company.
3. To ensure the Company's compliance with the commitments to regulators:
 - Monitored Company's commitment to the Financial Services Authority, Company Indonesia, and other regulators, together with the Internal Audit Division.
 - Monitored and followed up on requests for data/information from the Financial Services Authority and Bank Indonesia relating banking supervision.
4. To monitor and evaluate compliance function in each subsidiary in the Company Financial Conglomerate, and to prepare integrated compliance report submitted to the Board of Directors and the Board of Commissioners.

Indicators of Compliance in 2017

Indicators of compliance reflect Company's commitment and compliance level toward laws and regulations. Indicators of compliance in 2017 were as follows:

- The Capital Adequacy Ratio (CAR) involving credit risk, market risk, and operational risk was at 23.06% (unaudited) or above the required level.
- The NPL ratio (net) was 0.45% (unaudited) within the range of the applicable provision of 5% (net) maximum.
- There was no excess or violation of the maximum Legal Lending Limit either to related parties or business groups.
- Minimum Statutory Reserves in Rupiah – Main 7.04% and Secondary was 21.45%, in compliance with the existing provision concerning Minimum Statutory Reserves in Rupiah.
- Minimum Statutory Reserves in Foreign Exchange was 8.49%, in compliance with the existing provision concerning Minimum Statutory Reserves in Foreign Exchange.
- Net Open Position was 0.5%, significantly below the limit allowed by the regulatory provision of a maximum 20% of capital.
- Liquidity Coverage Ratio (LCR) was 353.0%, above the minimum limit of 90%.
- Commitments to the Financial Services Authority, Bank Indonesia and other authorities have been well-accomplished.

Activities Related to Anti Money Laundering and Counter Terrorist Financing Programs

One of the main duties in knowing the customers in the Compliance Working Unit is to ensure that the company implements Anti Money Laundering and Counter Terrorist Financing. As a commitment of Company in participating to combat money laundering and counter terrorist financing, Company has performed the following:

- Reporting the implementation of Anti Money Laundering and Counter Terrorist Financing activities on a regular basis to the Board of Directors and the Board of Commissioners.
- Monitoring suspicious financial transactions.
- Coordinating the customer data updating activities by preparing targets and monitoring achievement of such targets.
- Reviewing new products and activities to ensure that they comply with Anti Money Laundering and Counter Terrorist Financing regulations.
- Filtering customers regarding Suspected Terrorist and Terrorism Organization list and Mass Weapon Proliferation Financing List published by related authorities.
- Conducting compliance test on the implementation of Anti Money Laundering and Counter Terrorist Financing programs at branch offices in cooperation with Branch Internal Supervisor.
- Conducting compliance reviews of branch offices to ensure that the implementation of Anti Money Laundering and Counter Terrorist Financing is in accordance with prevailing regulations.
- Reporting suspicious financial transactions, cash transactions, and bank transfer transactions to and from foreign countries and Data Sistem Informasi Pengguna Jasa Terpadu (SiPESAT) to Reporting and Analysis Center of Financial Transactions.
- Conducting training and socialization of Anti Money Laundering and Counter Terrorist Financing continuously through classroom, e-learning and video conference.
- Developing training materials for the implementation of Anti Money Laundering and Counter Terrorist Financing programs.
- Developing and implementing risk and compliance awareness program for branch offices in cooperation with Risk Management Unit.

Integrated Compliance Function

In accordance with prevailing Financial Services Authority Regulation, and in implementing Integrated Governance, the Bank as the Main Entity in the Company's Financial Conglomerate also added the integrated compliance function within the Compliance Working Unit. The main duty of integrated compliance function within the Compliance Working Unit is to monitor and evaluate the implementation

of compliance function in each Financial Service Institution within the Company's Financial Conglomerate.

IMPLEMENTATION OF RISK MANAGEMENT

The Board of Commissioners and Board of Directors are responsible for risk management and the internal control system within Company and its subsidiaries in an integrated manner. Risk management in Company includes:

- Active supervision by the Boards of Commissioners and Directors.
- Adequacy of policies, procedures, and limit setting.
- Adequacy of process of risk identification, measurement monitoring and control, and the risk management information system.
- Comprehensive internal control system.

General Description of Risk Management System

Company effectively applies risk management principles and the internal control system to mitigate the risk arising from the Bank's business goals and strategies. Company's risk control procedures are in line with the business size and complexity of the Bank and comply with the requirements and procedures set forth in regulations issues by Bank Indonesia (BI) and the Financial Services Authority (OJK), as well as by referring to best practices, through the following actions:

1. Identify and control all risks, including risks arising from new products and activities.
2. Establish a Risk Oversight Committee to ensure that the existing risk management framework provides adequate protection for all Company risks with the primary duty of offering recommendations and opinions in a professional and independent manner regarding the appropriateness and implementation of risk management policies to the Board of Commissioners, and monitoring and evaluating the duties carried out by the Risk Management Committee and Risk Management Unit.
3. Establish a Risk Management Committee with the primary responsibility of formulating risk management policies, strategies and implementation guidelines, improving the effective implementation of risk management based on results of the evaluation of risk management processes and the risk management system, and deciding on matters related to business decisions that deviate from normal procedures (irregularities).

4. Establish an Integrated Risk Management Committee that has main duty to provide recommendations to the Board of Directors including to:
 - Prepare integrated risk management policies.
 - Improve integrated risk management policies based on evaluation of implementation.
5. Establish an Integrated Risk Management Unit to ensure that those risks facing the Company and subsidiaries are identified, measured, monitored, controlled and accurately reported in an integrated manner by applying an appropriate risk management framework.
6. Manage risks and ensure that necessary policies and risk limits are in place and supported by procedures, reports and information systems to provide accurate and timely information and analysis to management, including in determining required measures to deal with changes in market conditions.
7. Ensure that existing work systems and procedures take into account operational and business factors as well as the level of risk within work units.
8. Ensure that the internal control system is functioning to applicable policies.
9. Monitor Company's compliance with principles for the management of a healthy bank in conformity with existing policies via the Compliance Working Unit.
10. Prepare Company Risk Profile Reports on a quarterly basis and Integrated Risk Profile Reports every semester to be submitted to the Financial Services Authority in a timely fashion.

Risk Management System

For risk control, Company has implemented the Risk Management Framework in an integrated manner so as to embody Risk Management Policy. The framework serves as a means for informing Company strategies, organization, policies, guidelines and infrastructure so that risks that Company faces in the normal course of business can be effectively identified, measured, controlled, and reported.

In order that risk management be effectively and optimally implemented, has established the Risk Management Committee to comprehensively assess risk-related issues and recommend risk management policies to the Board of Directors.

In addition, Company has formed other Committees assigned to deal with more specific risks; among these are Credit Policy Committee, Credit Committee, and Asset and Liability Committee (ALCO).

Company consistently assesses risks in a comprehensive manner related to the planned launching of new products and activities based on regulatory requirements.

Managed Risks

Based on Financial Services Authority Regulation No. 17/POJK.03/2014 dated 18 November 2014 on Implementation of Integrated Risk Management for Financial Conglomerates, the Financial Conglomerates of Company manages in integrated manner 10 (ten) risk types as follows:

1. Credit Risk

- Credit is underwritten based on the "four eyes principle" whereby credit decisions are made according to two considerations: business capacity and credit risk analysis.
- Company has established a basic Bank Lending Policy that is continuously reviewed and refined in line with changes in, and developments within, Company and regulations issued by regulation as well as in line with prudential banking principles and international best practices.
- The credit risk management system and procedure is refined through the development of a 'start to finish' Loan Origination System for the lending process to ensure an effective and efficient credit process. A debtor risk profile assessment system is reviewed and upgraded to ensure its comprehensive implementation and as a tool for the development of a credit database.
- To maintain credit quality, it is necessary to regularly monitor the quality of loans, both by credit category (Corporate, Commercial, Small and Medium-Sized Enterprise/SME, Consumer and Credit Card) and by credit portfolio as a whole. Close monitoring and authority control are conducted in branches with SME/mortgage/credit card loans in Special Mention category of >30 days (in arrears) and high level of NPL, to enable those branches to improve the loan quality.

- Company has developed its credit risk management system through stress testing of credit portfolios and monitoring results of these stress tests. In responding to a changing market and economic turbulence, Company periodically conducts stress testing, which is seen as beneficial for the Company as a tool for estimating the risk impact under stressful conditions and which will help Company devise most appropriate risk mitigation strategies as part of implementing contingency plans.
- In monitoring and controlling credit risks in subsidiary companies, Company regularly monitors the credit risks of its subsidiaries, while ensuring that an effective Credit Risk Management Policy is in place in subsidiary companies.

2. Market Risk

- In managing other foreign exchange risks, Company centralizes the management of its net open foreign exchange position at the Treasury Division, which consolidates daily reports of net open positions from all branches. Each branch is generally expected to cover its foreign exchange risks by the end of each working day, even though each branch has a tolerance limit for its net open position which depends on the volume of foreign exchange transactions at the respective branch. Company prepares a daily net open position report that combines the net open positions in the consolidated statement of financial position and administrative accounts (off-balance sheet accounts).
- To measure foreign exchange risks, Company adopts the Value at Risk (VaR) method based on a Historical Simulation approach for internal reporting purposes. For calculating the Bank's minimum capital requirement, Company applies of the regulators standard method.

- A key component of Company liabilities which are sensitive to interest rate movements is customer deposits, while Company's interest sensitive assets are government bonds, securities and loans. ALCO regularly keeps track of market developments and adjusts the interest rate of deposits and loans.
- Company sets the deposit interest rate based on market conditions and competition by monitoring the movement of the reference interest rate and the interest rates offered by competitor banks.

3. Liquidity Risk

- Company focuses on maintaining adequate liquidity to fulfill its commitment to customers and other parties for lending, repaying customer deposits and meeting operational liquidity needs. Liquidity management is managed by committee and executed operationally by Treasury.
- Liquidity risks are measured and controlled by monitoring liquidity reserves, the Loan to Funding Ratio (LFR) and the Liquidity Coverage ratio (LCR), conducting maturity profile analysis, cash flows projections and stress tests on a regular basis to observe the impact on Company's liquidity under extreme conditions. Company has prepared a contingency funding plan for confronting such extreme situations.
- Company complies with provisions related to liquidity as governed in the by regulators that makes it compulsory for banks to maintain Rupiah liquidity (Statutory Reserves) on a daily basis, consisting of Primary Reserves and LFR-Statutory Reserves in the form of Rupiah deposits in Bank Indonesia, Secondary Reserves in the form of SBI, SDBI, SUN and excess reserves, as well as foreign currency reserves in the form of foreign currency current accounts in Bank Indonesia.

4. Operational Risk

- A reliable and effective operational risk management is key to maintaining the Bank's position as the leading transaction bank in Indonesia. Company faces operational risks due to human error, internal process inadequacy, system failure, and/or external incidents.
- To manage, mitigate and minimize aforementioned operational risks, Company has Operational Risk Management Framework, and has implemented Operational Risk Management Information System (ORMIS)—a web-based platform that consists of several tools and methodologies as follows:
 - Risk Control Self Assessment (RCSA) in all Branch Offices and Working Units/Divisions in Headquarters that are assumed to have significant operational risks. One of the objectives of the implementation of RCSA is to embed a risk culture and improve risk awareness as a requirement in risk management.
 - Loss Event Database (LED) as loss database related to operational risks occurring in all Working Units. The main objective of implementing LED is to have a documentation platform for operational loss used to calculate capital charge allocations, sustainable monitoring of events that potentially create operational loss for the Company, and analysis of cases or problems faced by Company in order to take immediate action for improvement/prevention needed to minimize/mitigate operational losses risks which may arise in the future.
 - Key Risk Indicators (KRI) is an application used to identify early warning signs of the likelihood of increased operational risk in work units. The KRI is also further enhanced into a predictive and risk management to assist the work units in monitoring risk exposure.

- In accordance to regulatory provisions regarding the Capital Adequacy Ratio, Company has allocated an amount of capital as a reserve obtained from operational risks by using the Basic Indicator Approach method, in addition to the capital reserve for loss from credit risk and market risk.
- To ensure Company serves banking transactions 24 hours a day without interruption, Company operates 2 (two) data centers redundantly. They are designed to ensure the sustainability of the business should a system failure occur in one of the two data centers. Other than these mirrored 2 (two) data centers, Company also has Disaster Recovery Center (DRC) in Surabaya. Currently DRC Surabaya is part of the Company's management of Business Continuity and is designed to operate as Crisis and Command Center should a disturbance or disaster occur that places the Jakarta data centers off line.

5. Legal Risk

- Inherent legal risks are assessed according to the potential impact of losses of on-going as well as resolved court cases involving Company and its subsidiary companies against the Company's consolidated capital. The parameter for calculating potential losses from an on-going court case is the basis for the lawsuit, value of the court case, and legal documentation. Meanwhile, for resolved court cases, the assessment is based on the losses incurred by the Company and its subsidiaries due to a decision of the court with a permanent legal standing.
- To identify, measure, monitor and control legal risks, Company has established a Legal Group at the Head Office and legal units in most Regional Offices.

In mitigating legal risks, the Legal Group has taken the following measures:

- Developed the Legal Risk Management Policy with internal provisions on the organizational structure and job description of the Legal Group, and standardized the legal documents.
- Held legal communication forums to build the competency of the legal staff.
- Socialized on the impact of new regulations on Company's banking activities and the various modus operandi of banking crimes, and guidelines on handling such cases through the legal route to branch officers and the relevant work unit.
- Provided legal defense for on-going criminal and civil cases involving Company, and monitored progress of the cases.
- Formulated a loan security strategic plan (in cooperation with other work units, among others the Credit Settlement Bureau) related to non-performing loans.
- Registered with the authorized body all assets owned by Company, including intellectual property rights for Company banking products and services, and the right to Company land and buildings.
- Monitored and took legal action on violations against Company assets, including infringements of Company's intellectual property rights.
- Monitored and analyzed on-going court cases faced by Company and its subsidiaries companies.
- Conducted an inventory of, monitored, analyzed and calculated potential losses that may occur due to court cases.

6. Reputation Risk

- Reputation risks are assessed by using parameters such as the number of complaints and negative publicity, and complaints resolution rate. The assessment is presented in the reputation risk profile report prepared on a quarterly basis.
- To manage and control reputation risks, Company is supported by the Halo BCA Contact Center (24-hour hotline for information, suggestions and complaints).
- Reputation risks are managed based on regulatory requirements.

7. Strategic Risk

- Assessment of inherent strategic risk is conducted by applying parameters such as the suitability of strategy with the business environment, low-risk and high-risk strategy, Company's business position and the achievement of the Bank Business Plan.
- Assessment of the quality of strategic risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system, human resources and adequacy of the risk control system.

8. Compliance Risk

- Compliance risk is one of the risk factors that must be managed by Company in view of its potential to inflict financial and non-financial loss to the Company.
- Pursuant to Bank Indonesia Regulation (PBI) No.13/2/PBI/2011 dated 12 January 2011 on Implementation of Compliance Function in Commercial Banks, was amended by Financial Services Authority Regulation No.46/POJK.03/2017 dated July 12, 2017 on the implementation of Compliance Function on the Commercial Bank. Company has appointed a member of the Board of Directors as Director overseeing the compliance function, responsible to ensure compliance and to minimize compliance risk through the formulation of compliance risk management policies and procedures and to monitor the implementation of such policies and procedures. In discharging its duties, the Compliance Director oversees the compliance function with assistance from the Compliance Unit (SKK) which is independent from the operational work units.
- In assessing inherent compliance risks, the parameters are the types and significance of violations that were committed, frequency of violations or compliance track record, and violation against policies related to specific financial transactions. The Compliance Unit (SKK) is also in charge of the implementation of Anti Money Laundering and Prevention of Terrorism Funding programs.

- Company has introduced compliance procedures and policies, which consist of the process to continuously adjust provisions and internal system to meet prevailing regulations, communicate the regulations to relevant employees, conduct studies on new products/activities, test compliance regularly, and conduct employee training. The result of the Compliance Director supervision is submitted quarterly to the President Director and the Board of Commissioners.
- Anti Money Laundering and Prevention of Terrorism Financing programs. To help identify suspicious financial transactions, as a part of APU-PPT program implementation Company has an application that is constantly improved to enhance capacity.

9. Intra-Group Transaction Risk

- Assessment of inherent intra-group transaction risk is conducted by applying parameters such as intra-group transaction composition in the Financial Conglomerates, documentation and fairness of transactions and other information.
- Assessment of the quality of intra-group transaction risk management is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system, human resources, and adequacy of risk management system.

10. Insurance Risk

- Assessment of inherent insurance risk is conducted by applying parameters such as technical risk, priority of insurance risk towards over all business lines, product risk bias and type of benefit, and reinsurance structure.
- Assessment of the quality of insurance risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system and human resources, and adequacy of risk management system.

Review on Implementation of Risk Management System

During 2017, based on our self-assessment, Company's risk profile, both as an individual as well as integrated with subsidiaries, was "low to moderate."

The risk profile is the result of assessment and inherent risk ranking of "low to moderate" and the "satisfactory" ranking on the quality of risk management.

Risk level ranking from the 10 (ten) risks measured are as follows:

- "Low" risks are Market Risks, Liquidity Risks, Legal Risks, and Intra-Group Risks.
- "Low to moderate" risks are Credit Risks, Operational Risks, Reputation Risks, Strategic Risks, Compliance Risks, and Insurance Risks.

Company's Integrated Risk "low to moderate" risk profile indicates that Company and its subsidiaries have implemented an effective and efficient risk management process in all corporate activities.

The inherent risks trend in the next period is stable since the projections conclude that there would be no significant change to inherent risks.

Next year's macroeconomic condition is expected to favor the business activities of Company and subsidiaries. Although Indonesia's economy is projected to experience economic pressure, Company and its subsidiaries will be able to manage the risks faced by the Company in accordance to the prudential principle.

The trend of risk management implementation quality in the future is stable as subsidiaries and its subsidiary companies have enhanced the implementation of risk management for all activities in order to help the Bank identify, measure, monitor and control each risk.

The Company and its subsidiaries have implemented an integrated risk management, which directly and indirectly affect its business activities. It aims for Company and its subsidiaries to be able to conduct better risk management as well as decide on and remain within a suitable risk appetite and risk tolerance in line with the complexity and characteristic of the business.

The risk management policies of Company and its subsidiaries are constantly updated in accordance to regulation, implementation of Basel II and III Accords, prudential banking principles, and international best practices.

Company and its subsidiaries will continuously consider the economic situation and conditions as well as banking development in doing its business.

INTERNAL CONTROL SYSTEM

The Bank's internal control system abides by Financial Services Authority Circular Letter No. 35/SEOJK.03/2017 dated July 7, 2017 on Guidelines for Internal Control System Standards for Commercial Banks, which covers 5 (five) key components, namely:

1. Management Oversight and Control Culture.
2. Risk Recognition and Assessment.
3. Control Activities and Segregation of Duties.
4. Accounting, Information and Communication Systems.
5. Monitoring Activities and Correcting Deficiencies.

The five components are in line with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company has:

- a. Established a business contingency recovery plan and back-up plan to prevent failure in high-risk businesses.
- b. Documented and reviewed the effectiveness of back-up procedures, processes and systems in a periodic manner to ensure that all plans and processes regarding contingency recovery and back-up systems run effectively.
- c. Documented the implementation of above mentioned periodic reviews. In addition, the Board of Directors of the Bank puts great attention to any weaknesses found in procedures, processes and systems based on the results of reviews, and takes improvement measures to eliminate those weaknesses.

- d. Established and maintained management information systems implemented electronically and non-electronically. Considering the fact that the use electronic information system and information technology has risk potentials, the Bank's management seeks to control them in an effective manner to avoid disturbance to the business and prevent the potential of significant loss occurring to the Bank.

The management and all employees of the Bank have vital roles and responsibilities in improving the quality and implementation of the Bank's internal control system so as to be more reliable and effective.

Parties involved and responsible for implementing the Bank's Internal Control System in order to be more reliable and effective are:

1. Board of Commissioners
2. Audit Committee
3. Board of Directors
4. Internal Audit Division
5. Internal supervisors of the Bank
6. Work units
7. Work unit issuing the Bank's policy and/or procedure
8. Officers and employees of the Bank
9. External parties

An effective internal Control System should at least provide adequate and comprehensive data/information regarding:

- a. Business activities;
- b. Financial performance;
- c. Compliance with the prevailing provisions and laws and regulations;
- d. Market information (external conditions);
- e. Current events and conditions;

so as to be able to make the accurate decisions which can be held accountable for.

Implementation of Internal Control

1. Internal control is implemented as follows:

a. Financial Control, whereby:

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

b. Operational Control, whereby:

- Each banking operational transaction that the Company undertakes has been equipped with a work procedure that is stipulated in work manuals. Such work procedure is developed by the Operational and Service Development and Strategy Division and reviewed by various relevant work units to ensure that operational risks that may arise have been effectively and properly mitigated.
- There are several boundaries in place by:
 - 1) Imposing a limit and authorization for officers to conduct a transaction.
 - 2) Utilizing User IDs and passwords as well as installing finger-scanners for employees to access computers.

- To support comprehensive operational risk control, the Company has:

1) Established an organizational structure as follows:

- Segregation of functions so as to avoid the occurrence of conflict of interest.
- Supervisor to oversee the implementation of internal control at Branch Offices on daily basis.
- Branch Internal Supervisor to oversee the implementation of internal control at Branch Offices.
- Regional Office Internal Supervisor to oversee the implementation of internal control at Regional Offices.
- Head Office Internal Supervisor to oversee the implementation of internal control in certain work units at Head Office.
- Internal Audit Division that is independent of risk taking unit to examine and assess the adequacy and effectiveness of risk management, internal control and corporate governance processes, either at the Company or for members of the Company's Financial Conglomerates.
- Risk Management Work Unit, Legal Group and Compliance Work Unit that are independent of risk taking units.
- Anti-Fraud Bureau to improve the effectiveness of anti-fraud strategy implementation on all activities of the Company.

2) Established employee rotation and transfer policies.

c. Compliance to other laws and regulations, whereby:

- The Company is committed to comply with the prevailing laws and regulations and take the necessary steps to improve weaknesses found in regard to risk, if any.
- The Company has established a Compliance Work Unit independent of risk taking units and is responsible for monitoring the compliance of the Company and its subsidiaries in an integrated manner.

- The Company has conducted a monitoring process on each provision issued by Bank Indonesia or Financial Services Authority, or other prevailing regulations, as follows:
 - 1) Monitoring on Reporting Compliance to Bank Indonesia or Financial Services Authority or other regulators.
 - 2) Compliance Report of the Company, including Report on the Implementation of APU and PPT Program to be submitted to the Financial Services Authority every 6 (six) months/
 - 3) Compliance Monitoring Report on the Prudent Principles of the Company, including Report on the implementation of APU and PPT Program to be submitted to the Board of Commissioners, President Director and Deputy President Director every 3 (three) months
 - The Company's Compliance Risk Management Strategy involves the necessary policies to always comply with applicable regulations; which means, proactively taking preventive measures (ex-ante) to minimize the possibility of violations and conducting curative actions (ex-post) for improvements.
2. The Company applies an effective internal control system tailored to the Company's business goals, policies, size and complexities, in accordance with the requirements and procedures set forth by regulators, and in reference to the best practices through the following measures:
- Establishment of clear reporting lines and separation of functions between operational units and units implementing the control function.
 - The control function is implemented by the Risk Management Work Unit, Legal Group, Compliance Work Unit, Credit Risk Analysis Group and Internal Audit Division.
 - The Internal Audit Division has independently and objectively reviewed the Bank's procedures and operational activities on a periodic basis. Review results are presented in Audit Reports and Audit Follow-Up Reports to be submitted to the Board of Commissioners, Audit Committee and Board of Directors,
 - The Branch Internal Supervisor, Regional Office Internal Supervisor, Head Office Internal Supervisor and Internal Audit Division have evaluated the implementation of systems and procedures applicable in the Company. Evaluation results from the Branch Internal Supervisor, Regional Office Internal Supervisor, Head Office Internal Supervisor and Internal Audit Division serve as benchmarks on the level of compliance of work units in existing systems and procedures.
- Review on the effectiveness of internal control system**
- Monitoring and correcting irregularities:
1. The Company continuously evaluates and monitors the effectiveness of the overall internal control implementation, including changes in internal and external conditions that may influence the Company in achieving its targets.
 2. Monitoring activity is focused on the Company's primary risks and is part of its routine activities, including periodic evaluations to detect and prevent unknowingly accepting of new risk conducted by operational work units, risk monitoring work unit and Internal Audit Division.
- CORRUPTION PREVENTION**
- In reinforcing good corporate governance practices and to be in accord with the Company's corruption prevention efforts, the Company undertakes the following efforts:
- I. Anti Fraud Strategy Implementation
 - II. Whistleblowing System
 - III. Anti Gratuity
- I. APPLICATION OF ANTI-FRAUD STRATEGY**
- A. Introduction**
- The Company has in place an Anti-Fraud Strategy Guidelines ratified by Circular Letter No.064/SE/POL/2015 dated April 7, 2015. This guideline is a demonstration of the Company's management commitment in preventing fraud by implementing an effective and continuous fraud control system. This fraud control system directs the Company in taking decisive measures to prevent, detect, investigate, and monitor any incident of fraud.

Fraud is defined as any deliberate act or omission intentionally committed to deceive, swindle or manipulate the Company, its customers, or any other party, taking place within the Company and/or using the Company’s facilities resulting in the Company, its customers or other parties suffering losses, and/or the committee of the fraud obtaining financial gain either directly or indirectly.

B. Background

The legal basis of the Company’s anti fraud policy is Bank Indonesia Circular Letter No. 13/28/DPNP dated December 9, 2011 on Implementation of Anti Fraud Strategy for Commercial Banks (hereinafter referred to as “SE BI”). The SE BI itself is intended to strengthen the internal control system of the Company and as a further implementation of Bank Indonesia Regulation No. 5/8/PBI/2003 dated May 19, 2003 concerning the Application of Risk Management for Commercial Banks.

Based on the aforementioned SE BI, the Company is required to have and to implement an effective anti fraud strategy that meets at least the minimum reference and the Company shall take into account to as a minimum the following:

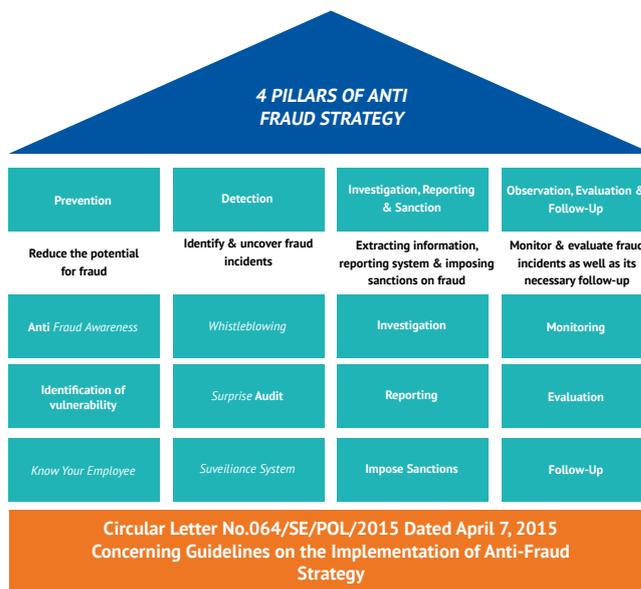
- 1) internal and external factors;
- 2) the complexity of business activities;
- 3) potential, type, and risk of fraud; and
- 4) the adequacy of required resources.

C. Objectives

The objectives of the Company’s anti fraud policy are:

- To nurture an anti fraud culture across the entire organization of the Company.
- To boost awareness of and concern for the risk of fraud in the Company’s operations.
- As a reminder to all personnel of the Company to comply with applicable procedures and regulations.

D. The Pillar and Implementation of Anti Fraud Strategy



Anti fraud strategy which in its application is fraud control system, has 4 (four) pillars, as follows:

- 1) **Prevention:**
Prevention apparatus is aimed at reducing the potential fraud risk, which at least encompasses anti fraud awareness, vulnerability identification, and know your employees.
- 2) **Detection:**
Detection apparatus occurs with the intention to identify and detect fraudulent incidents within the Company’s business operations, encompassing at least whistle blowing, surprise audits and surveillance system policies and mechanisms.
- 3) **Investigation, Reporting and Sanctions:**
Various other apparatus are intended to extract information, use reporting systems, and make imposition of sanctions on fraud incidents well-known within the Company’s business operations, which at least encompasses investigative standards, reporting mechanisms, and imposition of sanctions.
- 4) **Monitoring, Evaluation, and Follow-up:**
Apparatus intended to monitor and evaluate fraud incidents as well as the necessary follow-up measures are based on evaluation results.

The Company has strived to implement anti-fraud strategy by continuously raising awareness and employee vigilance of acts of fraud by means of e-learning, in-class training, information dissemination through comics, posters, videos, anti fraud culture, etc.

Example of anti fraud poster:



II. WHISTLEBLOWING SYSTEM

Disclosure of the Company’s whistleblowing report in this Annual Report takes into account Chapter III letter g number 16 of Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Issuer’s Annual Report or Public Company.

The whistleblowing system is a means of communication for internal and external parties to report fraud or violations committed by perpetrators associated with the Company. Reporting should be based on good faith and not a personal complaint or based on flawed intention / slander.

The Company’s whistleblowing policy is set forth in Board of Directors Decision Letter No. 183/SK/DIR/2012 dated December 12, 2012 on the Implementation of the updated BCA Whistleblowing System in Board of Directors Decision Letter No. 146/SK/DIR/2017 dated 1 November 2017 on the Implementation of Company’s Whistleblowing System.

Objectives of Whistleblowing System

The implementation of the whistleblowing system in the Company aims to:

- Put together stakeholders awareness to report fraud or violations occurring within the Company without fear or worry as confidentiality is guaranteed.
- Detect and prevent fraud or offenses as early as possible through information disclosure by whistleblowers.

A. Report Delivery Procedure

1. Means

The means that can be utilized by informers to divulge any fraudulent incident can be accessed through Company’s website, i.e.: <https://www.bca.co.id/id/whistleblowing>. Any information submitted will be directly collected by the whistleblowing system manager.

2. Report Category

<p>Fraud</p>	<p>Intentional misconduct or omission to mislead, deceive or otherwise manipulate the Company, its customers, or any other party, taking place within the Company and / or using the Company’s facilities resulting in the Company, its customers or other parties suffering loss and / or perpetrator fraud obtaining financial benefits either directly or indirectly.</p> <p>The types of acts classified as fraud are:</p> <ol style="list-style-type: none"> 1. Deception, 2. Fraud, 3. Embezzlement of assets 4. Divulging confidential information/secrets, 5. Banking crime
<p>Code of ethics violation</p>	<p>Actions that are not in accordance with the Company’s corporate culture as based on positive values that nurture and thrive within the entire Company, to achieve common goals and also as a reference for the Company’s personnel in making decisions and acts. (attachment of Banker’s code of ethics).</p>

Conflict of interest violation	Any action that may cause a condition in which a person, while performing his/her duties and obligations, has other interests outside Company's interests, whether that would be personal interests, family, or the interests of others, causing that employee to lose objectivity in making decisions and policies according to the authority granted by the Company to him/her.
Violation of the law	Any action that violates the applicable laws in Indonesia.

3. Criteria of acceptable reporting of accusation

- a) To facilitate and accelerate the follow-up process, the following criteria must be met by the reporting party in submitting his/her reporting.
- Provide information regarding the identity of the complainant, at least:
 - Informant's name (anonymity permitted)
 - Phone number/e-mail address to be contacted

- b) Provide a reliable indication of the fraudulent act or violation (4W1H) accompanied by supporting data (if any), including:

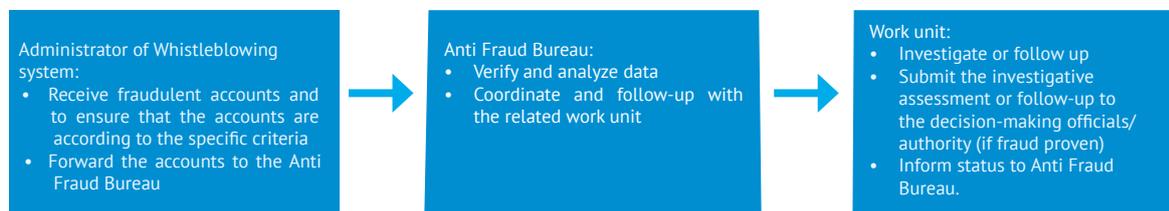
- Fraudulent act to be reported (What).
- The offender involved (Who).
- When it occurred (When).
- Place/Location of occurrence (Where).
- How it happened (How).

B. Whistleblower Protection

The Company's whistleblowing system will ensure the confidentiality of the informant's identity and the contents of information submitted.

C. Complaint Handling

The following is the complaint handling flowchart in relation to the Company's whistleblowing system:



D. Complaint Management Party

Follow-up on the complaint is thoroughly handled by referring to the Company's applicable provisions and the prevailing laws and regulations in Indonesia by the Company's internal team appointed by the management of the Company.

E. Imposition of Sanctions

If, based on investigation results, the alleged perpetrator is proven to have committed fraud or violation, and then the decision-making authority shall impose sanctions in accordance with the applicable provisions.

Disclosure of Internal Fraud and Complaints Through Whistleblowing System In 2017

A. Number of Internal Fraud Cases

Disclosure of irregularities/deviations (internal fraud) is based on section 64 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks and Chapter IX point 5 of Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

Internal fraud is defined as fraud committed by management, supervisors, permanent employees, temporary employees and/or outsourced workers. The denominating classification expressed is a deviation of more than Rp100,000,000.00 (one hundred million Rupiah).

In 2017, there were 10 (ten) cases of internal fraud.

Internal fraud committed within 1 year	Number of Fraud Cases Committed by					
	Members of the Board of Directors and members of the Board of Commissioners		Permanent Employees		Contract Employees and Outsourced Manpower	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	2	10	-	-
Resolved	-	-	2	4	-	-
Under process of internal settlement within the Company	-	-	-	3	-	-
Settlement not yet sought	-	-	-	-	-	-
Followed up through legal process	-	-	-	3	-	-

B. Number of Complaints/Accusations Through Whistleblowing System

Recapitulation of fraud exposures through the whistleblowing system submitted periodically by the Anti Fraud Bureau to the Board of Directors: As of December 31, 2017, there were 17 (seventeen) complaints received by the whistleblowing system with the following status:

Status	Total	Description
Open Case (still under process)	0	Under investigation
Case Closed (Resolved)	17	<p>Fullfill the Criteria of the Report:</p> <ul style="list-style-type: none"> - Proven (2) - Not Proven (2) <p>Unfullfill the Criteria of the Report:</p> <ul style="list-style-type: none"> - Informative in nature / customers' complaints (9) - Incomplete data and informants have not or cannot provide sufficient additional information/data requested (4)

III. ANTI GRATUITY

A. Background

The stakeholders' and general public's trust towards the Company is strongly influenced by the ethical behavior of the Company's entire staff ranging from Board of Commissioners, Board of Directors, management to all employees. This trust is very important to foster and maintain business relationships with customers and other third parties that have relationship with the Company.

In practice, the potential of business relationships that may lead to matters that are more personal is highly probable; furthermore, a business relationship that intertwines with personal relationships can create conflict between the interest of the Company and that of personal interest.

In this regard, to raise public confidence and to uphold the Law No. 20 Year 2001 on the amended of the Law No. 31 Year 1999 on the Eradication of Corruption and supporting the implementation of the principles of good corporate governance, the Board of considers it necessary to stipulate conflict of interest provisions intended to provide guidance on the Company's personnel as individuals in dealing with customers, partners, fellow co-workers.

B. Anti-Gratuity Policy

The anti-gratuity policy is intended to provide reasonable, credible and proper conduct guidelines for the entire organization in engaging with customers, partners and co-workers, and is not intended to interfere with employees' personal lives.

These policies, among others, stipulate that:

- All personnel are prohibited from requesting or accepting, allowing or consenting to receive a gift or reward from any third party who obtains or seeks to obtain favors from the Company in the form of credit facilities or other facilities related to the Company's operational activities.
- All personnel of the Company are prohibited from requesting or accepting, allowing or consenting to accept a gift or reward from any third party who obtains or seeks to obtain work or orders relating to the procurement of goods or services of the Company.
- In the event that customers, partners, and other parties offer gifts during certain occasions, such as religious celebrations or other kind of celebrations, if:
 - as a result of the receipt of the parcel/gifts, it is believed to have a negative impact and affect the Company's decision, and/or
 - the value of the parcel/gifts is beyond reasonable limits,

Then the employee receiving the parcel/gifts shall immediately return the parcel/gifts along with a polite explanation that no personnel of the Company are allowed to receive any parcel/gifts.

C. Joint Commitment

In relation to the above aforementioned matter and the Company's commitment in implementing good corporate governance, the Company's entire staff is obliged:

1. To ascertain, comprehend and implement the provisions with full responsibility and without exception.
2. To uphold the implementation of such provisions, in which all members of the Board of Commissioners, Board of Directors and echelon 1 (S1) to echelon 5 (S5) officials must make compulsory Annual Disclosure containing all circumstances or conditions that can permit the emergence of conflict of interest.

D. Sanctions for Violations

As one of the endeavors to prevent gratuities prohibited by law and regulation, the Board of Directors since 2003 has issued a decision backing up the anti-gratuity policy to be implemented at all levels of the Company.

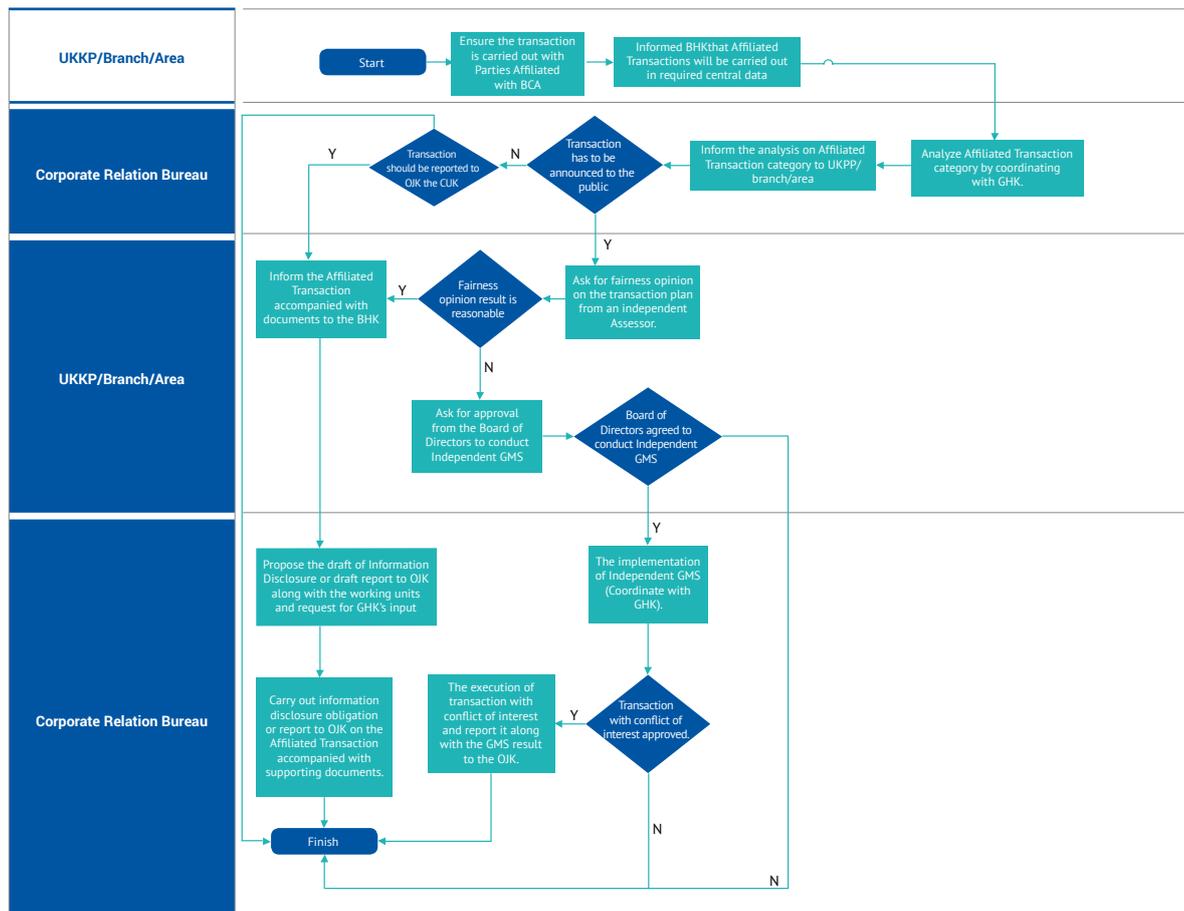
The anti-gratuity policy is binding and must be recognized and implemented earnestly by all employees as part of the Bankers Code of Conduct and in shoring up the implementation of good corporate governance principles. In the event of any policy violation or non-compliance, the violator may be liable to sanctions in accordance to the extent of violation.

The Company's culture is such as to not accept any gifts or rewards from customers, debtors, vendors, counter parties, working partners and other third parties for the services provided by Company's employees in performing their duties.

AFFILIATED TRANSACTIONS & TRANSACTIONS WITH CONFLICT OF INTEREST

Company has implemented policies related to affiliated transactions and transactions with conflict of interest as stipulated on Board of Directors Decision Letter No. 079/SK/DIR/2017 regarding Affiliated Transaction and Transaction with Conflict of Interest dated 21 June 2017 based on Appendix on Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) Regulation No. IX.E.1, Appendix on the Decision of the Head of BAPEPAM-LK No. KEP-412/BL/2009 dated 25 November 2009 on Affiliated Transaction and Transaction with Conflict of Interest.

Mechanism of Affiliated Transactions And Transactions With Conflict Of Interest



Affiliated Transaction

Throughout 2017, 15 (fifteen) affiliated transactions have reported to the Financial Services Authority as follows:

No	Date	Transaction	Parties	Amount	Letter
1	13 March 2017	Room rental fees Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter IV year 2016	BCA and Indonesia Kempinski Hotel	Rp 105,640,000.00	Letter No.043/DCS/2017 Dated 15 March 2017
2	20 March 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Lunch Together	BCA and Indonesia Kempinski Hotel	Rp 113,740,000.00	Letter No.048/DCS/2017 Dated 21 March 2017
3	31 March 2017	Floor rental fee P6-outdoor area	BCA and PT GI	Rp 256,608,000.00	Letter No.059/DCS/2017 Dated 31 March 2017
		Ground Floor rental fee BCA Tower		Rp 914,166,000.00	
4	6 April 2017	Room rental fee Grand Ballroom-Hotel Indonesia Kempinski for Annual GMS	BCA and PT GI	Rp 169,400,000.00	Letter No.063/DCS/2017 Dated 10 April 2017
5	17 April 2017	Land Sale and Purchase Transaction	BCA and BCA Finance	Rp 7,000,000,000.00	Letter No.071/DCS/2017 Dated 20 April 2017
6	20 April 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter I fiscal year 2017	BCA and Indonesia Kempinski Hotel	Rp 105,640,000.00	Letter No.072/DCS/2017 Dated 20 April 2017

No	Date	Transaction	Parties	Amount	Letter
7	20 June 2017	Non-Conditional Sale and Purchase Agreement on PT BCA Sekuritas Share Signage	Perseroan dan PT Poly Kapitalindo BCA and PT Poly Kapitalindo	Rp 75,936,399,000.00	Letter No.133/DCS/2017 Dated 21 June 2017
8	18 July 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for CEO Forum Perbanas & Gathering	BCA and Indonesia Kempinski Hotel	Rp 96,800,000.00	Letter No.147/DCS/2017 Dated 20 July 2017
9	21 July 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Lunch Together	BCA and Indonesia Kempinski Hotel	Rp 113,740,000.00	Letter No.148/DCS/2017 Dated 25 July 2017
10	27 July 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter II	BCA and Indonesia Kempinski Hotel	Rp 101,640,000.00	Letter No.159/DCS/2017 Dated 28 July 2017
11	26 October 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter III year 2017	BCA and Indonesia Kempinski Hotel	Rp 105,640,000.00	Letter No.245/DCS/2017 Dated 30 October 2017
12	30 October 2017	Agreement on LED/Advertisement Installment on the property of BCA located at Jl. Ir. H. Juanda No. 66 Bandung	BCA and PT Djarum	The compensation is advertisement of BCA's products	Letter No.249/DCS/2017 Dated 31 October 2017
13	2 November 2017	Sale and Purchase of BCA Life Shares	BCA and BCA Sekuritas as well as BCA Insurance	Rp 256,777,092,000.00	Letter No.255/DCS/2017 Dated 6 November 2017
14	9 November 2017	Signage on Sale and Purchase Deed of Land and Building	BCA and PT Central Sentosa Finance	Rp 1,600,000,000.00	Letter No.256/DCS/2017 Dated 13 November 2017
15	24 November 2017	Room rental fee Ballroom-Hotel Indonesia Kempinski for National Work Meeting	BCA and Indonesia Kempinski Hotel	Rp 1,684,760,000.00	Letter No.260/DCS/2017 Dated 27 November 2017

These transactions were arm's length transactions.

Transactions with Conflict of Interest

The disclosure on transactions with conflict of interest is carried out based Financial Services Authority Circular Letter No.13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks.

Throughout 2017, Company had no transactions with conflict of interest

Name and Position of Conflict of Interest Party	Name and Position of Decision Maker	Transaction Item	Transaction Value	Note
-	-	-	-	-

LEGAL CASES, SIGNIFICANT CASES AND ADMINISTRATIVE SANCTION

Legal proceeding and significant cases faced by BCA in 2017 are described as follows:

Legal Cases

Legal proceeding disclosure is carried out based on Article 6 in Chapter IX – Transparency on Governance Implementation on Financial Services Authority Circular Letter No. 13/SEOJK03/2017 on the Implementation of Governance for Commercial Banks.

Company legal proceedings in 2017 are depicted in the table below:

Legal Proceedings	Number of Cases	
	Civil	Criminal
Resolved (with permanent legal force)	98	5
In the process of settlement	173	4
Total	271	9

In the process of settlement

There were 177 (one hundred and seventy seven) cases in the process of settlement with the details as follows:

- a. Civil: 173 (one hundred and seventy three)
 - Credit related: 130 (one hundred and thirty) cases, including lawsuits or appeals/objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.
 - Operations: 42 (forty two) cases, including matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.
 - Human resources –related: 1 (one) case.
- b. Criminal: 4 (four) cases.

- Operations: 23 (twenty three) cases, including matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.
- Human-resources related: 0 case.

- b. Criminal: 5 (five) cases.

Significant Cases

Disclosure on significant cases faced by Company, subsidiaries, member of the Board of Directors and Board of Commissioners is carried out in accordance to Letter G Chapter III – Content of Annual Report on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on Forms and Content of Listed Companies and Public Companies Annual Report.

In 2017, there were no significant cases facing Company and its subsidiaries, or members of its Board of Commissioners and Board of Directors in office for this reporting period, and consequently there is no effect on Company's financial condition.

In 2017, there were no material administrative sanctions imposed by authorities (Financial Services Authority, Bank Indonesia, Stock Exchange, and other authorities) on Company, or members of the Board of Commissioners and Board of Directors.

Resolved (with permanent legal force)

There were 103 cases already resolved (with permanent legal force) as follows:

- a. Civil: 98 (ninety eight) cases
 - Credit-related: 75 (seventy five) cases, including lawsuits or appeals/objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.

ACCESS TO INFORMATION AND CORPORATE DATA

To implement the principles of transparency and accountability, the Company at all times maintains good communication with stakeholders, namely regulators, shareholders, customers, employees of the Company, business partners, and public. The efforts to continue fostering good communication are conducted through the following means of communication:

- Access to information for customers, partners, and shareholders
- Corporate website
- Social media
- Press conference
- Correspondence with Financial Services Authority and Indonesia Stock Exchange
- Internal Communication

Access to Information

The Company at all times provides convenience for stakeholders and public to access corporate information and data, including the Company's financial condition, banking products and corporate actions. The Company also conducts press releases disseminated to print and electronic media.

For further information, stakeholders can contact the following:

1. Customers may contact:
 - **Contact Center Halo BCA**
 - Phone : 1500888.
 - Email : halobca@bca.co.id.
 - Twitter : @halobca.
 - Halo BCA Chat : www.bca.co.id.
 - Video Call at major branch offices: BSD, SCBD, Alam Sutera, Thamrin, Matraman, Darmo, and at myBCA.
 - Video Banking at myBCA Gandaria City, Bintaro Xchange, Central Park, Kota Kasablanka, Emporium Pluit, Ciputra World Surabaya, Grand City Surabaya, BCA Learning Institute Sentul.
 - **Service level at Halo BCA**
Service Level Acceptance of customer contact:
 - Response time for phone calls: 20 seconds
 - Response time at Twitter: 3 minutes
 - Response time for Halo BCA Chat: 3 minutes
 - Response time to emails: 1 hour

- **Service Level Agreement (SLA)**

Problem solving varies from 1 (one) business day up to 30 (thirty) work days based on the type of problem. Currently 98.9% of issues submitted through Halo BCA are completed in accordance with the SLA. Total number of customers contacting Halo BCA as of 2017 reached 15,325,871 (fifteen million three hundred twenty five thousand eight hundred seventy one) customers with the following criteria:

- a. A total of 44.86% through information.
- b. A total of 44.64% through customer service request (e.g. blocking, activation, etc.)
- c. A total of 10.47% through customer complaints
- d. A total of 0.03% through customer suggestions

2. Media may directly contact Corporate Secretary, Public Relations Matters via email: humas@bca.co.id.
3. Communication related to investor relations is made through website publication accessible for public. The information published through corporate website under Investor Relations section includes:
 - Financial Information (Financial Highlights, Monthly Financial Statements and Quarterly Financial Reports including Analyst Meeting materials and other publications)
 - Annual report
 - Company Shareholder Information
 - Credit Rating
 - Investor News

The information is published in accordance with requirements from regulators and investors, Capital Market community and shareholders. Through corporate website, the investors, Capital Market community and shareholders can also register their emails to obtain quarterly financial information publication.

4. The Company also provides investor relations email at investor_relations@bca.co.id to communicate with its investors, Capital Market community and shareholders, should there be any questions related to the Company's financial and business information or suggestions for the purpose of improving Investor Relations services. Other publications may be completed by other parties.

Corporate Website

Given the growing popularity of smartphone usage, the corporate website (www.bca.co.id) is more easily accessible with a customized design for mobile users (mobile responsive design). The site also provides an online registration form for those interested in the various services of the Company, which will be later followed up by the Company. These are all intended to facilitate customers and potential customers to immediately feel the benefits from the Company's products and services.

Company website presents a variety of interesting and useful articles and also contains financial & banking information and other disclosures of information. Some corporate activities, such as analyst meetings, financial reports, and various corporate social responsibility activities of the Company are also regularly presented on the Company website. This is in line with the Company's commitment to maintain, at all times, the disclosure of information for the purpose of implementing Good Corporate Governance.

Corporate Social Media

In today's digital age, social media is growing rapidly and becoming an effective means of communication for the Company. Corporate social media is used among netizens. Currently the Company adopts various social media platforms such as:

- Twitter account (@XpresiBCA, @GoodLife, @BizGuideBCA, @HaloBCA, @BankBCA, @KartuKreditBCA),
- facebook (/XpresiBCA, /GoodLifeBCA, /BizGuideBCA, /BankBCA, /KartukreditBCA),
- youtube (Solusi BCA),
- kaskus,
- slideshare (www.slideshare.net/SolusiBCA),
- linkedIn BCA,
- Instagram (@goodlifeBCA)

Through social media accounts, the Company intends to build a more solid interaction with customers and others who are not yet become customers of the Company. Such step also serves as an evidence for the Company's serious intention to always be present in the community.

In addition to the interaction by using social media listening tools, the Company also continues on creating innovations to be able to respond to various complaints and suggestions from social media users on a real time basis. Real time interaction can be conducted through VIRA or Virtual Assistant Chat Banking of BCA. VIRA channels can be accessed via kaskus Chat, BCA Facebook Messenger, and BCA LINE chat application. Through VIRA chat, customers can obtain information related to promos, checking of balance and movements, exchange rates, ATM info, credit card info, and other access to banking services.

Throughout 2017, the Company actively conducted campaign activities of social media-related communications which included:

- Campaigns related to the updates of the Company's banking products to communicate the benefits of the products to potential markets
- Campaigns related to education of safe banking transactions for the public
- Campaigns related to the Company's promotional activities.

The Company's official accounts and social media activities are accessible at www.bca.co.id/socialmedia. The Company consistently strives to maintain its existence to the public.

List of Press Release

The Company's press releases represent the implementation of good corporate governance principles, particularly the principle of transparency. During 2017 there were 208 press releases made by Company which include among others:

No	Title of Press Release	Date
JANUARY		
1	Supporting GO ONLINE Retail, BCA Offers Application Programming Interface Solution	18
2	Improving the Quality of Human Resources, BCA Inaugurates BCA Learning Institute and Gallery BCA	23
3	BCA Showcases 10 Best Works of BCA Facade Building Contest	30
FEBRUARY		
4	Improving Competence of Financial Sector Practitioners, BCA Supports E-Learning ACI FMA Indonesia	7
5	60 th Anniversary of BCA #BecomingBetter, BCA Held a Seminar at University of North Sumatra	7
6	Improving the Quality of Students of Mulawarman University, BCA Organizes Leadership Training	18
7	60 th Anniversary of BCA: #BecomingBetter, BCA Offers New Products and Service Innovation	21
8	Providing Excellent Service to Customers, BCA Receives the 2017 Excellent Service Experience Award	22
9	Maintaining Quality of Banking Solutions, BCA Receives 7 Awards at Top Brand Award 2017	23
10	Continuously Providing Innovative Service and Products, BCA Receives Most Innovative Business Award	24
11	"Outstanding Teacher Outstanding Students" - BCA Holds Training of 60 Elementary School Teachers	24
12	60 th Anniversary of BCA #BecomingBetter, BCA Organizes Free Cataract Surgery in Tangerang	25
MARCH		
13	Garuda Indonesia Palembang Branch Office and BCA Organizes Again "Garuda Indonesia Travel Fair (GATF) 2017"	3
14	60 th Anniversary of BCA #BecomingBetter: BCA Organizes Leadership Training for Outstanding Students from Airlangga University and Sepuluh Nopember Institute of Technology	4
15	Providing Products and Services Tailored to Customer Needs, BCA Receives Indonesia WOW Brand	9
16	60 th Anniversary of BCA #BecomingBetter: BCA Holds 60 Tourist Village Seminar in Yogyakarta	11
17	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Outstanding Students from Sam Ratulangi University	11
18	Presentation of Performance Results BCA FY 2016: Expanding Capabilities, Capturing Opportunities	13
19	BCA Cafe V #LearningBetter: Reading from Generation to Generation	15
20	BCA Indonesia Fintech Education For University of Indonesia Students	15
21	Providing Convenience For Customers to Purchase Vehicles and House, BCA Holds BCA Expo 2017 in Surabaya	17
22	Presenting Best Banking Products and Services, BCA is Acknowledged as the Best Retail Bank in Indonesia, The Asian Banker version	17
23	60 th Anniversary of BCA #BecomingBetter: BCA Holds Batik Technique Training	17
24	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Outstanding Students from Universitas Brawijaya	18
25	60 th Anniversary of BCA #BecomingBetter: BCA Holds Team Building Training for Tourism of Pindul Cave and Wayangirsari Wayang Village	20
26	Supporting Food Program ACTION, BCA Consistently Distributes Credit Financing in Agriculture and Food Sector	24
27	BCA Provides Attractive Promo for Customers in Astindo Travel Fair 2017 Event	24
28	60 th Anniversary of BCA #BecomingBetter: Leadership Training for Outstanding Students from Hasanuddin University	25
29	#BecomingBetter: BCA Shares the Spirit of Book Sharing for Indonesia in Car Free Day	26
30	Supporting Batang-Semarang Toll Road Project, BCA Distributes Syndicated Credit Totaling Rp935 Billion	29
31	Proving the Power of Brand in Digital Age, BCA Receives Infobank Digital Brands Awards 2017	30

No	Title of Press Release	Date
APRIL		
32	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for ITB and Unpad Students	1
33	60 th Anniversary of BCA #BecomingBetter: BCA Holds Batik Technique Training	4
34	BCA Holds Annual General Meeting of Shareholders	6
35	MPM Finance Strengthens Business Lines through Syndicated Facility of Rp 700 Billion	6
36	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Diponegoro University Students	8
37	Support the Implementation of e-Ticketing at Soekarno Hatta Airport Train, BCA Serves Cashless Payments using Flazz For Customer's Convenience	11
38	Halo BCA Receives 11 Contact Center Service Excellence Awards 2017	12
39	BCA Enters into Cooperation Agreement to Provide Corporate Social Responsibility (CSR) Assistance to Support TNI Duties	12
40	60 th Anniversary of BCA #BecomingBetter: BCA Launches Gemah Sumilir Tourism Village in Pekalongan	18
41	Supporting Customers to Purchase Their Own Vehicles, BCA Provides Interesting Promos in IIMS Exhibition 2017	20
42	Presentation of Performance Result Q1 2017: Maintaining a Solid Position	20
43	Supporting Early Childhood Education, BCA Holds Financial Literacy Education and Health Education in Sorong	21
44	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Sriwijaya University Students	22
45	#BecomingBetter: BCA Shares The Spirit of Book Sharing For Indonesia With Innovator Reading Park	23
46	60 th Anniversary of BCA #BecomingBetter: BCA Distributes Aceh Earthquake Donation through LAZISNU	25
47	Facilitating Customers to Purchase Vehicles, BCA Holds BCA EXPO at Indonesia International Motor Show 2017 – Jakarta	27
48	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for UI and IPB Students	29
MAY		
49	Facilitating Customers in Transaction, BCA Develops Cash Advance Features at BCA Mobile	2
50	Supporting Early Childhood Education, BCA Provides Financial Literacy Education in Serang	2
51	Supporting Early Childhood Education, BCA Provides Financial Literacy Education in Lampung	4
52	60 th Anniversary of BCA #BecomingBetter, BCA Organizes Free Cataract Surgery In Luwu Regency and East Luwu Regency, South Sulawesi	6
53	60 th Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for UGM Students	6
54	Providing Mutual Fund Investment Solution For Customers, BCA Wins Best Custodian Bank Award	8
55	Supporting Early Childhood Education, BCA Holds Financial Literacy Education in Gunungkidul	8
56	Improving Customer Engagement with Customers, BCA Securities Information Is Accessible Through Halo BCA	10
57	BCA Receives Best National Private Bank Award In Indonesian Business Event Award 2017	15
58	60 th Anniversary of BCA #Becoming Better: Providing Post Earthquake Reconstruction Assistance, BCA Commences School Building Construction in Pidie Jaya	15
59	Providing Best Banking Solutions for Customers, BCA Receives Best Listed Company Award in Banking Sector in Investor Awards 2017	18
60	60 th Anniversary of BCA #BecomingBetter, BCA Provides Support for Community Empowerment Program in Prawoto Village, Pati Regency of Central Java	19
61	Displaying Positive Image and Solid Performance, BCA Receives Indonesia Most Admired Companies Award 2017	19
62	BCA Indonesia Open Superseries Premier 2017: World Badminton Players Compete for Total USD 1 Million Championship	22

No	Title of Press Release	Date
63	Cafe BCA VI #LearningBetter: Khasanah Batik Pesona Budaya	23
64	During Fasting Month, BCA Always Meets Customer Needs	26
		JUNE
65	BCA Supports Teknopolis 2017 Presenting Innovative Products and New Technologies	9
66	VIRA, BCA's New Technology Breakthrough in Virtual Assistant Chat Banking	11
67	Maintaining Healthy and Productive Asset Quality, BCA Receives Best Bank 2017 from Investor Awards	13
68	Pioneering in Developing Digital Based Banking Services, BCA Receives Digital Innovation Award 2017	16
69	BCA Is Ready to Meet Customers' Banking Needs During Eid-ul-Fitr 2017	20
70	BCA Receives Again the Best Bank Award in Indonesia and Asia	29
		JULY
71	BWS Launches Flazz Card	11
72	Supporting the National Cooperative Day 2017, BCA Is Committed to Distributing Kredit Usaha Rakyat to Cooperatives and SMEs	12
73	Adopting Sustainable Financial Principles, BCA Prioritizes Financing for Eco-Friendly Sector	12
74	Pioneering in Supporting Digitalization of Banking, BCA Receives the Digital Banking Initiatives of the Year Award	13
75	BCA Wins Best Bank Award in Indonesia Euromoney Awards for Excellence 2017	13
76	Supporting the Digitalization of Banking, BCA Again Organizes Finhacks 2017	15
77	BCA Successfully Receives 4 Awards from Bank Indonesia 2017	18
78	BCA Leads Rp 1.5 Trillion Syndicated Financing Loan	19
79	60 th Anniversary of BCA #BecomingBetter: Successfully Inviting People to Participate in the Sharing Movement #BookforIndonesia, BCA Begins Book Sharing Activities in Lampung	21
80	Improving Positive Culture and Work Environment, BCA Again Receives Gallup Great Workplace Award	21
81	BCA 60 th Anniversary #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Healthy Walk and Book Sharing in Makassar	23
82	60 th Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Garut	25
83	60 th Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Kupang	25
84	60 th Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Manado	25
85	BCA Wins Three Awards at The Asian Banker Indonesia Country Awards 2017	27
86	BCA Now Fits into the Category of Forbes Global 2000 Award 2017	27
87	Presentation of Performance Semester 1 2017: Maintaining a Solid Position	27
88	60 th Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Banda Aceh	28
89	Preparing Finhacks #Codescape 2017, BCA Organizes Sprint Coding Competition at Mini Finhacks Surabaya	29
		AUGUST
90	BCA Supports Borneo Orangutan Survival Foundation (BOSF) to Release 12 Orangutans in Bukit Baka Bukit Raya National Park	2
91	Providing Quality Assurance Service for Customers, BCA Wins Service Quality Award 2017	3
92	Preparing for Finhacks #Codescape 2017, BCA Organizes Sprint Coding Competition at Mini Finhacks Yogyakarta	5
93	"Be an Inspiring Teacher" - BCA Organizes Teacher Training in Jayapura	9
94	"Playing Golf and Donating" in BCA Royale Open Tournament 2017	9
95	For the Third Time, BCA Becomes the Most Valuable Brand in Indonesia	9

No	Title of Press Release	Date
96	Public Expose 2017: Maintaining Solidity, Achieving Quality Performance	9
97	BCA Again Maintains Very Good Performance For More Than 15 Years in Infobank Awards 2017	10
98	Halo BCA Successfully Wins Grand Champion The Best Contact Center Indonesia 2017	11
99	Facilitating Customers to Purchase Vehicle and House, BCA Expo Kota Baru Parahyangan Will Soon Be Held	11
100	Preparing for Finhacks #Codescape 2017, BCA Organizes Sprint Coding Competition at Mini Finhacks Bandung	12
101	60 th Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Singkawang	15
102	BCA Organizes Service Standard Workshop for Tourism Management of Pindul Cave and Pentingsari in Yogyakarta	18
103	Consistently Implementing Sustainable Financing, BCA Wins Social Business Innovation Award 2017	18
104	Supporting Non-Cash Payment, BCA and ChinaTown Bandung Launch CT Flazz Card	20
105	BCA Supports Borneo Orangutan Survival Foundation by Donating Rp200 Million for the Release of Orangutan	20
106	BCA Again Organizes National Seminar to Support Economic Acceleration in Yogyakarta	25
107	BCA Organizes Excellent Service Training in East Belitung	26
108	Facilitating Customers to Purchase Vehicle and House, BCA Expo Bandung is Held in Kota Baru Parahyangan	26
109	Supporting the Digitalization of Banking, BCA Organizes Finhacks #Codescape 2017	26
110	BCA Organizes Finhacks #Codescape 2017: Creating Three Best Digital Banking Applications	27
111	ATM Network Disruption Announcement	27
112	More than 11,500 ATMs of BCA Still Provide Banking Services	28
113	BCA and American Express Introduce The American Express Platinum Card: Offering Exclusive Features and World-Class Premium Services	31
114	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo Semarang Will Soon Be Held	31
		SEPTEMBER
115	"Becoming an Inspiring Teacher" - BCA Organizes Teacher Training in Sorong	4
116	Appreciating its Loyal Customers, Board of Directors of BCA Serve Customers on National Customer Day	4
117	On National Customer Day, BCA Invites its Customers to Visit Halo BCA Contact Center Office	4
118	Proving its Brand, BCA Wins Brand Asia Award 2017	7
119	BCA Facilitates Socialization of Replacement Law No. 1 Year 2017 for UMKM Activists in Malang	7
120	BCA Organizes Free Cataract Surgery in Putussibau, West Kalimantan	8
121	BCA Organizes Workshop and "Wayang For Student" Training	9
122	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo Semarang Is Held	9
123	All ATMs of BCA are Ready to Meet the Customer Needs for Transactions	12
124	BCA Supports Digital-Based Innovation and Creativity Development through IKF VI	13
125	BCA and UGM Sign Memorandum of Understanding for Joint Educational Assistance, Research, and Community Service	15
126	60 th Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Fun Walk and Book Sharing in Solo	17
127	BCA Organizes Team Building Training for Village Leaders in Gemah Sumilir Tourism Village, Pekalongan	18
128	"Be an Inspiring Teacher" - BCA Holds Teacher Training in Timika	19
129	Minister of Communications and Information of the Republic of Indonesia Opens IBEX 2017	19
130	President of Indonesia Attends the Closing of IBEX 2017	20
131	During the Exhibition of Oey Soe Tjoen Batik, BCA Presents Classic Batik from Pekalongan	22

No	Title of Press Release	Date
132	BCA Wins Award at Asiamoney Best Banking Brand Award 2017	26
133	BCA Organizes the Socialization of Taxation for UMKM Activists in Semarang	27
134	BCA Organizes Service Standards For Village Leaders of Tamansari Tourism Village	28
OCTOBER		
135	3,700 Runners Ready to Participate in BCA Bali Run 2017	1
136	Supporting National Cashless Campaign, Flazz BCA is Ready to Serve Transactions in All Toll Roads in Bali	1
137	Supporting National Cashless Campaign, Flazz BCA is Ready to Serve Transactions in All Toll Roads in Jakarta	1
138	BCA Distributes Donations for Mt. Agung Refugees	2
139	BCA Organizes Indonesia Knowledge Forum VI, Inspiring Digital-Based Innovation and Creativity	3
140	Indonesia Knowledge Forum VI, Inspiring the Establishment of a Digital Economy Ecosystem	4
141	"Becoming an Inspiring Teacher" - BCA Holds Teacher Training in Wamema	4
142	BCA Provides Training on Creating Income Statement for UMKM Activists in Pekalongan	9
143	Supporting National Cashless Campaign, Flazz BCA is Ready to Serve Transactions in All Toll Roads in Medan	10
144	BCA Provides Financing for Construction of Two Toll Roads	13
145	Facilitating People to Possess Electronic Money, BCA Provides Free Flazz Card Purchase at All Toll Gates	13
146	BCA Facilitates People to Purchase Electronic Money for Transactions at Toll Gates	15
147	Appreciating Merchants in Aur Kuning Trade Area, BCA Bukittinggi Holds "BCA EDC Surprise Program"	15
148	Supporting Property Industry Development, BCA Wins Property Indonesia Award 2017	17
149	BCA Wins the Strongest Bank by Balance Sheet in Indonesia	17
150	After Attending a Series of Workshops and Training, Students Perform in Stage during "Wayang For Student" Event	21
151	Improving the Quality of Tourism Village Leaders in the Digital Age, BCA Continues "Digital and Online Marketing" Training	25
152	"Becoming an Inspiring Teacher" - BCA Holds Teacher Training in Kupang	26
153	BCA Organizes Free Cataract Surgery in Sumba	26
154	Presentation of Q3 2017 Performance: Maintaining a Solid Position	26
155	BCA Commemorates Youth Pledge by activating #TodayPledge	27
156	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo ICE BSD Will Soon Be Held	30
157	BCA Facilitates Improvement of Facilities & Infrastructure of TNI Soldiers	31
NOVEMBER		
158	Supporting Fair Economy, BCA Cooperates with Warung and Indogrosir	1
159	BCA Supports for Indonesia Electricity	2
160	BCA Signs Memorandum of Credit for Lazada Sellers	3
161	BCA Blood Donors Break MURI Record	3
162	Supporting Cikampek II Elevated Toll Road Project, BCA Distributes Rp 1.44 Trillion Syndicated Loans to PT Waskita Karya	7
163	BCA Provides Scholarships for Outstanding Undergraduate Students in Universitas Brawijaya	7
164	BCA Holds a Puppet Show and "Wayang for Student" Workshop in Bandung	8
165	Jahja Setiaatmadja Wins CEO of the Year in Indonesia Property & Bank Award 2017	9
166	BCA Wins as TOP Share and TOP Issuer 2017	10
167	Optimizing Service Quality, BCA Opens a New Branch Office	10
168	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo Is Officially Opened	11
169	BCA Provides Scholarships for Outstanding Students at Udayana University	13

No	Title of Press Release	Date
170	Committed to Make Indonesia Free of Cataract, BCA Provides Donation for SPBK Perdami	13
171	BCA Obtains ISO 20000-1: 2011 Certification	17
172	BCA Shares Knowledge on Digital Transformation in MM UGM Executive Series	17
173	Supporting Fair Economy, BCA Works in Cooperation with Warung and Alfamart	18
174	Supporting Geotourism Based on Local Wisdom, BCA Opens Ngadiprono Playground	19
175	Celebrating World Children's Day, BCA Donates Rp850 Million for UNICEF	20
176	BCA Wins Economic Challenges Awards 2017	21
177	Expanding Network for Customer Convenience, BCA Launches BCA Mastercard Passport Card	21
178	BCA Provides Scholarships for Outstanding Students at Gadjah Mada University	22
179	BCA Provides Scholarships for Outstanding Students at Hasanudin University	22
180	BCA Provides Scholarships for Outstanding Students at Diponegoro University	23
181	BCA Provides Scholarships to Outstanding Students at University of North Sumatra	23
182	Expanding its Banking Services, BCA Promotes the Status of KCP Rahadi Usman to KCU Kubu Raya	24
183	BCA Organizes Free Cataract Surgery in Lampung	25
184	Focusing on Corporate Transparency, BCA Wins the 9th IICD Corporate Governance 2017 Award	27
185	BCA Provides Scholarships for Outstanding Students at Padjadjaran University	27
186	BCA Holds Puppet Show and "Wayang for Student" Workshop in Jakarta	27
187	BCA Provides Scholarships for Undergraduate Students at Airlangga University and Sepuluh Nopember Institute of Technology	27
188	Expanding its User Network, Flazz BCA Performs Co-branding with SMC Telogorejo Hospital	27
189	BCA Provides Scholarships to Outstanding Students at University of Indonesia	28
190	BCA Provides Scholarships for Outstanding Students at Sam Ratulangi University	28
191	Leadership Secret of Success Behind BCA Transformation	28
192	Sharing Knowledge with Students, Vice President Director of BCA Provides Public Lecture for ITB Students	29
193	BCA Submits Scholarships for Outstanding Students at Padjadjaran University	29
		DECEMBER
194	BCA Provides Scholarships for Outstanding Students at Mulawarman University	5
195	BCA Supports Homestay Village Development in Pentingsari in Yogyakarta	6
196	Successfully Improving BCA Solid Performance in Banking Sector, Jahja Setiaatmadja Wins Indonesian Most Admired CEO 2017 Award	8
197	Improving Cash Management Solutions, KlikBCA Business Facilitates Top Up Features for AirAsia Travel Agency Partners	11
198	Supporting the Transformation of an Issuer into a Public Company, BCA Organizes Road to Go Public with BCA	11
199	BCA Provides Scholarships to Outstanding Students at the Bogor Agricultural Institute	12
200	Always by the Customer's Side, BCA is Ready to Serve During the Year End Holiday 2017	12
201	BCA Distributes Rp 2.1 T Working Capital Loan to PT Pegadaian (Persero)	13
202	Consistently Being Indonesia's Leading Banking Company, BCA Wins Indonesia Best Corporate Reputation Award 2017	14
203	BCA Obtains Certification 20000-1 and ISO 22301	15
204	BCA Wins Four Awards from the Ministry of Finance	18
205	BCA Provides Scholarships for Outstanding Students at Sriwijaya University	18
206	Consistently Implementing Good Corporate Governance, BCA Wins Good Corporate Governance Award 2017	19
207	BCA Distributes Syndicated Loans to Bakauheni-Terbanggi Besar Toll Road	27
208	BCA Distributes Rp2.78 Trillion Syndicated Loan for Jabodetabek Light Rail Transit (LRT) Construction	29

Correspondence with Financial Services Authority and Indonesia Stock Exchange

Correspondence with Financial Services Authority (OJK) and Indonesia Stock Exchange (BEI) is part of the implementation of good corporate governance principles, particularly the principles of transparency and accountability. During 2017, correspondences made with OJK and BEI include the following:

Financial Services Authority (OJK)

No	Letter No.	Date	Subject
1	048/DIR/2017	27 January 2017	Disclosure of Information of Equity in PT Central Capital Ventura to OJK
2	094/DIR/2017	21 February 2017	Notification of Agenda of Annual GMS of PT BCA Tbk 2017 to OJK
3	097/DIR/2017	23 February 2017	Disclosure of Material Information or Facts to OJK
4	017/DCS/2017	24 February 2017	Disclosure of Specific Shareholders Information to OJK
5	018/DCS/2017	28 February 2017	Submission of Evidence of Announcement of Annual GMS of PT BCA Tbk to OJK
6	033/DCS/2017	14 March 2017	Submission of Annual Financial Statements 2016 (audited) of PT BCA Tbk to OJK
7	034/DCS/2017	14 March 2017	Submission of Annual Financial Statements 2016 (audited) of PT BCA Tbk to DPB 3 - OJK
8	036/DCS/2017	15 March 2017	Submission of evidence of announcement of summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 31 December 2016 to OJK
9	037/DCS/2017	15 March 2017	Submission of evidence of announcement of summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 31 December 2016 to DPB 3 - OJK
10	038/DCS/2017	15 March 2017	Submission of evidence of summon for Annual GMS of PT BCA Tbk 2017 to OJK
11	039/DCS/2017	15 March 2017	Submission of evidence of summon for Annual GMS of PT BCA Tbk 2017 to DPB 3 - OJK
12	130/DIR/2017	15 March 2017	Submission of Annual Report and Sustainability Report 2016 PT BCA Tbk to OJK
13	131/DIR/2017	15 March 2017	Submission of Annual Report and Sustainability Report 2016 PT BCA Tbk to DPB 3 - OJK
14	043/DCS/2017	15 March 2017	Disclosure of information of affiliated transactions to OJK
15	048/DCS/2017	21 March 2017	Disclosure of information of affiliated transactions to OJK
16	059/DCS/2017	31 March 2017	Disclosure of information of affiliated transactions to OJK
17	063/DCS/2017	10 April 2017	Disclosure of information of affiliated transactions to OJK
18	064/DCS/2017	10 April 2017	Submission of evidence of announcement of summary of Annual GMS minutes of PT BCA Tbk 2017 to OJK
19	065/DCS/2017	10 April 2017	Submission of evidence of announcement of summary of Annual GMS minutes of PT BCA Tbk 2017 to DPB 3 - OJK
20	066/DCS/2017	10 April 2017	Report and Submission of Evidence of Announcement of Dividend Payout 2016 PT BCA Tbk to OJK
21	187/DIR/2017	17 April 2017	Disclosure of Material Information or Facts to OJK
22	071/DCS/2017	20 April 2017	Disclosure of information of affiliated transactions to OJK
23	072/DCS/2017	20 April 2017	Disclosure of information of affiliated transactions to OJK
24	075/DCS/2017	21 April 2017	Submission of Q1 Financial Statements 2017 (unaudited) PT BCA Tbk to OJK
25	076/DCS/2017	21 April 2017	Submission of Q1 Financial Statements 2017 (unaudited) PT BCA Tbk to DPB 3 - OJK
26	077/DCS/2017	21 April 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries 31 March 2017 to OJK
27	078/DCS/2017	21 April 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries 31 March 2017 to DPB 3 - OJK

No	Letter No.	Date	Subject
28	082A/DCS/2017	28 April 2017	Submission of Copy of Resolutions of Annual GMS PT BCA Tbk 2017 to OJK
29	082B/DCS/2017	28 April 2017	Submission of Copy of Resolutions of Annual GMS PT BCA Tbk 2017 to DPB 3 - OJK
30	225/DIR/2017	28 April 2017	Submission of Annual Report of Integrated Corporate Governance of Financial Conglomerates PT BCA Tbk 2016 to DPB 3 - OJK
31	097/DCS/2017	23 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
32	098/DCS/2017	23 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
33	099/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
34	100/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
35	101/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
36	102/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
37	103/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
38	104/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
39	105/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
40	106/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
41	107/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
42	108/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
43	109/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
44	110/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
45	111/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
46	112/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
47	113/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
48	114/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
49	115/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
50	116/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
51	117/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
52	133/DCS/2017	21 June 2017	Disclosure of information of affiliated transactions to OJK
53	134/DCS/2017	22 June 2017	Disclosure of information of affiliated transactions to OJK
54	141/DCS/2017	7 July 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

No	Letter No.	Date	Subject
55	370/DIR/2017	14 July 2017	Submission of Report of Changes in the Composition of Financial Conglomerate of PT Bank Central Asia Tbk to DPB 3 - OJK
56	147/DCS/2017	20 July 2017	Disclosure of information of affiliated transactions to OJK
57	148/DCS/2017	25 July 2017	Disclosure of information of affiliated transactions to OJK
58	155/DCS/2017	28 July 2017	Submission of Q2 Financial Statements 2017 (unaudited) PT BCA Tbk to OJK
59	156/DCS/2017	28 July 2017	Submission of Q2 Financial Statements 2017 (unaudited) PT BCA Tbk to DPB 3 - OJK
60	157/DCS/2017	28 July 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 30 June 2017 to OJK
61	158/DCS/2017	28 July 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries As of 30 June 2017 to DPB 3 - OJK
62	159/DCS/2017	28 July 2017	Disclosure of information of affiliated transactions to OJK
63	162/DCS/2017	4 August 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
64	163/DCS/2017	4 August 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
65	166/DCS/2017	4 August 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
66	171/DCS/2017	14 August 2017	Submission of Supporting Documents for Affiliated Transaction on 21 June 2017 to OJK
67	446/DIR/2017	29 August 2017	Disclosure of Material Information or Facts to OJK
68	177/DCS/2017	5 September 2017	Submission of Valuation Report of 15% Shareholding Ownership of PT BCA Sekuritas to OJK
69	181/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
70	182/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
71	183/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
72	184/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
73	185/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
74	186/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
75	187/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
76	188/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
77	189/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
78	190/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
79	191/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
80	192/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
81	193/DCS/2017	26 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
82	194/DCS/2017	26 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
83	195/DCS/2017	26 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

No	Letter No.	Date	Subject
84	196/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
85	197/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
86	198/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
87	199/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
88	200/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
89	201/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
90	202/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
91	203/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
92	204/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
93	205/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
94	206/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
95	208/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
96	209/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
97	210/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
98	211/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
99	212/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
100	213/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
101	214/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
102	215/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
103	216/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
104	217/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
105	218/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
106	219/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
107	220/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
108	221/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
109	225/DCS/2017	5 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
110	227/DCS/2017	10 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

No	Letter No.	Date	Subject
111	229/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
112	230/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
113	231/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
114	232/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
115	233/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
116	234/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
117	242/DCS/2017	27 October 2017	Submission of Q3 Financial Statements 2017 (unaudited) PT BCA Tbk to OJK
118	243/DCS/2017	27 October 2017	Submission of Q3 Financial Statements 2017 (unaudited) PT BCA Tbk to DPB 3 - OJK
119	245/DCS/2017	30 October 2017	Disclosure of information of affiliated transactions to OJK
120	246/DCS/2017	30 October 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries As of 30 September 2017 to OJK
121	247/DCS/2017	30 October 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 30 September 2017 to DPB 3 - OJK
122	249/DCS/2017	31 October 2017	Disclosure of information of affiliated transactions to OJK
123	253/DCS/2017	6 November 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
124	254/DCS/2017	6 November 2017	Disclosure of Material Information or Facts to OJK
125	255/DCS/2017	6 November 2017	Report of Affiliated Transactions to OJK
126	256/DCS/2017	13 November 2017	Disclosure of information of affiliated transactions to OJK
127	258/DCS/2017	23 November 2017	Submission of Evidence of Announcement to Shareholders regarding Interim Dividend Payout 2017 of PT BCA Tbk to OJK
128	592/DIR/2017	24 November 2017	Disclosure of Material Information or Facts to OJK
129	260/DCS/2017	27 November 2017	Disclosure of information of affiliated transactions to OJK
130	275/DCS/2017	20 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
131	639/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
132	640/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
133	641/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
134	642/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
135	643/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

Indonesia Stock Exchange

No	Letter No.	Date	Subject
1	032/DCS/2017	13 March 2017	Submission of Press Release Related to Publication of Annual Financial Statements 2016 (audited) of PT BCA Tbk
2	062/DCS/2017	10 April 2017	Report of Announcement of Dividend Payout Schedule 2016 of PT BCA Tbk
3	073/DCS/2017	20 April 2017	Submission of Press Release Related to Publication of Q1 Financial Statements 2016 (unaudited) of PT BCA Tbk
4	153/DCS/2017	27 July 2017	Submission of Press Release Related to Publication of Q2 Financial Statements 2016 (unaudited) of PT BCA Tbk
5	170/DCS/2017	14 August 2017	Submission of Presentation from Issuer and Press Conference in Public Expose Marathon 2017
6	241/DCS/2017	26 October 2017	Submission of Press Release Related to Publication of Q3 Financial Statements 2016 (unaudited) of PT BCA Tbk
7	257/DCS/2017	23 November 2017	Report & Announcement of Interim Dividend Payout Schedule 2017 of PT BCA Tbk to BEI

Internal Communication

Internal communication plays a pivotal role in building the character and culture of the Company and the solidity of the working teams. Seamless, intensive and effective internal communication in disseminating corporate information will accelerate the processes and mechanism across all lines within the Company. Therefore, good support to the Company's internal communication serves as integral part of achieving the Company's overall performance

The content of information and media of communication are the keys to the success of internal communication. Both will complement each other as a unity so that the information can be easily comprehended, understood and followed up by employees.

With the relatively large number of employees all over Indonesia, effective internal communication serves as the key to the success of the Company in achieving its vision and mission. This is the reason why the Company recognizes the needs to devise a proper internal communications strategy aimed at creating a harmonious relationship with all employees. With the seamless, intensive and effective internal communications in disseminating corporate information, the Company can accelerate the processes and mechanisms across all lines.

Internal means of communication in the Company include the following:

1. InfoBCA Magazine

InfoBCA magazine is an internal monthly magazine of the Company that serves as a media of education, socialization, entertainment and tool to share knowledge and experiences and activities within the Company for all employees. InfoBCA magazine contains corporate information, banking products, banking services, networking, internal programs, awards, technology, management, and other useful information for employees. InfoBCA magazines are published in two versions, both printed and e-magazine versions (which can be downloaded from MyBCA's internal portal).

2. MyBCA

MyBCA is an internet-based internal communication. The internet network can only be accessed by internal parties within the Company by using the facilities provided by the Company. The internal web serves as a tool to convey the Company's information, business unit program, socialization of banking products, services, learning, and various other important information. MyBCA has been developed for online employment information and administration services, including healthcare fees, leave request, overtime, business trips, employee data, compensation, appraisal and others.

3. Plasma TV

Plasma TV is a media of internal communication installed at strategic places within the building or area within the Company's premise. The audio-visual electronic media contains information about the Company, banking products and services, business unit activities and other important information.

4. Email

The Company adopts an emailing system for its internal communication media. Another internal communication built through email system includes management communication forum.

5. Microsoft Lync

Through Microsoft Lync facility, the Company's employees can send data or information via PC (Personal Computer) and communicate with each other similar to chatting features on modern gadgets. The Microsoft Lync facility is very useful for urgent matters, since incoming messages directly appear on the screen along with the accompanying incoming message alert. In addition, the Microsoft Lync facility can also be used to transmit large files or data.

6. Internal Event

Internal communication is also built through various internal events such as:

- a. Celebration of the Company's anniversary;
- b. Lunch Together with Management;
- c. Gathering, such as Christmas / New Year and Idul Fitri and annual activities / recreation, pension events, and others;
- d. National Working Meeting
- e. Bakorseni activities
- f. Knowledge sharing, such as COP (community of practice) activities, BCA Open Source etc.

7. Corporate Identity Manual

It is an internal guideline for the Company, particularly for the use of corporate logo and other implementations. The standardization includes among others for the use and implementation of logos and corporate materials.

8. Facebook Semua Beres

The Company utilizes facebook as a means of internal communication under Facebook account of Semua Beres. Registered internal parties are connected to one another and can also share information and experiences.

9. Halo SDM

Halo SDM is a call center service for employees, which is a means of communication to share information related to human resources rules. The facility is expected to provide an opportunity for every employee to know better, understand and comply with the Company's internal rules.

10. Bakorseni

In an effort to create work life balance, the Company through the Learning and Development Division, particularly through Work Life Balance Aspect, manages sports and arts communities to allow employees to engage in their hobbies in sports and the arts. These communities are coordinated by BCA Sports and Art Coordinating Board (Bakorseni BCA).

The purpose of the community is to involve all employees to develop their potentials in sports and art and also to strengthen relationships among employees to create togetherness and friendship. It is expected that these activities can create a work life balance that makes employees stay healthy and improve their productivity.

Bakorseni activities include:

1. Sports including Football, Futsal, Volleyball, Basketball, Badminton, Table Tennis, Chess, Dance, Cycling, Tennis, Bowling, Hiking, Running, Fishing, Karate, Freeletics
2. Art including choir, band, photography.

Bakorseni also participates in events or games such as Interbank Sports Week - organized by Bank Indonesia (POR BANK) or sports events organized by the National Banking Association (Perbanas), Financial Services Authority and Regional Banking Consultative Body (BMPD).

Bakorseni Activities in 2017:

1. National Porseni commemorates the 60th Anniversary of the Company on 24-25 February 2017 at GOR Soemantri Kuningan Jakarta involving 1,218 athletes and officers from all Regional Offices, Head Office and Subsidiaries.
2. Sports Division conducts regular exercises and activities with communities registered within the Company at Head Office or Regional Offices.
3. Art Division conducts regular exercises, friendly competition activities and participates in various events in a number of activities conducted by external parties.

5. Correctly record all transactions in accordance with the requirements.
6. Maintain and foster the harmony of work environment and healthy competition.
7. Not misuse his/her position and authority for his personal or family interests.
8. Not commit a disgraceful act which could harm the image of his profession or the image of the Company in general.
9. Stay away from any form of gambling or speculative actions.
10. Always improve knowledge and understanding, by keeping abreast with the development in banking industry in particular and the business world in general.

CODE OF CONDUCT

The Company's Code of Conduct is developed as a guideline for the Company's employees in making decisions and taking actions. The Code of Conduct provides guidance on what is expected of them in relation to the customers, shareholders, other employees, vendors/partners, the government and the communities in which we are located.

The Code of Conduct serves as the basis for all policy-making and decision-making on a day-to-day basis, and also for the operations of the Company. Any decision and action of any employee in his/her position to represent the Company must be within the highest level of integrity standards, including if such standards are not set explicitly forth in the prevailing rules and regulations of the Republic of Indonesia.

The main principles in the Company's Code of Conduct include:

1. Professional;
2. Integrity;
3. Excellent team;
4. Excellent service;
5. Social concerns.

Key Contents of the Company's Code of Conduct:

The key contents of the Company's Code of Conduct include:

1. Comply and obey the prevailing rules and regulations.
2. Maintain a good reputation and safeguard the assets of the Company.
3. Maintain the confidentiality of customer and corporate data.
4. Avoid personal interests from conflicting with the interests of the Company or its customers.

Enforcement of Code of Conduct

The Code of Conduct applies to every member of the Board of Directors, members of the Board of Commissioners, and employees of the Company.

Socialization

Based on the Board of Directors Decision Letter No.778/SK/DIR/95 concerning the Code of Conduct, the Code applies to members of the Board of Commissioners, members of the Board of Directors and employees of the Company. The various means of communication to disseminate the Code of Conduct include:

1. The Code of Conduct is prepared in a Pocket Book size and is distributed to every employee of the Company. The employee signs the statement that he/he understands, and pledges to obey and execute the Code of Conduct as a guideline for proper behavior both inside and outside the work. Based on the Company's Whistleblowing System implementation policy set forth in Board of Directors Decision Letter No.146 / SK / DIR / 2017 dated 1 November 2017, the breach of the Code of Conduct is also a part of committed actions eligible to be reported through the whistleblowing reporting system.
2. The Code of Conduct has been published in the Company's internal portal (MyBCA), Corporate Governance Guidelines under the Chapter of Code of Conduct, and corporate website under the section of Corporate Governance.
3. Socialization related to the discussion of Code of Conduct, such as those pertaining to Company confidential data, confidential position, fraud, etc. is conducted through sharing session or COP in each Division / Business Unit within the Company.

Vendor-related Code of Conduct

In performing their duties, employees oftentimes need to associate with vendors. Therefore, these employees must adhere to the Code of Conduct related to the vendors, which includes among other provisions:

1. Each employee in performing his/her duties shall maintain the good name and reputation of the Company, including but not limited to:
 - a. Grooming him/herself and behaving in accordance with good ethics and manners (action and spoken words).
 - b. Not excessively compromising during vendor pre-qualification and verification of billings from vendor.
 - c. Avoiding meetings that may influence or may be perceived as influencing the decisions in his/her roles and responsibilities.
2. Employees should avoid situations in which the behavior of the vendor may give personal benefits and / or incur losses to the Company.
3. Employees must maintain the confidentiality of the Company's and the vendor's information that is gathered while performing their duties and not benefiting from them for personal gains.
4. Employees proactively provide information to the management or the relevant authorities if they are affiliated or having family relationship with the vendor that may potentially influence the objectivity in the conduct of the work.

5. Employees must not take advantage of errors made by vendors.
6. Employees must not request or accept any form of money / gift / packages / facility and not must not bind themselves on lending/borrowing transactions.
7. Employees are mandatorily required to return all gifts in the form of money / gift / packages / facility in accordance with the prevailing regulations and may provide the evidence of such return in a letter signed by the Business Unit Leader and Receipt of Return of Goods.
8. Employees at all times prevent any potential conflict of interest in dealing with vendors.

Enforcement Measures and Sanction of Breach of Code of Conduct

1. The provisions in Code of Conduct are binding and must be understood and implemented by staff at all levels within the Company in order to support the implementation of the principles of good corporate governance.
2. In the event of any breach or non-compliance with the Company's policy and Code of Conduct, the violator may be subject to sanctions in accordance with the severity of the breach. The decision to be made by the Company in this regard shall be made in accordance with the type and severity of the violations and the overall evaluation of the offending individual.
3. During 2017 there was no significant breach of the Company's Code of Conduct.

Settlement of Cases of Breach of Code of Conduct 2017

During the year 2017, there are 97 (ninety seven) breaches of Code of Conduct summarized as follows:

Year	Total	Amount	Settlement Status
2017	SP I	70	Cases have been resolved
	SP II	20	
	SP III	7	

CORPORATE CULTURE

The Corporate Culture is made up of Vision, Mission and Corporate Values. The Company's vision and mission are established to provide foundation, direction, and guidance for all levels within the Company in conducting their activities. While the Company's values are established to serve as a moral guideline for all levels within the Company to carry out its mission and achieve its vision.

The Company's Vision, Mission and Values are as follows:

Corporate Vision

To be the Company of choice and a major pillar of the Indonesian economy

Corporate Mission

- To build centers of excellence in payment settlements and financial solutions for businesses and individuals.
- To understand diverse customer needs and provide the right financial services to optimize customer satisfaction.
- To enhance our corporate franchise and stakeholders value.

Corporate Values

1. Customer Focus

Attention/concerns followed by the efforts to provide services to meet customers' specific expectations and/or needs.

2. Integrity

A firm attitude in upholding honesty and transparency, followed by consistent and consequent actions shown in his/her roles/duties under various circumstances and situations to build customer confidence.

3. Teamwork

Interactions and synergies based on self-awareness and also others to achieve organizational goals.

4. Continuous Pursuit of Excellence

Continuous efforts to achieve the best to provide added values to customers.

Understanding of the Company's Mission:

1. Building an outstanding organization engaged in payment settlement and financial solutions for business and individual customers means that the Bank builds an outstanding organization for all areas of payments which include all payment activities within the banking business.

2. Understanding the diverse needs of customers and providing the right financial services to achieve optimal customer satisfaction shall mean that the Company understands the various needs of customers on an end-to-end basis in accordance with their needs.
3. Increasing the franchise value and stakeholder value shall have broad meaning including the totality of corporate values, both tangible and intangible values. While stakeholder value shall mean reflecting the flexibility of the Company in accommodating the interests of various parties.

Socialization

The socialization of vision, mission, and values is conducted for and during the following:

1. All business units and all employees.
2. Coordination Meetings (Rakor)/ Quality Meetings (QM) of all Regional Offices.
3. Manager Development Program (MDP) and Manager Development Program (P2M), special forums such as Forum Account Officer (AO), and special Groups such as Project Management Office/PMO.

Corporate culture is introduced during the induction program for all new employees. The introduction of corporate culture includes understanding of Vision, Mission and Values of the Company. One learning method by using games is an effective way to introduce the vision, mission and corporate values to the new employees from Y generation.

The Company's vision, mission and values are also disseminated through:

- Info BCA magazine (internal monthly magazine).
- Employees' PC screen saver and mouse pad.
- Internal training.
- Internal Culture Video Clips.
- Corporate Handbook.
- Comic Books distributed to all employees
- Games.
- Other media.

Evaluation of the Company's vision and mission shall be conducted no later than every 5 (five) years. In 2014, the Company's vision and mission were evaluated by the Board of Commissioners and the Board of Directors. Board of Commissioners and Board of Directors evaluation resulted that the vision and mission are still in accordance with the current conditions.

STOCK OPTION PLAN

During 2017, the Company granted no Stock Option Plan.

RELATED PARTY AND LARGE EXPOSURE

Related party and large exposure disclosures are prepared under Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 concerning the Implementation of Good Governance for Commercial Banks under Report of Corporate Governance Implementation.

The Company adopts policies regarding the provision of funds to related parties and large exposures, as governed under the Credit Provision Manual. Evaluation and updating of policies in such manual will be made on a periodic basis.

Provision of funds to related parties and large exposures are always conducted with reference of prudential principles, and with compliance to Bank Indonesia regulations and other prevailing rules and regulations, including the Legal Lending Limit (LLL). In addition, the provision of funds to related parties must be approved by the Board of Commissioners in an independent manner.

LLL is routinely reported to Bank Indonesia in a timely manner. During 2017 there was no breach nor excessive limit of LLL.

Provision of Funds to Related Parties and to Individuals and Large Exposure during 2017:

No	Provision of Funds	Total	
		Debtor/Group	Nominal (million Rp)
1	To Related Parties	212	10.908.664
2	To Main Debtors:		
	a. Individual	50	106.402.538
	b. Large Exposure	30	146.011.299

STRATEGIC PLAN

In response to dynamic external environment changes, the Company constantly reviews business strategies for the short, medium and long term as outlined in the Company's Strategic Plan in the form of Bank Business Plan (RBB) and Annual Work Plan and Budget (RKAT). The Company prepares the Company's Strategic Plan with due observance to Financial Services Authority Regulation No. 5 / POJK.03 / 2016 dated January 26, 2016 concerning Bank Business Plan and Financial Services Authority Circular Letter No. 25 / SEOJK.03 / 2016 dated July 14, 2016 concerning Business Plan of Commercial Banks.

As part of the direction and strategic steps for the Company to achieve its vision and mission, the Company designs and develops business-oriented initiatives to meet its customers' evolving needs.

Strategic Plan in 2018

The Indonesian economy in 2018 is expected to improve from 2017, but will remain at a recovery phase. The government's development of infrastructure will be key to

higher economic growth in the coming years as multiplier effects are created by the new infrastructure. As the projects are in progress over the next one or two years, economic growth in 2018 expected to remain moderate.

Economic conditions will affect the overall banking industry. The Bank will continue to monitor the growth of banking liquidity, demand for credit across the banking sector and the development of interest rate trends in 2018.

The Company faces rapid technological developments, characterized by widespread financial technology products and emerging international players. Increasingly dynamic technological developments and shortening technological platform cycles will be a challenge and opportunity in the coming years.

The Company constantly reviews its business strategies for short, medium, and long term as set forth in Bank Business Plan (RBB) and Annual Work Plan and Budget (RKAT).

In 2018, the Company is committed to continue investing in strengthening the Company's franchise value. Strategic

priorities and work programs in 2018 will be focused on improving customer relations through payment settlement services, lending activities, and the development of new business lines through its subsidiaries. The following is further elaboration of those three areas:

- **Payment Settlement**

The Company will continue to develop its payment settlement services to strengthen CASA funding, which remains its main source of funds. Investments in transaction banking multi-channel infrastructure and digital technology will continually be conducted to enhance customer experience, allowing The Company to make its transaction banking platform more convenient, while not forgoing security and reliability. The Company will continue to enhance its working methods and increase information technology capacity and capability to be more agile and innovative.

The Company observes closely the evolving needs of customers and works to provide solutions in line with developing trends. With the ongoing advancement in digital technology and the development of customer needs, the Company is constantly adapting to the development of online payment settlement methods utilized by e-commerce businesses. In addition to providing updated services to correspond with shifts in customer preferences, the Company will continue to harness technological developments to improve operational efficiency. The Company continues to improve the use of internet and mobile banking services, which serve as more efficient platforms than ATMs and branches. It also continues to enrich the functionality and increase the transaction capacity of internet and mobile banking platforms.

The Company continues to selectively develop new branches to facilitate the ongoing need for large transactions. Branch expansion focuses on compact formats, in the form of cash offices and kiosks. In order to improve efficiency, information technology is incorporated into the branches, and transaction automation will continue to be developed to maximise these benefits. Investment in ATM networks is focused on the conversion from conventional ATMs and Cash Deposit Machines (CDM) to Cash Recycling Machines.

- **Prudent Lending**

Lending capabilities must continuously be improved in view of the positive long-term prospects of the Indonesian banking industry. Investment in improvements in loan infrastructure, loan processing enhancement and continuous assessment of credit policies in line with economic developments will remain a priority for the Company. The Bank targets positive growth in all loan segments – corporate, commercial and SME, and consumer – in 2018. The Company will actively review its competitive interest rates and develop new programs to optimize loan growth, while maintaining prudent banking principles.

The Company will continue to offer competitive mortgage programs in the consumer segment, such as Fix and Cap programs which extend attractive interest rates for a certain period of time. Organizing events to support customer consumption needs should stimulate consumer loan demand. The Company will continue to enhance synergy with its subsidiaries in vehicle loans. The Company prioritizes service quality, offers fast application processing and provides reliable marketing personnel to ensure the best experience for its customers. The Bank continues to work with renowned credit card partners and conducts various promotional programs while enhancing the proprietary BCA Card.

In line with Indonesia's ongoing infrastructure development in 2017, the Company seeks to capitalize on these opportunities and explore avenues for lending in the infrastructure sectors. Corporate lending is targeted on reputable corporations with proven track records. The Company will also support the credit needs of the commercial and Small and Medium Enterprise (SME) segments, supported by its extensive branch network and the development of specialized business centres for credit processing.

Investment in developments in loan infrastructure, loan processing enhancement and continuous assessment of credit policies will be essential to improving existing capabilities. The Company will continue to improve the quality and quantity of its account officers and relationship managers, developing loan products, refining lending policies and strengthening regional business development infrastructure.

The Company constantly monitors current economic conditions and promotes prudent lending practices. It also consistently monitors the quality of its loan portfolio and proactively takes preventive measures when customers encounter loan repayment difficulties, including initiating loan restructuring for quality customers showing long-term business solidity but facing temporary financial difficulties. Lending is diversified across a number of potential sectors to mitigate concentration risks.

- **Business Development among Subsidiaries**

The Company supports the business development of its subsidiaries engaged in varying business lines to provide comprehensive solutions for customers. Through its subsidiaries, the Company will continue to capture opportunities in vehicle financing, remittances, Sharia banking, securities, general and life insurance and venture capital. The Company's large customer base provides opportunities for the development of these subsidiaries, and it is expected they will in turn strengthen Company's transaction banking business. Strong synergy with the subsidiaries also facilitates Company's efforts to increase fee-based income and supports the profitability of the Company Group.

Various activities in the three business pillars as outlined above and improvement in the Company's organizational structure are expected to improve the Company's business performance and to optimize interest and fee based income. Business initiatives will be rolled out seamlessly with operational efficiency programs in 2018 and in the years to come.

TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS UNDISCLOSED IN OTHER REPORTS

The Company already adopts policies and procedures concerning the procedures for transparency of financial and non-financial condition in accordance with prevailing regulations. Information on Company's financial condition is disclosed explicitly and transparently in several reports, including the following:

Transparency of Financial Condition

1. Annual report

- a. Financial Highlights, including Overview of Shares, Board of Commissioners reports, Board of Directors reports, company profile, management

analysis and discussion on business and financial performance, good corporate governance and corporate social responsibility.

- b. Annual Financial Statements audited by a Public Accountant and Public Accountant Firm registered with Bank Indonesia. The Annual Financial Statements cover a period of 1 (one) fiscal year and is compared to the previous fiscal year, and the start of the earliest comparative year.
- c. Accountability statement of the Board of Commissioners and Board of Directors verifying the content of the Annual Report. The statement is delivered in writing and bears the signature of all members of the Board of Commissioners and Board of Directors.
- d. In accordance with Financial Services Authority Regulation No. 32/POJK.03/2016 dated August 8, 2016 concerning Amendment to Financial Services Authority Regulation No. 6/POJK.03/2015 of Transparency and Publication of Bank Reports and Financial Services Authority Regulation No. 29/POJK.04/2016 on the Annual Report of Issuer or Public Company, the Company has submitted its Annual Report to Financial Services Authority and to shareholders.
- e. The Annual Reports (financial and non-financial) and the Company's Financial Statements have been published on the Company's website - www.bca.co.id with summaries of Financial Statements published in widely circulated newspapers in Indonesia.

2. Quarterly Published Financial Reports

- a. The Company has published its Quarterly Published Financial Statements pursuant to prevailing Financial Services Authority Regulation in newspapers and the Company's website.
- b. The financial reports in newspapers represent the Consolidated Financial Statements of Company and its subsidiaries which is published in 2 (two) newspapers and Financial Statements of Company as the holding entity is published in 1 (one) newspaper. The newspaper shall be daily national newspapers in Bahasa Indonesia with wide circulation at the location where Company Head Office is domiciled. The published quarterly financial report is signed by President Director and 1 (one) Board of Directors member of Company.

- c. The published quarterly financial reports in the corporate website, both the financial statements and other reports, are maintained for at least the last 5 (five) fiscal years

3. Monthly Published Financial Reports

The Company has published the Monthly Financial Report in accordance with the applicable Financial Services Authority Regulations on the Company website.

Transparency of Non-Financial Conditions

Company discloses information on its products in an explicit, accurate and updated manner. Such information can be easily accessed by customers, among others in leaflets, brochures or other written materials in every Company branch office in locations that customers can have easy access to, and/or in the form of electronic information made available through hotline service/call center or website.

In addition, Company provides and communicates to customers on its customer complaints and dispute settlement mechanism in compliance with Bank Indonesia policy on customer complaints and banking mediation.

In relation to the foregoing matters, the Company has performed the following measures:

1. Transparently publicized its financial and nonfinancial condition to stakeholders, among others through its periodic Financial Reports, routine reporting of Legal Lending Limit to Bank Indonesia, Quarterly Financial Reports, Governance Implementation Report, Analyst Meetings, Press Conferences, Public Expose and Road Shows and as featured in Company's official website according to existing policies.
2. Prepared and presented reports according to the procedure, type and scope set forth in the Bank Indonesia policy on the transparency of banks' financial condition.
3. Published information on Company products in compliance with Bank Indonesia/ Financial Services Authority policy on the transparency of information on banking products and us and protection of customers' personal data.
4. Provided customers with a customer complaint and dispute settlement mechanism according to Bank Indonesia/Financial Services Authority policy on customer complaints and banking mediation, among others through Company website - www.bca.co.id.

5. Submitted the Annual Report to Bank Indonesia, Financial Services Authority and other institutions as required or deemed necessary.
6. Disclosed information on the ownership structure in the Annual Report and Company's website
7. Submitted internal reporting that has been completely, accurately, and in a timely way prepared and supported by an adequate Management Information System.
8. Provided reliable management information systems supported by competent human resources and an adequate IT security system capable of providing complete, accurate and timely information to the Board of Directors for the purpose of supporting the Company's business decision-making process. In addition, access to information uses user-IDs and passwords.

SHARE BUY BACKS

During 2017, the Company did not undertake any corporate action for repurchasing shares (share buy back).

PROVISION OF FUNDS FOR SOCIAL ACTIVITIES

Company actively contributes to improving the welfare of communities and environmental condition through its corporate social responsibility activities developed under 'Bakti BCA' program

In general, the Company's social activities focus on 3 (three) key pillars, namely:

A. Smart Solution Pillar, as follows:

1. Non-degree Accounting Education Program (PPA)
2. Non-Degree Informatics Technology Program (PPTI)
3. BCA Internship Program
4. BCA Integrated Partner School
5. BCA Scholarship
6. Financial Literacy Education
7. Education Partnership.

B. Synergy Solution Pillar, as follows:

1. Culture
2. Health
3. Environment
4. Sports
5. Empathy, in the form of donations for natural disaster victims, and sports programs.

C. Outstanding Business Solution Pillar as follows:

1. Tourism Village Development
2. Community Development
3. UMKM development

In addition to the aforementioned programs, the Company also channels its donations to other social institutions.

Further information on the Company's social activities and total funding for social activities in 2017 is available under Chapter VI of Corporate Social Responsibility of this Annual Report 2017.

PROVISION OF FUNDS FOR POLITICAL ACTIVITIES

Similar to previous years, in 2017, the Company has never provided any funding for political activities.

IMPLEMENTATION OF INTEGRATED GOVERNANCE

The basis for the implementation of integrated governance is Financial Services Authority Regulation No. 18 / POJK.03 / 2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomerates (hereinafter referred to POJK No. 18 / POJK.03 / 2014) and Financial Services Authority Circular Letter No.15 / SEOJK.03 / 2015 dated 25 May 2015 on the Implementation of Integrated Governance for Financial Conglomerates (hereinafter referred to as SEOJK No. 15 / SEOJK.03 / 2015). A financial conglomerate is defined as a Financial Services Institution (LJK) within a group or due to ownership and / or control with all subsidiaries in a financial conglomerate. The Company has implemented integrated governance by adopting the following principles:

1. Transparency, which is transparency in disclosing material and relevant information and transparency during decision-making process.
2. Accountability, which is clarity of function and responsibility of the Company's organs in the Financial Conglomerate so as to have effective management.
3. Responsibility, which is the conformity of the management of the Main Entity and Financial Services Institution (LJK) with the rules and regulations and sound management principles.
4. Independence or professionalism, which is the professional management of the financial conglomerate without any undue influence or pressure from any parties.
5. Fairness, which is fairness and equality in meeting the rights of stakeholders based on the prevailing rules and regulations.

Pursuant to Articles 2 and 3 of POJK No. 18/POJK.03/2014, a Financial Conglomerates is required to implement a comprehensive and effective system of Integrated Governance and has a structure consisting of Legal Primary Entity and Subsidiaries and/or related Companies along with its subsidiaries. The Financial Conglomerates includes Financial Services Institutions such as banks, insurance and reinsurance companies, securities companies and/or financing companies.

Based on Board of Commissioners of PT Bank Central Asia Tbk Decision Letter No. 037/SK/KOM/2015 concerning the Establishment of Integrated Governance in Financial Conglomerates dated 26 February 2015 sets the establishment of Integrated Governance Committee with duties and responsibilities as stated in the Structure of Integrated Governance Committee of Company Group and refers to Article 7 of Financial Service Authority Regulation No. 18/POJK.03/2014, therefore Company as Legal Primary Entity shall implement the Integrated Governance.

With regard to the implementation of Integrated Governance, Company reported to the Financial Services Authority through Board of Directors Letter No. 055/DIR/2015 concerning the Submission of Reports on Legal Primary Entity and Financial Services Institution serving as Member of Company's Financial Conglomerates.

The Implementation of Integrated Governance covers the following:

- a. Requirements for the Board of Directors and Board of Commissioners of the Legal Primary Entity(the Company).
- b. Duties and responsibilities of the Board of Directors and Board of Commissioners of the Legal Primary Entity.
- c. Duties and responsibilities of the Integrated Governance Committee.
- d. Duties and responsibilities of the Integrated Compliance Working Unit.
- e. Duties and responsibilities of the Integrated Internal Audit Working Unit.
- f. Implementation of Integrated Risk Management.
- g. Development and implementation of the Integrated Governance Guidelines.

Requirements for Board of Commissioners and Board of Directors of Legal Primary Entity

1. Requirements for candidate of the Board of Commissioners of the Legal Primary Entity
 - a. Possess adequate knowledge on the Legal Primary Entity and Subsidiaries within the Financial Conglomerates. "Knowledge" refers to, among others, understanding the main business activities and main risks of Subsidiaries within the Financial Conglomerates.
 - b. Meet the criteria as required under Financial Services Authority Regulation governing Board of Commissioners and Board of Directors of Issuer or Public Company as follows:
 1. Have good character, moral and integrity;
 2. Be capable of performing legal actions;
 3. Within 5 (five) years prior to appointment and during the term of office:
 - a) Not having been declared bankrupt;
 - b) Not having served on a board of directors and/or commissioners found guilty of causing a company to be declared bankrupt;
 - c) Not having been convicted of any criminal offense that is detrimental to the country's financial condition and/or financial sector related matters; and
 - d) Not having been a member of a board of directors and/or commissioners and during the term of office:
 - Having failed to conduct an Annual GMS;
 - Having had the Annual GMS for his/her accountability report as on a board of directors and/or commissioners rejected or having not submitted his/her accountability report as on a board of directors and/or commissioners to the Annual GMS; and
 - Having caused a company with a license, approval or registration from Financial Services Authority to fail to meet its obligation to submit annual report and/or financial report to Financial Services Authority.
 - 4) Have commitment to comply with rules and regulations; and
 - 5) Possess knowledge and/or skills in the areas required by the company.
- c. Meet the integrity, competence and financial reputation requirements as set forth in Financial Services Authority and/or Bank Indonesia Regulation as follows:
 - 1) Integrity requirements are evidenced by:
 - a) Have capabilities in taking legal actions, the term "capable" shall refer to Indonesia Civil Code;
 - b) Have good character and moral, at least evidenced by complying the prevailing regulations, including having not been convicted of certain criminal offense within a certain period prior to being nominated;
 - c) Have commitment to comply with rules and regulations and support Financial Services Authority provisions;
 - d) Have commitment to the development of sound financial institutions;
 - e) Not be an individual prohibited from being on a board of directors and/or commissioners or among others not specified in the Disqualified List (DTL);
 - f) Have commitment not to conduct and/or repeat any actions and/or behaviors as set forth in Article 27 and Article 28, for commissioner candidates disqualified in the fit and proper test and whose sanction period has elapsed as required under Article 35 par (1), Article 40 par (4) point a and Article 40 par (5) of Bank Indonesia regulation concerning Fit and Proper Test.
 - 2) Competence requirements are evidenced by:
 - a) Sufficient knowledge in banking relevant to his/her position; and
 - b) Experience in banking and/or finance.
 - 3) Financial reputation requirements are evidenced by:
 - a) Having no non-performing loans and/or credit; and

- c) Experience and expertise in banking and/or finance;
 - d) Skills in strategic management for the purpose of creating sound developments in a bank
- 3) Financial reputation requirements are evidenced by:
- a) Having no non-performing loans and/or credit; and
 - b) Having not been declared bankrupt and/or a member of a board of directors and/or commissioners convicted of causing a company to be bankrupt within 5 (five) years prior to being nominated.
2. Roles and Responsibilities of Board of Commissioners of Legal Primary Entity
- a. Ensure the implementation of Integrated Governance within the Financial Conglomerate
 - b. In order to ensure the implementation of Integrated Governance above, the Board of Directors must at least:
 - 1) Develop the Integrated Governance Guidelines;
 - 2) Direct, monitor, and evaluate the implementation of the Integrated Governance Guidelines; and
 - 3) Follow-up the direction or advice from the Board of Commissioners of the Legal Primary Entity to improve the Integrated Governance Guidelines.
 - c. Ensure that audit findings and recommendations from the Integrated Audit Unit, external auditor and the monitoring results of the Financial Services Authority and/or other authorities have been followed-up by Subsidiaries.

Duties and Responsibilities of Board of Commissioners and Board of Directors of Legal Primary Entity

1. Roles and Responsibilities of Board of Commissioners of Legal Primary Entity
- a. Monitor the Integrated Governance implementation;
 - b. In order to monitor the implementation of the Integrated Governance referred above, must at least:
 - 1) Monitor implementation of governance in each subsidiary company within the Financial Conglomerate in order to comply with the Integrated Governance Guidelines;
 - 2) Monitor implementation of duties and responsibilities of the Board of Directors of the Legal Primary Entity, and provide direction or advice to the Board of Directors of the Legal Primary Entity on the implementation of Integrated Governance Guidelines; and
 - 3) Evaluate the Integrated Governance Guidelines and give direction for improvements.
 - c. Conduct regular meetings at minimum 1 (once) each semester. Meetings may be conducted in a video conference.
 - d. Present the meeting results in well-documented minutes of meetings and provide clear explanation on any dissenting opinion noted during the meetings, including the reasons for which.
 - e. Establish the Integrated Governance Committee.

Roles and Responsibilities of the Integrated Governance Committee

The Integrated Governance Committee has roles and responsibilities at least to:

- a. Evaluate implementation of the Integrated Governance at least through assessment of internal control adequacy and the implementation of integrated compliance function.
- b. Provide recommendation to the Board of Commissioners of the Legal Primary Entity to improve of Integrated Governance Guidelines.
- c. Conduct regular meetings at minimum 1 (once) each semester which may be conducted in a video conference.
- d. Present the Integrated Governance Committee meeting results in well-documented minutes of meetings and disclose any dissenting opinion noted during the meetings, including the reasons for which.

Roles and Responsibilities of Integrated Compliance Work Unit

The Integrated Compliance Unit has duties and responsibilities, among others to:

- a. Monitor and evaluate the implementation of the compliance function in each Subsidiary.
- b. Develop the necessary methods and processes in order to implement integrated compliance risk management compliance.

- c. Assess and develop an integrated compliance risk profile in order to implement integrated risk management.
- d. Prepare and submit a report on the implementation of integrated compliance duties and responsibilities to the Compliance Director of Legal Primary Entity. The Compliance Director of the Legal Primary Entity shall prepare and submit this report to the Board of Commissioners and Board of Directors of the Legal Primary Entity.

Roles and Responsibilities of Integrated Internal Audit Unit

The Integrated Internal Audit Unit has duties and responsibilities, among others to:

- a. Assess the adequacy and effectiveness of risk management processes, internal controls and Corporate Governance, and provide recommendations for improvement.
- b. Monitor the implementation of internal audits in each Subsidiary.
- c. Monitor and evaluate the adequacy of follow-up improvements on audit the results of the Subsidiary, and report it to the Board of Directors, the Board of Commissioners, and the Audit Committee of Legal Primary Entity.
- d. Submit an integrated internal audit report to the designated Director to perform a supervisory function of the Subsidiary, the Board of Commissioners of the Legal Primary Entity and the Director who oversees the compliance function of Legal Primary Entity.
- e. Provide support to subsidiaries in developing the internal audit function.

Implementation of Integrated Risk Management

Risk Management is a set of methodologies and procedures used to identify, measure, monitor, and control risks arising from all of the Subsidiary's business activities.

Integrated Risk Management is a set of methodologies and procedures used to identify, measure, monitor, and control risks arising from all subsidiary business activities incorporated in an integrated financial conglomerate.

The financial conglomerate is obliged to apply Integrated Risk Management in a comprehensive and effective manner, adapted to the characteristics and complexity of the financial conglomerate's business with due observance of regulations of Financial Services Authority on the Implementation of Integrated Risk Management for Financial Conglomerates.

Preparation and Implementation of Integrated Governance Guidelines

The preparation of an Integrated Governance framework refers to Financial Services Authority Regulation No. 18 / POJK.03 / 2014 and the requirements applicable to each LJK (Subsidiary) in the Financial Conglomerates. For the purpose of implementing integrated corporate governance with all LJK (Subsidiaries), the Company has performed the following:

1. Developed Integrated Governance Guidelines.
2. Established an Integrated Governance Committee.
3. Adjusted the organizational structure:
 - a. Compliance Unit to cover integrated compliance;
 - b. Internal Audit Unit to cover integrated internal audit;
 - c. Risk Management Unit to cover integrated risk management.
4. Socialized the Integrated Governance Guidelines and the implementation of Integrated Governance to members of the Integrated Governance Committee, business units related to the implementation of Integrated Governance and all Subsidiaries in the Company Financial Conglomerates.

The Guidelines for Integrated Governance are prepared by the Board of Directors and have been approved by the Board of Commissioners of the Company.

The Integrated Governance Guidelines must at least cover:

- a. Integrated Governance Framework for the Company.
- b. Governance Framework of for Subsidiaries within the Financial Conglomerates.

The preparation of an Integrated Governance framework refers to the Financial Services Authority Regulation No. 18 / POJK.03 / 2014 and the governance regulations applicable to each Subsidiary in the Financial Conglomerates.

The Board of Directors of the Bank has submitted the Integrated Corporate Governance Guidelines to the board of directors of the Subsidiaries in the Company Financial Conglomerates, to serve as a guideline for Subsidiaries in the Company Financial Conglomerates to prepare the draft of the Corporate Governance Guidelines and to implement such in each Subsidiary.

The Integrated Governance Framework for the Legal Primary Entity sets forth among others:

- a. Requirements of the Board of Directors and Board of Commissioners of the Legal Primary Entity;
- b. Duties and responsibilities of the Board of Directors and Board of Commissioners of the Legal Primary Entity;
- c. Duties and responsibilities of Integrated Governance Committee;
- d. Duties and responsibilities of Integrated Compliance Unit;
- e. Duties and responsibilities of Integrated Internal Audit Unit; and
- f. Implementation of Integrated Risk Management.

The Integrated Governance Framework for LJK (Subsidiary) in Financial Conglomerates includes among others:

- a. Requirements for candidates of Board of Directors and Board of Commissioners members;
- b. Requirements for candidates of Sharia Supervisory Board members;
- c. Structure of Board of Directors and Board of Commissioners;
- d. Structure of Sharia Supervisory Board;
- e. Independence in the actions taken by the Board of Commissioners;
- f. Implementation of Board of Directors management functions in Subsidiaries;
- g. Implementation of Board of Commissioners supervisory functions in Subsidiaries;
- h. Implementation of Sharia Board supervisory functions;
- i. Implementation of compliance function, internal audit function, and external audit function;
- j. Implementation of risk management function;
- k. Remuneration policy; and
- l. Management of conflict of interest.

Assessment of Integrated Governance Implementation

In accordance with the provisions of Financial Services Authority Regulation No. 18 / POJK.03 / 2014 Articles 44 and 45 of Chapter VII on Reporting and in accordance with Financial Services Authority Circular Letter No. 15 / SEOJK.03 / 2015 dated May 25, 2015 on the Implementation of Integrated Governance for Financial Conglomerates, as a the Legal Primary Entity, the Company is required to prepare a periodic assessment report on the implementation of Integrated Corporate Governance (prepared semi-annually) and an assessment report on the implementation of Integrated Governance and then submit it to Financial Services Authority.

In 2017, the Company as the Legal Primary Entity has conducted an Integrated Corporate Governance Assessment for Semester I and Semester II. The assessment covers 3 (three) aspects of Integrated Governance, namely Structure, Process and Outcome of Integrated Governance.

Assessment of the implementation of Integrated Governance includes at least 7 (seven) factors for the implementation of Integrated Governance, namely:

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

The assessment results of the Integrated Governance implementation in the first semester and second semester of 2017 are categorized as "Rank 1" ("Very Good").

Annual Report of the Integrated Governance Implementation

A Yearly Report on the Implementation of Integrated Governance of Financial Conglomerates of PT Bank Central Asia Tbk ("the Company") in 2017 was prepared in accordance with the following:

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

This Yearly Report on the Implementation of Integrated Governance of the Company Financial Conglomerate in 2017 consisted of:

1. Self-Assessment Report of the Implementation of Integrated Governance during fiscal year 2017;
2. Structure of the Company Financial Conglomerates;
3. Composition of shareholding ownership in the Company Financial Conglomerates which discloses the parties who become the shareholders of Financial Services Institution in Financial Conglomerates up to the ultimate shareholders;
4. Management structure of the Company as a Legal Primary Entity and LJK (Subsidiary) in Financial Conglomerates;
5. Intra-Group Transaction Policy which sets forth the policies to identify, manage and mitigate Intra-Group Transactions;
6. Corporate Governance Implementation Report, consisting of:

- a. Transparency in the Implementation of Corporate Governance as required under point IX of Financial Services Authority Circular Letter No.13 / SEOJK.03 / 2017 dated March 17, 2017; and
- b. Self Assessment Report on the Implementation of Governance for 2016 as required under Appendix IV of Financial Services Authority Circular Letter No. 13 / SEOJK.03 / 2017 dated March 17, 2017.

In addition to the information mentioned above, the Annual Report on the Implementation of the Integrated Governance also discloses the scope of the Good Corporate Governance Implementation Report as stipulated in the regulations applicable to commercial banks.

1. Self-Assessment Report on Integrated Governance Implementation

Legal Primary Entity : PT Bank Central Asia Tbk

As of : 31 December 2017

Self-Assessment Results of Integrated Governance Implementation

Rank	Rating Definition
1	In general the Company Financial Conglomerate has implemented very good Integrated Governance. This is reflected in the more than sufficient implementation of the principles of Integrated Governance. Should there be any insufficiency in the implementation of Integrated Governance, such insufficiency is generally insignificant and can be immediately corrected by the Legal Primary Entity and / or Financial Services Institutions (Subsidiaries) in the BCA Financial Conglomerate.

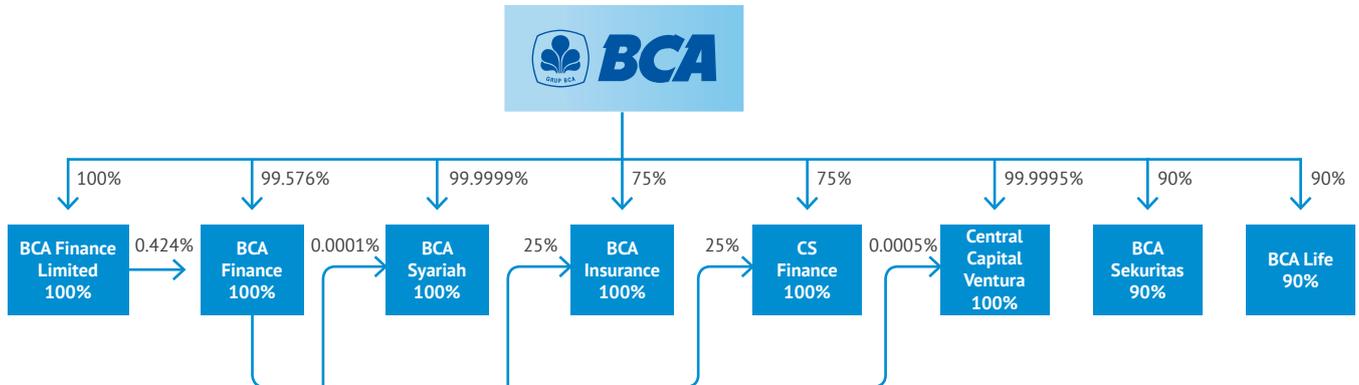
Analysis

Based on Self Assessment analysis on Integrated Governance structure, Integrated Governance process, and Integrated Governance outcomes in each of the Integrated Governance implementation assessment factors, the Bank concludes as follows:

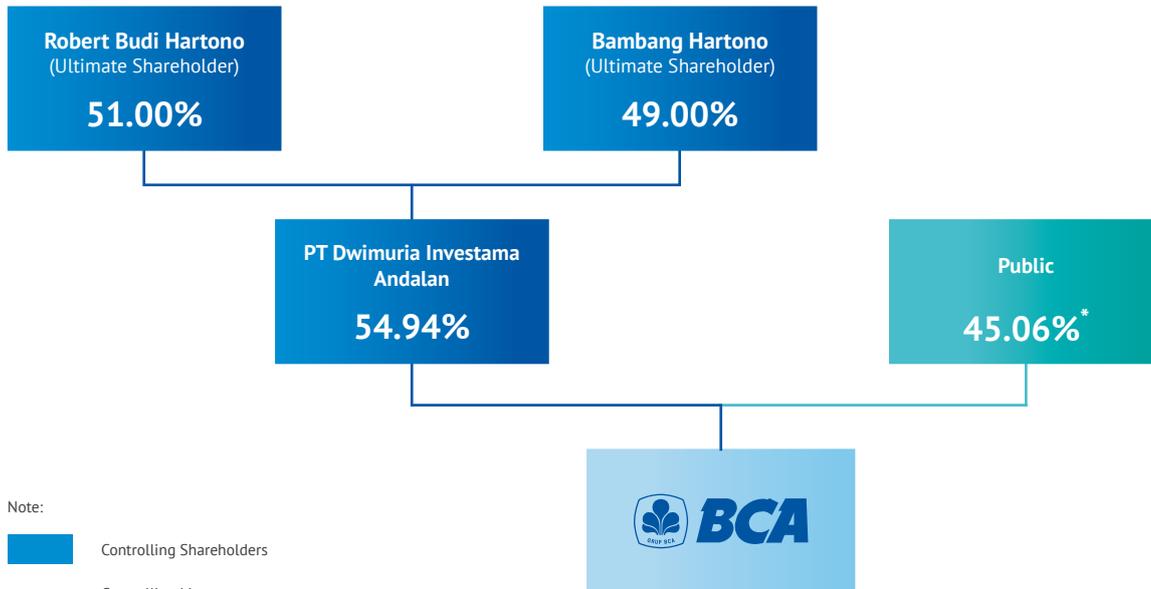
1. Integrated Governance Structure is complete based on the results of the assessment.
2. Integrated Governance Process is very effective based on the assessment results, supported by a complete structure.
3. Outcomes of Integrated Governance are highly qualified based on the results of the assessment, resulting from the highly effective Integrated Governance process supported by a complete structure.

The analysis of each assessment factor of the implementation of Integrated Governance is available in the Self Assessment Working Paper of the Implementation of Integrated Governance.

2. Financial Conglomerate Structure of the Company



3. Shareholding Structure in the Financial Conglomerate Disclosing the Shareholders of the Subsidiaries within the Financial Conglomerate Up To Ultimate Shareholders

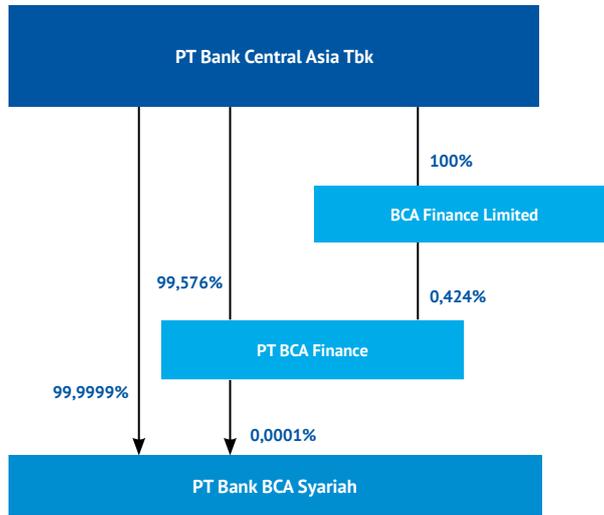


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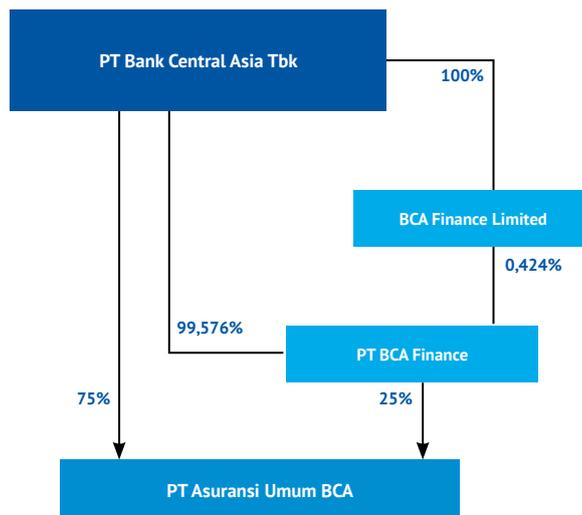
- Controlling Shareholders
- Controlling Line

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

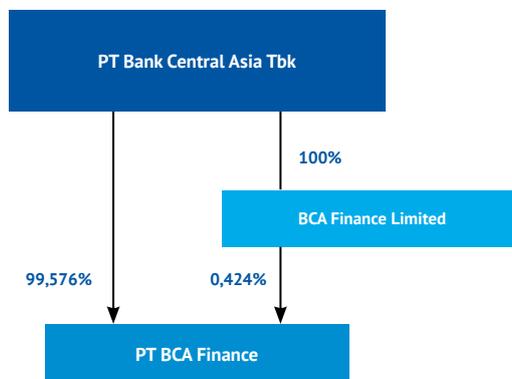
- Shareholding Structure of PT Bank BCA Syariah



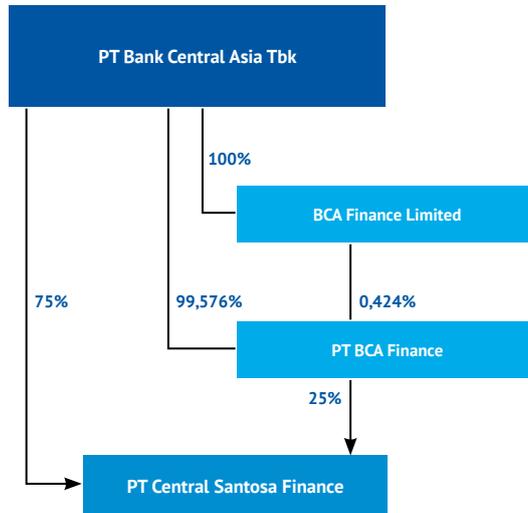
- Shareholding Structure of PT Asuransi Umum BCA (BCA Insurance)



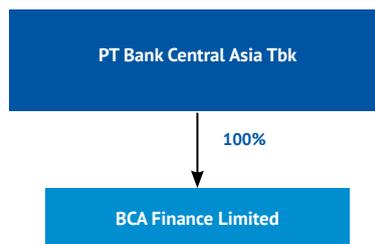
- Shareholding Structure of PT BCA Finance



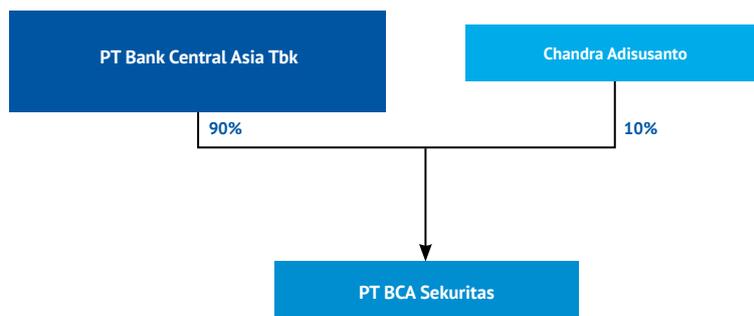
- Shareholding Structure of PT Central Santosa Finance



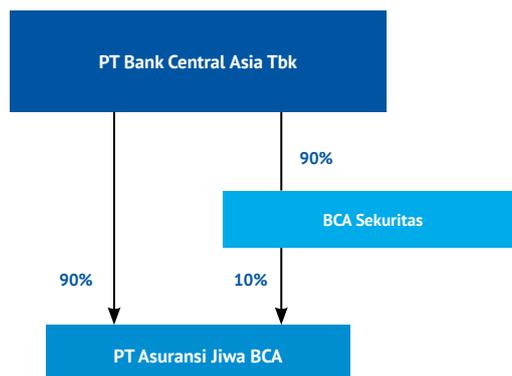
- Shareholding Structure of BCA Finance Limited



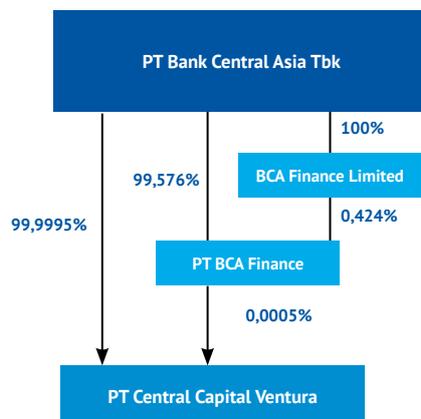
- Shareholding Structure of PT BCA Sekuritas



- Shareholding Structure of PT Asuransi Jiwa BCA (BCA Life)



- Shareholding Structure of PT Central Capital Ventura



4. Management Composition of PT Bank Central Asia Tbk As Legal Primary Entity and of Subsidiaries in the BCA Financial Conglomerate

Management Composition of PT Bank Central Asia Tbk

Board of Commissioners

Name	Position
Djohan Emir Setijoso	President Commissioner
Tonny Kusnadi	Commissioner
Cyrellus Harinowo	Independent Commissioner
Raden Pardede	Independent Commissioner
Sumantri Slamet	Independent Commissioner

Board of Directors

Name	Position
Jahja Setiaatmadja	President Director
Eugene Keith Galbraith	Deputy President Director
Armand Wahyudi Hartono	Deputy President Director
Suwignyo Budiman	Director
Tan Ho Hien/Subur/Subur Tan	Director (concurrently Director of Compliance)
Henry Koenafi	Director
Erwan Yuris Ang	Independent Director
Rudy Susanto	Director
Lianawaty Suwono	Director
Santoso	Director
Inawaty Handoyo	Director

Management Composition of PT Bank BCA Syariah

Board of Commissioners	
Name	Position
Yana Rosiana	President Commissioner
Suyanto Sutjiadi	Independent Commissioner
Joni Handrijanto	Independent Commissioner

Board of Directors	
Name	Position
John Kosasih	President Director
Houda Muljanti	Director
Tantri Indrawati	Compliance Director

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

Management Composition of PT BCA Finance

Board of Commissioners	
Name	Position
Ricki Immanuel	President Commissioner
Adhi Gunawan Budirahardjo	Independent Commissioner
Leny Sulistiyowati	Independent Commissioner

Board of Directors	
Name	Position
Roni Haslim	President Director
Petrus Santoso Karim	Director
Amirdin Halim	Director
David Pangestu	Director
Lim Handoyo	Director

Management Composition of PT Central Santosa Finance

Board of Commissioners	
Name	Position
Roni Haslim	President Commissioner
Yonathan Hermanto	Commissioner
Aldrian Irvan Kolonas	Commissioner
Mendari Handaya	Independent Commissioner

Board of Directors	
Name	Position
David Hamdan	President Director
Senjaya Komala	Director
Adhi Purnama	Director
Parmanto Adhi	Director

Management Composition of PT Asuransi Umum BCA (BCA Insurance)

Board of Commissioners

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

Board of Directors

Name	Position
Gregorius Hariyanto	President Director
Hendro H. Wenan	Director
Antonius Tjhai	Marketing Director
Sri Angraini	Finance Director

Management Composition of PT BCA Sekuritas

Board of Commissioners

Name	Position
Ferdinandus Aming Santoso	President Commissioner
Deddy Muljadi Hendrawinata	Commissioner
Hendra Iskandar Lubis	Independent Commissioner

Board of Directors

Name	Position
Mardi Henko Sutanto	President Director
Imelda Arismunandar	Director

Management Composition of PT Asuransi Jiwa BCA

Board of Commissioners

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

Board of Directors

Name	Position
Rio Winardi	President Director
Yannes Chandra	Director
Honggo Djojo	Director

Management Composition of BCA Finance Limited

Name	Position
Andy Kwok	Director
Edmund Tondobala	Director
Rudy Harjono	Director

Management Composition of Central Capital Ventura

Board of Commissioners

Name	Position
Arif Singgih Halim Wijaya	President Commissioner

Board of Directors

Name	Position
Armand Widjaja	Director
Michael Suteja	Director

5. Policy to Identify, Manage, and Mitigate Intra-Group Transactions

Ownership and/or controlling relationships in various financial services sectors will affect the sustainability of a financial institution's services due to exposure to risks arising directly or indirectly from the operations of a subsidiary incorporated within a financial conglomerates.

The Company, as the Legal Primary Entity of the Company Financial Conglomerates, is accordingly required to manage the risk of intra-group transactions and to monitor intra-group transactions in an integrated manner.

Risk Management Policy for Intra-Group Transactions in the Group is prepared with due observance to:

- The Financial Services Authority Regulation No. 17 / POJK.03 / 2014 of the Implementation of Integrated Risk Management for Financial Conglomerates.
- The Financial Services Authority Circular Letter No. 14 / SEOJK.03 / 2015 of the Implementation of Integrated Risk Management for Financial Conglomerates.

- The Board of Directors Decision Letter No. 178 / SK / DIR / 2015 of the Issuance of Integrated Risk Management Basic Policy in the BCA Financial Conglomerate.

Definition of Risk of Intra-Grup Transactions

The risk of intra-group transactions represents the risk due to the dependence of an entity, directly or indirectly, on another entity in a financial conglomerate for the purpose of meeting the conditions in a written or unwritten agreement, subsequently followed by the transfer of funds and/or non transfer of funds

Objectives of risk management of intra-group transactions

The main objectives of intra-group transaction risk management are to:

- Manage and supervise intra-group financial conglomerate transactions based on prudential principles.
- Ensure that the risk management process minimizes the potential negative impacts due to the dependence of one financial services institution either directly or indirectly to another(s) in a financial conglomerates.

Types of intra-group transactions

The risks of intra-group transactions may arise from, among others:

- a. Cross ownership among financial services institutions in a financial Conglomerates.
- b. Centralized management of short-term liquidity.
- c. Guarantees, loans, and commitments provided or obtained by one financial services institution to/from another in a financial conglomerates.
- d. Exposure to controlling shareholders, including loan exposures and off-balance sheets such as guarantees and commitments.
- e. Purchase or disposal of assets to other financial services institution in a financial conglomerates.
- f. Risk transfer through reinsurance.
- g. Transactions to transfer third-party risk exposures among financial services institutions in a financial conglomerates.

Principles of intra-group transactions risk management

In adopting risk management principles for intra-group transactions, the Legal Primary Entity is required to:

- a. Have adequate risk management process including for intra-group transactions for the entire financial conglomerates.
- b. Monitor intra-group transactions on a regular basis and prepare periodic reports.
- c. Encourage public disclosure related to intra-group transactions.
- d. Act as a liaison among the members of the financial conglomerates to ensure that important matters have been taken into account and also act as a supervisor to determine the feasibility of intra-group transactions.
- e. Consider the adverse effects that will occur both on members and also on the entire financial conglomerates due to entering into such intra-group transactions.

Scope of intra-group transaction risk management policy

The implementation of intra-group risk management in a financial conglomerates includes:

- a. Oversight of the Board of Commissioners and the Board of Directors.

- b. Adequacy of policies, procedures, and establishment of risk limits on intra-group transactions.
- c. Adequacy of process of identification, measurement, monitoring, and risk control and information system of intra-group transaction risk management.
- d. Comprehensive internal control system for the implementation of intra-group transaction risk management.

6. Oversight of Board of Commissioners and Board of Directors

Oversight by the Board of Commissioners and the Board of Directors is necessary to ensure the effective implementation of intra-group transactions risk management and conformity with prevailing regulations.

Roles and responsibilities of Board of Commissioners

The authority and responsibility of the Board of Commissioners in the implementation of intra-group transaction risk management include among others:

- a. Approve the risk management policy of intra-group transactions.
- b. Evaluate the accountability of the Board of Directors and provide corrective action guidance for implementation of risk management policies of intra-group transactions

Roles and responsibilities of Board of Directors

The authority and responsibility of the Board of Directors in intra-group transactions risk management include among others:

- a. Understand the inherent risks of intra-group transactions in a Financial Conglomerates.
- b. Develop and establish an intra-group transaction risk management policy.
- c. Be responsible for implementation of intra-group transaction risk management.
- d. Ensure each entity in the Financial Conglomerates implements intra-group transaction risk management.
- e. Monitor the risk of intra-group transactions on a regular basis.
- f. Develop a risk culture as part of the implementation of intra-group transaction risk management.

- g. Ensure that the implementation of risk management of intra-group transactions is free of any conflict of interest among Financial Conglomerates and individual LJKs.

Human Resources

In order to implement risk management related to human resources, the Board of Directors needs to ensure the following:

- a. Establishment of clearly-defined HR qualifications for each level of positions related to the implementation of risk management for intra-group transactions.
- b. Positioning of competent officers and staff in the business unit associated with the implementation of risk management of intra-group transactions.
- c. Adequacy of the quantity and quality of human resources in understanding their tasks and responsibilities in the implementation of risk management of intra-group transactions.
- d. Development of human resources competence, among others through continuous education and training programs.
- e. All relevant human resources' comprehension concerning the strategy, risk appetite, risk tolerance, and risk management framework of intra-group transactions.

7. Adequacy of Policy, Procedure, and Limits of Intra-group Transaction Risks

Policies, procedures, and limits of intra-group transaction risks refer to the policies, procedures and the establishment of limits set forth in the Integrated Risk Management Basic Policy.

Risk appetite and risk tolerance

- a. Risk appetite of intra-group transactions represents the risk that the Company is willing to take in order to achieve the targets in an integrated manner. The appetite is reflected in business strategies and targets.
- b. Risk tolerance represents the maximum level of risk that the Company is willing to take.
- c. The risk appetite and risk tolerance must be in line with the business strategy, risk profile, and capital plan of Financial Conglomerates

Policies and procedures

Some points to consider in policies and procedures related to the risk of intra-group transactions include:

- a. Financial Conglomerates policy must comply with prevailing regulations pertaining to intra-group transactions.
- b. Financial Conglomerates shall ensure compliance with the arm's length principle for its intra-group transactions.
- c. Intra-group transaction risk management procedures at least include:
 - 1) Accountability and clearly-defined level of delegation in the implementation of risk management of intra-group transactions.
 - 2) Periodic review of procedures.
 - 3) Adequate documentation procedure, which is written, complete and easily-enabled audit trail.

Risk limit of intra-group transactions

Financial Conglomerates shall ensure that the establishment of intra-group transaction limits is in accordance with prevailing regulations.

8. Adequacy of Process of Identification, Assessment, and Control of Risks and Information System of Intra Group Transaction Risk Management

In the implementation of risk management of intra-group transactions, the Company as the Legal Primary Entity shall conduct a process of identification, assessment, monitoring and control of risks for all significant risk factors in an integrated matter, supported by an adequate intra-group transaction risk management information system.

Identification of intra-group transaction risks

Intra-group transactions are identified by:

- a. Identifying the composition of intra-group transactions in Financial Conglomerates.
- b. Identifying the documentation and fairness of transactions.
- c. Identifying other information.

Assessment of intra-group transaction risks

Assessment of risks in intra-group transactions is aimed at obtaining the risk level rating of intra- transactions in a financial conglomerates. In addition, the Company as the Legal Primary Entity shall prepare an intra-group transaction risk profile in an integrated manner with other members of the Financial Conglomerates.

The following are the assessments to be made to obtain the integrated intra-group transaction risk profile:

Assessment	Description	Assessment Results
Inherent Risk	In establishing the inherent risk level, the Legal Primary Entity shall conduct a comprehensive analysis by using all relevant quantitative and qualitative indicators. They include 3 (three) aspects: 1. Composition of intra-group transactions in Financial Conglomerates. 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	Assessment of quality of integrated risk management implementation includes 4 (four) aspects as follows: 1. Oversight of the Board of Commissioners and Board of Directors. 2. Adequacy of policies, procedures, and establishment of risk limits for intra-group transactions. 3. Adequacy of process of identification, assessment, monitoring, and risk control and also intra-group transaction risk management information system. 4. Comprehensive internal control system for the implementation of intra-group transaction risk management.	1. Strong 2. Satisfactory 3. Fair 4. Marginal 5. Unsatisfactory

Risk level rating

Risk level rating represents the combination of inherent risk assessment results and risk management implementation quality assessment results.

The mapping of intra-group transaction risk level is depicted in the the following matrix:

Assessment Results on Risk Level Rating		Quality Rating of Risk Management Implementation (KPMR)				
		Strong	Satisfactory	Fair	Marginal	Unsatisfactory
Integrated Inherent Risk Level	Low	Low	Low	Low to Moderate	Moderate	Moderate
	Low to moderate	Low	Low to Moderate	Low to Moderate	Moderate	Moderate to High
	Moderate	Low to Moderate	Low to Moderate	Moderate	Moderate to High	Moderate to High
	Moderate to high	Low to Moderate	Moderate	Moderate to High	Moderate to High	High
	High	Moderate	Moderate	Moderate to High	High	High

Monitoring of intra-group transaction risk

Intra-group transaction risk is monitored by taking into account:

- a. Composition of parameters of inherent risks in intra-group transactions in the integrated risk profile report.
- b. Complete documentation of intra-group transactions.
- c. Fairness of intra-group transactions.
- d. Other information related to intra-group transactions.

Intra-group transaction risk is controlled by ensuring:

- a. Fairness of intra-group transactions in a financial conglomerates.
- b. Documentation for each intra-group transaction.
- c. Compliance of each intra-group transaction with prevailing laws or regulations.

Intra-group transaction risk management information system

Intra-group transaction risk management information system includes transaction risk profile report which is a part of integrated risk profile report

9. Comprehensive Internal Control System towards Implementation of Intra-Group Risk Management Transaction

The internal control system for intra-group transaction risk refers to internal control as set forth in the Integrated Risk Management Basic Policy.

An effective implementation of intra-group transaction risk management process must be equipped with a comprehensive internal control system. The effective implementation of internal control system is expected to safeguard the assets of the Financial Conglomerates, to ensure the availability of reliable reporting, to improve compliance with laws and regulations, and to minimize the risk of losses, deviation and breach of prudent principles.

Implementation of internal control system is as follows:

- a. The Company is required to implement an effective internal control system for intra-group transaction risks with due observance to the established policies and procedures.
- b. An internal control system is structured to ensure:
 - 1) The compliance with internal policies and with rules and regulations.
 - 2) The effectiveness of risk culture in the entire organization within financial conglomerate to identify inadequacy and deviations at early stage and to re-assess the fairness of existing policies and procedures on the Financial Conglomerates on an ongoing basis.
- c. Review of intra-group transaction risk assessments, at least including:
 - 1) Conformity of policy, organizational structure, resource allocation, intra-group transaction risk management process design, information system and risk reporting in accordance with the business needs of Financial Conglomerates, as well as the development of best practices related to intra- group transaction risk management.
 - 2) Complete and adequate documentation of the scope, operational procedures, audit findings, and responses of the board of financial conglomerates based on the audit results.



BCA recognizes that success in conducting business, other than determined by the Bank's performance, is also determined by its contribution to society and the environment. Therefore, the Bank carries out corporate social responsibility (CSR) activities in an effort to foster harmonious and mutually beneficial relationships with communities and the environment, as well as other related stakeholders both locally and nationally.

Corporate Social Responsibility

Corporate Social Responsibility



The implementation of corporate social responsibility (CSR) is conducted not just to fulfill regulatory requirements, but also as the embodiment of BCA's responsibility to stakeholders. The Bank's CSR implementation policy is in line with its mission to enhance corporate franchise and stakeholders value.

The development and implementation of CSR is important to BCA. A special unit, equivalent to a division, was established at the end of 2016 to develop, implement, and coordinate CSR implementation. Previously, CSR was a work unit under the Corporate Secretary Division.

The creation of the special unit coincided with BCA's 60th anniversary under the theme "Be better through better learning, better giving, and better services." This guided CSR programs throughout 2017, as a commitment to strive to provide the best for stakeholders.

BCA is committed to actively engage in various CSR activities and focused on making a real contribution to Indonesian society. In carrying various CSR activities, BCA adheres to the following key aspects: i) sustainable environment and finance; ii) employment, health, and work safety practices; iii) social and community development; and iv) responsibility on goods and/or services.

SUSTAINABLE ENVIRONMENT AND FINANCE

Bank Indonesia issues provisions and regulations to encourage the Indonesian national banking sector to realize sustainable finance, which promotes harmony between economic, social, and environmental interests. The role of banks can be carried out through project financing policies that observe improvement in the quality of the environment.

BCA has a role in environmental conservation, and one way is management of its operational activities in a more environmentally friendly manner. It implements energy saving policies across all work units to make a significant contribution, particularly considering the size of the Bank's network.

BCA is also actively participating in and cooperating with several agencies to address environmental issues. The BCA Synergy Solution is conducted under the umbrella of the Bakti BCA program. Through these efforts, the Bank contributes to sustainable environmental efforts.

Sustainable Finance and the Utilization of Environmentally Friendly Materials and Energy

BCA's sustainable financial and environmental policies are:

a. Sustainable Finance

BCA is committed to implementing sustainable finance principles that integrate environmental, social, and governance aspects (LST) into bank operations. This commitment was partly realized through participation in the First Movers on Sustainable Banking pilot project, which was initiated by the Financial Services Authority (OJK) in 2015. The pilot project supported participating banks to improve competencies in achieving the Sustainable Finance Roadmap in Indonesia for 2014-2019, through capacity enhancement in the management of the environmental, social, and governance aspects of every business decision.

BCA's commitment to sustainable finance is also realized by increasing the financing portion in a number of sectors, such as environmentally friendly products, energy conservation, and organic farming, with a total commitment of Rp27.15 trillion as of December 31, 2017. In implementing sustainable finance principles, BCA supports the disbursement of loans to a number of sectors, such as renewable energy, energy efficiency, and organic farming products, in line with business growth and the credit feasibility of the relevant businesses. BCA's entire loan disbursement process has always been to, and will continue to, implement sustainable finance principles.



myBCA provides self-service digital & video banking



BCA seeks to build more energy efficient and environmentally friendly office buildings

b. Smart Buildings

BCA strives to make branch offices more energy efficient and environmentally friendly. The Bank applies the building energy management system (BEMS) to its existing and new buildings to control the building's energy consumption. Energy management manages energy use efficiently, effectively, and rationally without compromising work comfort, aesthetics, health, safety, and user productivity. BEMS will be applied at BCA Landmark Pluit, BCA Foresta Serpong, BCA Bukit Darmo Surabaya and Halo BCA Semarang buildings.

BCA also optimizes chiller use at Wisma Pondok Indah and Wisma Asia II by installing VSD pump so that chiller can function like inverter. With this optimization, the monthly efficiency of chiller use at Wisma Asia II and Wisma Pondok Indah reaches 34,929 kwh and 18,173 kwh respectively.

c. Implementation of Environmental Concerns

BCA has initiated several environmentally friendly policies at its head and branch offices:

- Efficiency of transportation costs for official and training travel, replacing with:
 - o Teleconference and video-conference facilities for meetings;
 - o E-learning facilities for online BCA employee learning;
 - o Carpooling - a vehicle sharing program for employees with similar destinations;
 - o Digital document delivery/access via email, myBCA intranet portal, tracking system app.

- Reduce paper use through paperless banking initiative:
 - o The printer default prints on both sides
 - o Operational processes to be done through EBI (Enterprise Backoffice Integration), MSSESS (manager and employee self-service) and e-Approval (digital signature for payment form);
 - o Implementation of environmentally friendly policies related to banking solutions, such as e-statements for credit card billing, cash withdrawal at ATMs without a receipt, and the development of digital banking (m-BCA, Klik BCA, and Sakuku).
- Efficiency in electricity utilization, including the use of LED lights, setting of air conditioning temperatures, turning off lights during lunch time (back office) and outside working hours, and water-saving campaigns.

The policy of efficiency of electricity usage in operational activities at BCA head office, is carried out through the application of printer pooling management (PPM), which replaces the printers, copiers, scanners, and facsimiles with a single multi-function printer device. This program efficiently reduced paper use by up to 9% in 2017.

BCA has started to install LED light in its buildings. LED saves up to 70% in electricity compared to other lights with similar capacity. It does not release much heat, alleviating the work of air conditioning. Several areas of Menara BCA have been installed with T5 LED tube lights equipped with

a light sensor, capable of measuring the level of illumination when the room is dark or bright.

The switch to LED lights was carried out continuously, in the replacement of broken lights, BCA building maintenance, and the development of new buildings, such as KCU Tulungagung, KCU Pekalongan, KCU Gang Tengah.

In the construction of environmentally friendly building, BCA pays attention to passive and active design. Passive design utilizes natural resources directly for the health and comfort of the room without relying on mechanical and electrical equipment, thereby contributing to lower electricity use through the design of the building quilt.

Meanwhile, active design utilizes Building Automation System (BAS) which controls the operation of electronic devices in IP and High Level Interface (HLI) based building.

BCA, in collaboration with Ikatan Arsitek Indonesia (IAI), organized the BCA Facade Design Contest at the end of 2016. In February 2017, the Bank announced three winners screened from hundreds of contest participants. One of the criteria in the judging process was to minimize heat transfer and increase the daylight area within the building, taking into account the overall thermal transfer value (OTTV), which is the amount of external heat transmitted per unit area of the building. The result of the contest will be one of the considerations in developing new BCA building designs.

d. Employee Engagement

Environmentally friendly programs cannot be separated from employee engagement. In addition to launching the Green Office program and establishing an agent of change (AOC) in each division at Head Office, BCA is also actively socializing the program through internal corporate communications, such the MyBCA portal, Semua Beres Facebook Group (closed group for BCA employees), television displays, and the InfoBCA magazine.

Dissemination is also carried out through the use of compelling short videos, with employees invited to create short videos on energy-saving activities. Initiatives include turning off the lights during breaks, reducing the use of styrofoam, using tumblers to replace bottled water, automatic hibernate systems on computers, printing with double sided paper, and waste separation. Through the Green Office program, BCA contributes to the energy-saving campaign program through the lifestyles of its employees and the Indonesian people.

e. Earth Hour

BCA has consistently supported the Earth Hour program, which is a global event initiated by the World Wildlife Fund for Nature (WWF) since 2012. Earth Hour educates people on the danger of climate change. The Earth Hour is marked by turning off unnecessary lights for one hour, on the last Saturday of March.

BCA took part in Earth Hour on 25 March 2017, turning off the BCA logo illumination and outdoor lighting 20.30 to 21.30, Western Indonesian Time. The blackout was performed at Menara BCA, all branch office buildings, sub-branch offices, and all BCA billboards throughout Indonesia.

f. Achievement of Environmentally Friendly Policies at BCA

• Paperless and paper usage program

Implementing the default printer setting to print both sides, BCA significantly reduced the use of photocopying paper, with total use as of December 2017 down by 9% from 2016. Over the past five years, total paper usage has significantly decreased.

There was a decreasing trend in paper orders by 23 reams each month from 2013 to 2017. In 2017, the decrease was 70 reams per month.

- **Electricity consumption**

BCA has adopted an electricity saving policy. Electricity consumption Menara BCA during 2017 was 6,177.1 MWh, down 17,09% from the previous year.

- **Official travel/training transportation cost efficiency**

Savings in transportation costs is reflected in the number of e-learning and video-conference participants (VCON) to replace meetings attended in person.

As of December 2017, there were 913,724 hours of e-learning and 130,532 participants. The use of VCON up to August 2017 was 5,000 events, an average of 625 events per month.

- **Waste separation**

BCA actively encourages waste separation by employees. The AOC (Agent of Change) actively involves employees in waste sorting programs, to form habits to be applied in their daily lives.

The building waste management system generates two categories of dirty water - black water and grey water. Black water is waste water ending up in the septic tank, while grey water is dirty water discharged through municipal sewers, such as water used for watering gardens as already applied at Wisma Pondok Indah dan KCU Bintaro. Menara BCA building management uses an STP standard (sewage treatment plant) where wastewater is processed before it is discharged to urban/environmental channels with measured water content, in accordance with waste water discharge permit (IPAL) standards.

EMPLOYMENT, HEALTH, AND WORK SAFETY PRACTICES

BCA human resources has a central role in the achievements and performance of the Company. Every employee is an important asset and BCA emphasizes comprehensive human capital assets. To that end, BCA always pays attention to human resources management.

BCA is committed to developing human resources sustainably to improve quality, competence and character, career, and employee welfare. This increases employee conditions and pride in the Bank. BCA also seeks to provide protection for all employees in the work environment.

BCA policies in employee protection are as follows:

1. **Transparency of the Company's Strategic Personnel Policies.** BCA develops communication tools for employees to access the Bank's employment policies, such as recruitment, promotion, and remuneration systems. This information can be accessed by employees online via the BCA intranet (MyBCA), or through decrees and circulars, as well as the collective labor agreement (CLA).
2. **Disclosure of Information to Employees.** Disclosure to employees is a commitment of BCA. It has developed a variety of internal communication tools, such as official correspondence (circular), e-mail broadcast, internal BCA magazine (InfoBCA print and digital version), Halo SDM phone services, COP (Community of Practice), myBCA internal portal, My Collaboration Community (MC2) internal social media (MC2), Semua Beres Facebook Group, and video sharing media (MyBCA).
3. **Collective Labor Agreement (CLA).** As a manifestation of the Company's commitment to develop favorable and productive industrial relations, BCA issued the CLA. The negotiating teams of the management and the labor union formulated the CLA, and it is updated every two years. In 2017, management used the 2016-2018 BCA CLA.
4. **Favorable Working Climate.** To support the achievement of individual targets, work units, and the Company as a whole, BCA believes that the best performance is achieved through the creation of a favorable working climate. This is developed and reflected in the corporate culture. A favorable working climate is developed with an awareness of healthy performance competition, through a transparent and fair performance assessment for individuals, and regular evaluation of work units.

5. Clear and Well-Planned Career Path and Development.

BCA conducts an annual review of clear and well-planned career path and development tailored to the quality of individual work achievement and work unit targets.

6. Equal Employment Opportunities.

BCA provides equal employment opportunities for all employees regardless of their ethnicity, religion, race, class, and gender. Its policy on employee deployment and placement is based solely on an employee's merits and competence.

7. Opportunities for the Actualization of Employee Skills, Competencies, Talents and Interests.

Each BCA employee is given the opportunity to actualize their skills and competencies to achieve work targets. The Bank provides opportunities for employees to develop talents and interests outside of work, such as sports or the arts. Employees can join activities organized by Bakorseni (BCA's Sports and Arts Coordinating Board), including AsiaBike (for bike enthusiasts), AsiaLens (photography enthusiasts), AsiaWangi (wayang enthusiasts), and AsiaHike (hiking enthusiasts).

8. Compensation and Benefit Program.

BCA provides a competitive compensation and benefits program.

Implementation Report

a. Gender and Employment Equality

The employee recruitment process emphasizes the quality and competence of employees and conformity with the needs of the Company.

Total BCA employees based on gender

Gender	2016	2017
Male	10,218	10,180
Female	14,855	15,259
Total	25,073	25,439

b. Occupational Safety and Facilities

BCA pays great attention to efforts to create occupational safety in the office environment, through the development and structuring of the workspace with reference to the following:

- Completeness and appropriateness of facilities and working environment;
- Cleanliness of the working environment;
- Harmony in working layout;
- Proper placement of facilities; and
- Completeness and appropriateness of security measures.

BCA regularly conducts evacuation drills to be followed by employees, to maintain the safety of employees. The drills are held at the head, regional, and branch offices, to train employees what to do in the face of fires or earthquakes.

c. Employee Turnover

BCA has a relatively low turnover rate in the national banking industry. This indicates a relatively favorable working atmosphere with a high level of togetherness. As of December 2017, the number of permanent employees ceasing work at BCA for a variety of reasons was 668 persons or a turnover rate of 2.71%, compared to 2.36% in December 2016.



BCA was the only Indonesian company to receive the Gallup Great Workplace Award 2017



Favorable working climate helps human resources achieve their best performance

d. Work Accident Rate

As in 2016, there were no work accidents in the BCA working environment in 2017, as a result of the Bank's commitment to ensure employee security and safety.

e. Education and Training

In accordance with BCA's commitment in employee development, it has developed a number of training programs. During 2017, BCA organized both in-class and e-learning training programs. The in-class training program conducted 1,968 classes, while e-learning provided 189 training topics. Some 1,045 employees completed BCA's career development programs.

(in million Rupiah)

	Jan - Dec 2016	Jan - Dec 2017
Training Expense	242,987	297,826

f. Remuneration

BCA is concerned about the health and welfare of its employees, and continues to manage employee compensation and benefits in a competitive position in the Indonesian banking industry.

BCA provides regular salary increases, as well as bonuses for employee and Company performance, as a manifestation of its commitment to improve employee welfare.

BCA provides extra bonuses in the form of BCA shares to increase the sense of ownership of employees. Some 15,678,348 shares with an average price of Rp 15,598.10/ share were awarded based on employee performance from 1 January to 31 December 2016, and distributed on 25 April 2017 to 21,965 permanent employees. The shares are locked for three years.

To ensure the health of employees and their families, BCA conducts an employee health facility policy. Health facilities include inpatient, outpatient, maternity, glasses, dental care, laboratory examinations, as well as medical check-up and pap smears, to provide positive benefits on the lives of employees.

BCA takes part in the government's health service program, and facilitates the participation of employees and their families in BPJS Kesehatan. The Bank also provides lactation rooms in several offices, to support and facilitate female employees in the exclusive breastfeeding program for their children.

BCA actively provides opportunities for employees to broaden their insights on health by organizing health seminars. Activities carried out in 2017 include a seminar on Alzheimer's (October 2017) for the Jabodetabek area, and a health coaching seminar on Simple Daily Steps Towards Health (August, October and November 2017) for the Jabodetabek area, and for the non Jabodetabek area (Denpasar and Palembang).

g. Employee Whistleblowing Mechanism

The Bank is committed to maintaining communication with employees, and has developed a number of mechanisms, including Halo SDM (66900). To obtain information on employment or industrial relations, employees can access this facility in BCA's internal phone network. BCA ensures the confidentiality of data and information of employees who use Halo SDM services.



BCA regularly conducts a fire drill to maintain employee safety



BCA provides opportunities for employees to develop talents and interests outside of work

SOCIAL AND COMMUNITY DEVELOPMENT

Local Labor Empowerment

BCA provides employment opportunities for communities in the vicinity of branch/regional offices to meet its human resource needs. Recruitment considers competence and needs. To help the public obtain information regarding employment opportunities and to send job applications, BCA provides www.bca.co.id and a LinkedIn account PT Bank Central Asia. Applicants who meet the requirements will then follow a further selection process.

Local Community Empowerment

BCA has developed a number of community empowerment programs under Bakti BCA. One strand of CSR is education program conducted through the Solusi Cerdas pillar, which provides positive contributions to improve the quality and competitiveness of Indonesian human resources, especially for the young generation.

- **SOLUSI CERDAS (SMART SOLUTION)**

Education is one of the main means to develop qualified human resources and contribute to the progress and development of Indonesia. To that end, BCA developed the Solusi Cerdas pillar to provide educational support, particularly for those who are relatively financially less fortunate.

- **Accounting Education Program (PPA) Non-degree**
PPA non-degree has been developed on an on-going basis since 1996 for the graduates of high school or equivalent with academic achievements, but also financial constraints, to continue their education to a higher level.

The PPA program is preparation for accounting and lasts for 30 months using a knockout system with relatively strict passing standards. Learning activities include in the classroom and on the job training in the BCA work environment. Participants receive soft skill training, such as leadership, teamwork, character formation, grooming, and financial planning.

A qualified faculty, consisting of experienced professionals and lecturers, mentor participants who are encouraged to develop their potentials, not only academically, but also in sports and the arts.

During the education period, participants do not pay for tuition. Some of the facilities provided are allowances and textbooks. Participants are not subject to official ties. However, graduates are given the opportunity to work at BCA, in accordance with the needs of the Company. During 2017 there were 378 participants. As of December 2017, 128 chose to join BCA as employees.

Participants of PPA:

	2016	2017
Participants of PPA	378	378

Alumni of PPA

	2016	2017
Alumni of PPA	122	129

- **Information Technology Education Program (PPTI) Non-Degree**

The number of PPTI non-degree enthusiasts continues to increase since it was developed in 2013. In 2017 there were 3,696 applicants, an increase of 175% compared to 2016.

Intended for graduates of high school or equivalent with achievements, and interest in improving their IT skills, it lasts 30 months. To ensure the best quality of graduates, it uses a knockout system that requires a relatively high standard to graduate.

Participants acquire materials on information technology equivalent to a Bachelor's program in IT. They also receive soft skill training, including leadership, teamwork and financial planning. Students also have the opportunity of an internship at BCA.

Participants are not required to pay tuition. The Company provides facilities including allowances, textbooks, and laptops. Participants are not required to join BCA after the completion of the program. However, alumni have the opportunity to join as BCA employees, in accordance with the Company's needs.

In 2017 there were 156 participants, an increase from 118 in 2016, with 28 completing the course and 26 alumni electing to join BCA as employees.

Participants of PPTI

	2016	2017
Participants of PPTI	118	156

Alumni of PPTI

	2016	2017
Alumni of PPTI	29	28

- **Bakti BCA Internship Program**

BCA has developed the Bakti BCA Internship program, to improve the quality of Indonesia's human resources, particularly the younger generation. The program was developed in 2002 and is intended for high school to Bachelor's degree graduates.

Bakti BCA Internship is a one year program, providing opportunities to gain work experience as a teller or customer service officer (CSO). All participants receive training and mentoring in banking operations, such as calculating and sorting money, identifying the authenticity of the rupiah currency, mini banking simulations, bank confidentiality, and knowledge of BCA products. They are also given soft skill trainings.

It is hoped that the experiences gained during the internship will later be useful for the participants in the working world. Those who successfully complete the internship program will also receive scholarship to continue their education.

During 2017, 3,766 people took part in the program, from 3,721 in 2016.

Participants of the Bakti BCA Internship program

	2016	2017
Participants of the Bakti BCA Internship program	3,721	3,766

- **Bakti BCA School Assistance**

BCA supports the government's programs to improve the quality, access and development of educational infrastructure through the Bakti BCA School Assistance program. In 2000, the Bank began to develop a pilot project program in Gunung Kidul. The program is implemented in 17 schools in Gunung Kidul (Yogyakarta), Taktakan (Banten), and Gadingrejo (Lampung).

During 2017 BCA facilitated a number of activities for teachers and students:

- Training attended by 60 elementary school teachers under the theme Guru Hebat Siswa pun Hebat (Great Teachers Means Great Students), providing insights on interactive, inspiring, fun, and motivating learning processes for students.
- Financial literacy for more than 2,000 elementary school students. The students are taught to manage their allowances, as well as conducting savings simulations through savings tools, such as piggy banks.

BCA also donated educational facilities and infrastructure to support learning activities, including computers, LCD projectors and screens, laptops, servers, and books on general knowledge, personality, skills, and storybooks.

- **Bakti BCA Scholarship**

Bakti BCA Scholarship was developed in 1999 for undergraduates with achievements, but also financial constraints. BCA not only provides material support but also actively equips recipients with the required soft skills in higher education so they will be prepared to enter the job market.



BCA partners with 16 state universities to provide scholarships for outstanding undergraduate students

Scholarship recipients participate in activities such as mentoring, leadership training, sharing sessions from BCA leaders, and gain a better understanding of themselves and develop their potential to achieve optimal performance.

Recipients can also communicate with each other through the Sahabat BCA Facebook Group, a means of expanding the network, with all scholarship recipients throughout Indonesia as well as BCA teams. They can also expand their insights on banking and banking products.

Under the Bakti BCA Scholarship program, BCA cooperates with 16 state universities in Indonesia in 2017: University of Indonesia (UI), Bogor Agricultural University (IPB), Bandung Institute of Technology (ITB), Padjadjaran University (Unpad), Diponegoro University (Undip), Gadjah Mada University (UGM), Institute of Technology Sepuluh Nopember (ITS), Airlangga University (Unair), Udayana University (Unud), University of North Sumatra (USU), University of Sriwijaya (Unsri), University of Hasanuddin (Unhas), University of Sam Ratulangi (Unsrat), University of Brawijaya (UB), Mulawarman University (Unmul), and Cendrawasih University (Uncen). As of December 2017, the Company had provided scholarships to 637 students, an increase of 8% on 2016 (588).



BCA supports the Holistic and Integrative Early Childhood Education Program (PAUD HI) initiated by UNICEF

BCA also collaborates with other institutions to distribute scholarships, such as Sanata Dharma University for students from eastern Indonesia, Karya Salemba Empat (KSE), Final Essay and Assignment Scholarships (BEST UI), and Institut Koperasi Indonesia (Ikopin).

- **Education Partnerships**

BCA actively cooperates with a number of institutions and universities to improve the quality of education in Indonesia. This program is implemented on a sustainable basis, and in 2017 included:

- **Universitas Indonesia:** supports various activities, such as Bedah Kampus, seminars, and sending student delegations for various activities overseas.
- **Institut Pertanian Bogor:** supports the activities of IPB student delegates overseas.
- **Institut Teknologi Bandung:** supports the internship (KKN) and excursion studies program, as well as supporting soft skill training for student affairs staff on the characteristics of different generations and the generation gap, learning evolution, innovative teaching generation, and building excellent service.
- **Universitas Diponegoro, Semarang:** supports the provision of Bloomberg facilities at the Faculty of Economics and Business (FEB).

- **Universitas Gadjah Mada:**
 - o Since 2015, the Company has sponsored the development of banking laboratories at the Faculty of Economics and Business (FEB), UGM library building improvement, and procurement for facilities at UGM's musical education program room.
 - o Supporting vocational programs, including the development of mini banking in the FEB and fintech academy.
- **United Nations International Children's Emergency Fund (UNICEF):** BCA actively participates in the Integrative Holistic Early Childhood (PAUD HI) program coordinated by Unicef, as support for government programs. Programs include the donation of learning support books, teacher teaching manuals, and educational props for PAUD in the Sorong and Raja Ampat Regencies.
- **Financial Literacy Education**
 BCA actively supports the financial literacy program to improve the literacy index and financial inclusion of the Indonesian people. Programs during 2017 included:
 - **Financial Literacy Education with Financial Literacy Car (SIMOLEK),** initiated by the Financial Services Authority (OJK): BCA supports the SIMOLEK program, in the form of education in Samarinda, Tasikmalaya, Bandar Lampung, Medan, Bandung, Denpasar, Semarang, and Jakarta. BCA's educational participants come from various groups, such as traders, SMEs, private employees, civil servants, to lecturers and students. There were 1,642 participants in 2017. It is intended to improve the index of literacy and financial inclusion of Indonesian society, particularly in areas that do not have good infrastructure.
 - **Financial Literacy for Indonesian Migrant Workers (BMI):** BCA, in cooperation with OJK, the Consulate General of the Republic of Indonesia in Hong Kong, the National Agency for the Placement and Protection of Indonesian Migrant Workers (BNP2TKI) and other financial services institutions conducted education on financial management and financial products/services, and entrepreneurship to Indonesian migrant workers, in early August 2017 in Hong Kong. Some 150 BMI attended the educational program and 4,000 BMI attended the exhibition and entertainment.
 - **Financial Literacy Education for Students:** BCA conducted financial literacy education programs for students, including training, saving simulation, and edutainment to 2,624 elementary school students to teach them to manage simple finances, such as allowances and learn to save through SimPel/ SimPel IB products. The activities were conducted at SDN Taktakan 1 and SDN Taktakan 2 in Serang, Banten; SDN 7 Gadingrejo, Lampung; SDN Ponjong 1, SDN Ponjong 2, SDN Banyubening, SDN Candibaru 2, SDN 3 Semanu, and SDN Kwangen in Yogyakarta; as well as in SD YPK Klawana, SDN Inpres 26, and SDN 12 of Sorong Regency.
 - **Saba Desa:** The implementation of financial literacy is not only addressed to BMI. BCA educates financial management, knowledge of financial products/services, and promotes the Fire (Financial Institution Remittance) Cash BCA program, to families of the BMI/ community in BMI areas. The activities were held in Ambulu Square, Jember, East Java; Cinangsi Sidareja Square, Cilacap, Central Java; Juntinyuat Village Hall, Indramayu, West Java; Jatirokeh Songgom Square, Brebes, Central Java; and in Campurdarat Square, Tulungagung, East Java. The Saba Village activity was attended by close to 850 visitors
 - **Financial literacy education to improve the LAKU BCA product:** BCA conducted financial management training and the role of savings to housewives, SMEs, farmers, and employees, providing an understanding of the difference between debt for consumption purposes and productive debt. During 2017, activities were carried out in several areas in Central Java, including Gunung Kidul, Jepara, Grobogan, Demak, Kudus and Wonogiri; and in West Java, including Kuningan, Ciamis, Cirebon and Majalengka. The program was attended by 81,000 people.

• SYNERGY SOLUTIONS

BCA Synergy Solution provides a means for BCA to help improve the welfare of society in areas of healthcare, culture, sports, empathy, and the handling of environmental issues. To implement this program, BCA is in synergy with a number of institutions with competence and credibility.

1. Bakti BCA for Culture

BCA is aware that culture is one of the elements in forming the nation's character. In order to actively participate in the development of Indonesian culture, the Bank initiated a number of continuous programs under the BCA for Wayang Indonesia program.

BCA for Wayang Indonesia was introduced in 2012 to coincide with BCA's 55th anniversary, to develop Indonesian wayang, as cultural heritage recognized by UNESCO, including the dissemination and introduction of the wayang program to the younger generation.

• Wayang for Students

As a continuation of the wayang introduction program for the younger generation, BCA developed the Wayang for Students program, an introduction for junior and senior high school students in several cities.

The program is implemented on an ongoing basis. BCA programs before 2017 included:

- Organizing the Wayang in Town - Journey in a Thousand Years event at Galeri Indonesia Kaya, Grand Indonesia, in 2015, attended by 600 students from 20 junior and senior high schools in Jakarta and Tangerang.



BCA believes that culture is an important element in the character building of a nation.

- In the same year, in Semarang, BCA organized the FUN-tastic Wayang at School performance at SMP Pangudi Luhur Domenico Savio, SMP Negeri 18, and Kanisius St. Yoris, attended by 1,550 students.
- In Semarang in 2016, BCA held a Wayang for Students over five days, attended by 3,000 students.
- In 2016, BCA invited 600 students from six junior high schools and six senior high schools in Jakarta and surrounding areas to be more familiar with wayang through a number of performances and vlog competitions titled Wayang in the City.

In 2017, a series of socialization and introduction activities continued in Semarang, Bandung and Jakarta, which were attended by 3,459 students and accompanying teachers. Activities carried out were as follows:

- Semarang: Carrying the theme of "Wayang AkuAwesome", this activity was attended by six schools that have karawitan, dance, vocal and theater extracurriculars. There were two activities participated by these schools' students: 1) Workshop and mentoring for 20 hours. In these activity, about 200 students were given the opportunity to not only practice wayang, but also participate in developing the concept of the story; 2) The 200 students then performed a wayang show, watched by nearly 600 other students. As an appreciation, the winner not only gets



BCA actively participates in the development of Indonesian wayang, recognized by UNESCO as a World Cultural Heritage.

trophy, but is also given the opportunity to perform at National Wayang Day commemoration in Semarang, held on November 11, 2017.

- Bandung: A total of 1,940 students from two senior high schools had the opportunity to watch “Cepot Goes to School” wayang show, performed by Dalang Apep A.S. Hudaya. The students also had the opportunity to attend dance, karawitan and angklung workshops.
- Jakarta: Carrying the theme of “Ada Apa dengan Sinta”, this activity was attended by ten junior and senior high schools. The program was organized as follows: 1) All students in each school are invited to participate in the socialization of wayang and its development with several experts; 2) Each school creates a Sinta-themed vlog and aired it on students’ social media; 3) At the end of the activity, all students watched a wayang show with video mapping performed by Dalang Nanang Hape and Eki Dance. Students were then introduced to wayang these days through games and comics presented by Dr. Adi Cipta Wirawan.

- **Cultural Education**

BCA also actively introduces and brings other cultural arts to the younger generation. Throughout 2017, BCA supported the performance of Teater Koma Opera Ikan Asin, Warisan, and Sie Jin Kwie.



BCA supports the introduction of Indonesian culture to younger generation

- **Batik Book**

As part of its 60th anniversary, BCA supported the writing of two books on iconic fashion design batik: Panduan Batik Tulis and Batik Pekalongan dari Masa ke Masa written by Mustar Sidiq. The book contains the writer’s experience in batik making and comprehensive details of the process. The Bank also organized batik technique training in four cities: Cirebon, Yogyakarta, Pati, and Tulungagung to improve the competitiveness of Indonesian batik crafters.

2. Bakti BCA in Health

BCA collaborates with several agencies to facilitate health services, particularly for people in need. In 2017, activities included:

- **Cataract Surgery**

BCA established synergy with the Cataract Blindness Control Section of the Indonesian Ophthalmologist Association (SPBK Perdami) in 2001, to organize cataract surgery free of charge.

Through this program, BCA supports the government’s programs to reduce blindness due to cataracts and support the initiative of The Right to Sight to reduce blindness initiated by the World Health Organization (WHO).

Cataract surgery was performed in 2017 on 98 patients in RSUD Kota Tangerang Selatan; 56 patients in Luwu and Luwu Timur, South



BCA has partnered with SPBK Perdami to provide free cataract surgery since 2001

Sulawesi; 123 in RSUD A Diponegoro, Putussibau, West Kalimantan; 115 in RSK Lindimara and RS Karitas, Sumba, NTT; and 218 in RSUD Dr. H. Abdul Moeloek, Lampung.

To expand the cataract surgery service to the community, BCA also cooperated with the Kick Andy Foundation. For three days in December 2017, along with SPBK Perdami and the Kick Andy Foundation, cataract surgery was successfully carried out on 109 patients at Ume Manekan Clinic, Soe, NTT.

BCA also donated a Phacoemulsification Cataract Machine Intuitiv AMO and three sets of cataract surgery support equipment worth Rp659.5 million to SPBK Perdami of DKI Jakarta.

Free Treatment

BCA facilitates quality healthcare services for underprivileged communities through cooperation with two Bakti BCA-assisted clinics for underprivileged people to seek treatment at a relatively affordable cost at the Duri Utara Doctor Practice and Bakti Medika Clinic. Health services provided include medical treatment and family planning services (KB).

Two BCA assisted clinics provided health services to 15,036 patients in 2017, an increase of 18% from 2016. Some 11,684 patients received services at the Duri Utara Doctor Practice and 3,352 patients were assisted at the Bakti Medika Clinic.

BCA also donated free glasses to BCA assisted clinic patients during BCA's 60th Anniversary in February and the 72nd Independence of the Republic of Indonesia in August.

- **Blood Donation**

BCA has collaborated with the Indonesian Red Cross (PMI) of Jakarta since 1990 to organize blood drives, not only in Jakarta, but also in regional and branch offices four times a year.

The blood drive in November 2017 was the 100th, and BCA was awarded a MURI Record as the First National Private Bank to Conduct 100 Blood Drives. BCA donated one operational vehicle to UTD PMI of DKI Jakarta.

BCA's blood drives in 2017 successfully donated 4,451 blood bags to PMI, an increase from 2,959 blood bags the previous year.

- **Health Education**

BCA actively conducted health education for the young generation of Indonesia in 2017, in several elementary schools in the Sorong Regency: namely SD YPK Klawana, SD Inpres 26, and SDN 12 of Sorong Regency. The event was attended by 307 students.

- **Others**

BCA provides support in terms of donations and sponsorships to institutions including the Alzheimer's Care Campaign (Alzheimer's Foundation/ALZI), TBC elimination, the



BCA achieved MURI Record as The First National Private Bank to Conduct 100 Blood Drives



BCA in cooperation with the Indonesian Red Cross holds blood drive regularly

donation of two buses to Army Central Hospital (RSPAD) Gatot Subroto, and support the Indonesian National Army (TNI) to improve the facilities and infrastructure of soldiers.

3. Bakti BCA for the Environment

- **Releasing Orangutans**

In August 2017, BCA donated Rp200 million to the Borneo Orangutan Survival Foundation (BOSF). In 2016, BCA made the same donation for orangutan release activities in the Kehje Sewen Forest, East Kalimantan. This year, BCA supports orangutan release activities by the Orangutan Rehabilitation Center in Nyaru Menteng to the Bukit Baka Bukit Raya National Park (TNBBBR), Central Kalimantan. BCA has supported BOSF activities in the conservation of habitats for protected wildlife since 2012.

The Orangutan (*Pongo pygmaeus*) is a protected wildlife with an important role in the ecosystem of the forest, particularly as an umbrella species, and the population of orangutans in Kalimantan is approximately 55,000. Land conversion, illegal logging, wildfires, poaching, and wildlife trade have caused the orangutan population to shrink, underlining the importance of BOS Foundation's efforts to save, rehabilitate and re-release (reintroduction), supported by conservation efforts for orangutan habitats.

- **Environmental Conservation**

In 2017, BCA supported mangrove rehabilitation through NEWtrees, initiated

by WWF Indonesia, in the Mangrove forest in Ujung Kulon National Park, and also to improve the habitat of the Javan rhinoceros, donating Rp463 million. BCA chose to hold the activities in Ujung Kulon National Park because the area is the last habitat of the Javan rhinoceros.

Satellite imagery shows the Ujung Kulon Peninsula and Java Island plains have severe erosion, leaving only 1.3 km of land. In the event the block is disconnected, the habitat of the Javan rhino will decrease even further.

BCA also supports environmental conservation programs by the Banyuwangi Sea Turtle Foundation (BSTF). In the 2017 Sea Turtle Carnival activities, BCA donated Rp25 million for the release of hatchlings. A total of 1,000 boy scouts and 250 community members released 1,250 hatchlings on the Cacalan Banyuwangi Beach.

- **Green Office**

BCA implements an environmental care program with the Green Office, both at the head and branch offices. This program has been described on page 473 of this book.

- **Bakti BCA in Sport**

BCA supported the BCA Indonesia Open Superseries Premier (BIOSSP) badminton tournament, in 2017, which was held at the Jakarta Convention Center (JCC) from 12-18 June 2017, with 310 players from 21 countries competing in the premier-level tournament.



BCA has supported BOSF in orangutan conservation efforts since 2012



BCA supports the environmental conservation program initiated by WWF Indonesia

BCA has taken an active role in supporting the progress of Indonesia's national sport, since 2014. This commitment was implemented in the signing of a memorandum of understanding with the Badminton Association of Indonesia (PBSI) to organize an international level badminton competition. PBSI, the Badminton World Federation (BWF), and several other institutions initiated the annual BCA Indonesia Open (BIO).

4. Empathy Program

BCA actively provides assistance to people affected by natural disasters. In 2017, donations were given for flood disasters in Garut, Belitung, and Gunung Kidul, in addition to donations for refugees due to the eruption of Gunung Agung in Bali.

• EXCELLENT BUSINESS SOLUTIONS

BCA actively participates in community empowerment programs through Excellent Business Solutions. The program was developed in line with the excellence of BCA in banking solutions, which aims for the creation of conditions in which communities are able to grow and achieve progress independently.

The manifestation of Bakti BCA's pillar of BCA Synergy Solution is a partnership with the community. BCA has been actively providing assistance to communities in several regions since 2013 to open business opportunities and create jobs for local communities, subsequently, improving their welfare and independence. In the long term, this will support the improvement of the Indonesian economy.

During 2017, several partnership programs with communities were carried out, including:

• Wirawisata Goa Pindul Tourism Village

Paguyuban Wirawisata Gelaran II is a community initiated by the karang taruna youth organization of the Bejirejo village. The community developed Wirawisata Goa Pindul in Bejirejo village, Karangmojo subdistrict, Gunung Kidul, Yogyakarta. Before developing the tourist village, the community requested the blessing of local community leaders. The village is expected to empower the local community, through the opening of employment and businesses.

BCA actively provides support to Bejirejo Village's karang taruna youth organization, tailored to BCA's competence and excellence, including:

- o Alternative means of payment for visitors of the Pindul Cave tour. BCA installed EDC, allowing visitors to make payments electronically using debit, credit, or Flazz cards.
- o Financial management to the board.
- o Assistance for the development of tourist facilities, including safety equipment (life jackets), toilets, pavilions (pendopo), visitor centers, and parking facilities.
- o Various training or soft skills in tourism management, including digital marketing, leadership for the management, service excellence, and service standards.



BCA supports the BCA Indonesia Open Super Series Premier held on June 12-18, 2017



BCA provides trainings for SMEs to grow independently

BCA also provides assistance for a number of activities of Karang Taruna Gelaran II, including:

- o PAUD Karang Taruna Gelaran II School, through uniforms and textbooks.
- o Gamelans used for community training. The skills of the residents are regularly exhibited in the Wirawisata Gelaran II Visitor Center.
- o Training to manage and serve food by local residents.

Mentoring conducted by BCA during 2017 included training and guidance in service standards for all employees of Goa Pindul Tourism, digital marketing and team building training.

- **Pentingsari Tourism Village**

In 2014, BCA began to provide assistance for the development of the Pentingsari (Dewi Peri) Tourism Village on the slopes of Mount Merapi, District of Cangkringan, Sleman, Yogyakarta. Dewi Peri has great potential as a natural, cultural, and agricultural tourist village. Tourists can visit and experience rural life, or live there for a while.

The assistance included facilitating training for the administrators of Dewi Peri in the management of facilities and infrastructure, as well as human resources. The training covers the tourism industry and its management, excellent service, teamwork, and communication, plus some online branding and marketing training, and leadership training for all village administrators.

To increase convenience for tourists, BCA supports the development of facilities and infrastructure, helping Dewi Peri to develop the village secretariat office, repair and build a joglo to receive guests, and construct a production house used by housewives to make various snacks as souvenirs from Dewi Peri. BCA donated a set of gamelan instruments.

Assistance provided by BCA during 2017 included service standards training and mentoring for all homestay owners, digital marketing training, and development of facilities and homestay infrastructure.

- **Tamansari Tourism Village**

BCA's assistance in the development of the Tamansari Tourism Village started in 2015. The village is located on the slopes of Mount Ijen, Licin District, Banyuwangi Regency. Its potential is the rural life, such as farming coffee, cloves, and chocolate gardening; sulfur mining; and the introduction of the local Gandrung Dance culture.

To complement the development of the tourism villages, BCA provided funds for the construction of facilities and infrastructure, including construction of a secretariat office, dairy houses, toilets, and visitor center Seruni Hall to receive tourists.

In 2017, BCA facilitated training for the development of village tourism management skills, such as service standards training and guidance for all village tour administrators, and digital marketing training.



BCA provides assistance in the development of Tamansari Tourist Village



BCA supports the provision of facilities and infrastructure to develop local tourism

- **Wukirsari Tourism Village**

Wukirsari village is located in the Imogiri sub-district, Yogyakarta and is a batik-pioneering village in the Bantul district. Batik has been a handicraft tradition from generation to generation. Wukirsari village is also known for the art of tatah sungging (leather works), making wayang and other leather products.

To improve the management capacity of the tourism village, BCA began providing assistance in 2015. As the first step, the Bank organized training as preparation for the village administrators, including human resources skills, comparative study of tourism services from Mang Udjo in Bandung, village tourism management, excellent service, online branding and marketing for all management, as well as leadership training.

In 2017, BCA supported the building of the roof of the wayang show room and made donations as flood relief aid for the village of Wukirsari. The Bank also provided team building and digital marketing training for village officials.

- **Gemah Sumilir Tourism Village**

Assistance from Bakti BCA started in 2016. Gemah Sumilir Tourism Village is well known as the batik center of Pekalongan. Located in Kajen, Pekalongan Regency, it is a tourist village developed in Pekalongan, a city on the northern coastline (Pantura).

Assistance included facilitating soft skill development of the village administrators, and infrastructure and facility improvement donations.



BCA conducted a coaching program at Wukirsari Tourism Village

BCA organized training in online branding and marketing as well as leadership, benchmarking to Pentingsari Tourism Village. The Bank provided donations for the establishment of the village secretariat, a multipurpose visitor center, workshop room, and batik exhibition room produced by the residents of Gemah Sumilir.

During 2017, several mentoring sessions were held, including team building and digital marketing training for the administrators of the village.

- **Tinggan Tourism Village, Badung Bali**

Bakti BCA program supports the sustainability of quality tourism in Indonesia. In 2016, BCA held service excellence training for the administrators of Puncak Tinggul Village, Plaga, Badung Regency, Bali.

The program aims to inspire the village administrators to develop new ideas for tourist attractions to provide benefits for sustainable village development and community welfare.

In continuation of the previous year's program, in 2017 BCA's assistance programs included digital marketing training, benchmarking to the Magunan Pine Forest and the surrounding areas of Imogiri.

- **Cendil, Senyubuk, and Limbongan Tourism Villages in East Belitung**

In 2017, Bakti BCA provided assistance to three tourism villages in East Belitung in cooperation with the local government and ITB Alumni Association of '81. The villages are unique, including a moss mountain in Limbongan, an open pit in Senyubuk, and a mangrove forest in Cendil.



Children at Gemah Sumilir Village are introduced to the art of batik making since early age.

BCA facilitated soft skill training on service excellence over two days for 30 administrators of the three tourism villages. The Bank also provided infrastructure development for Limbongan Village in the form of parking lots, guest houses, and signage in the Lumut Forest. The villages are expected to develop into tourist destination icons in East Belitung.

Other donations

In line with the Bakti BCA program, the Bank provided donations to institutions or organizations conducting social activities for the benefit of the community.

As a continuation BCA's program on the development of Indonesian arts and culture, the Bank actively supports several organizations with dedication and integrity in the development of the nation's culture, through donations and sponsorship, including cooperation with Persatuan Pedalangan Indonesia (Pepadi), Unima Indonesia, and Teater Wayang Indonesia (Senawangi).

Company's Expenses on CSR Activities 2017 (in Rupiah)	
BCA Smart Solution	44,291,849,047
BCA Synergy Solution	57,107,236,617
BCA Excellent Business Solution	2,080,940,756
Total	103,480,026,420

Communication of Anti-Corruption Procedures & Policies

BCA requires employees to attend training related to anti-fraud awareness.

In 2017, BCA required employees to participate in training on anti-money laundering and counter terrorist financing policy (APU PPT). Some 4,667 new employees attended classroom training and 13,310 existing employees completed the APU PPT e-learning.

RESPONSIBILITY ON GOODS AND/OR SERVICES

Customer trust in BCA is an important matter, and the Bank believes that the protection of customers' interests is a key way to build customer trust. BCA always strives to maintain customer confidence by applying prudential principles, and promoting security and convenience for customers.

The customer protection policy is part of one of BCA's values - Focus on Customers - as the management of the business is not only to pursue profitability. BCA also strives to provide the best banking solutions for the customers, partners, and communities. The development of banking solutions always exceed the basic financial needs of customers, and is conducted with regard to the protection and safety of customers, and implemented in a consistent and sustainable manner.

Implementation

a. Consumer Health and Safety

BCA branch offices are equipped with safety facilities and procedures. Periodically, BCA analyzes the feasibility of these facilities and infrastructure to maintain the safety of consumers when conducting transactions in the branch offices.

b. Goods and Services Information

BCA consistently develops educational programs related to its products and services, giving customers a better understanding of its banking solutions. Customer education prevents transaction fraud and other forms of fraud.

The Halo BCA contact center facility provides convenience for customers, and can be contacted by phone, website www.bca.co.id, and Twitter account @HaloBCA as the main social media account. BCA actively disseminates Halo BCA by including it in promotional and collateral materials, such as savings books and product starter packs.

BCA is also actively developing educational facilities through social media accounts, including:

- Halo BCA 1500888 contact center
- Facebook Fan Page
 - www.facebook.com/BankBCA
 - www.facebook.com/XpresiBCA
 - www.facebook.com/GoodLifeBCA
 - www.facebook.com/BizGuideBCA
 - www.facebook.com/KartuKreditBCA
- Twitter:
 - @BankBCA
 - @XpresiBCA
 - @BizGuideBCA
 - @HaloBCA
 - @KartuKreditBCA

- Instagram @GoodLifeBCA
- YouTube www.youtube.com/solusiBCA
- Line @BankBCA (VIRA)
- Kaskus Bank BCA
- Slideshare www.slideshare.net/SolusiBCA
- LinkedIn PT Bank Central Asia Tbk.

BCA is also actively developing and publishing banking solution educational materials through the BCA News rubric. During 2017, to publish and oversee the BCA News rubric, the Company collaborated with mass media such as Kompas newspaper, Pikiran Rakyat, SWA magazine, Tempo magazine, Kontan tabloid, kompas.com, kontan.co.id, SWA online, Tempo online, metrotvnews.com, and other media.

c. Facilities, Numbers, and Management of Consumer Complaints

Customer recommendations, feedback, and complaints are valuable for BCA and one of the cornerstones of the development of banking solutions. The Bank is very open to customer input and to provide convenience for customers, provides communication channels for customer complaints.

• Platforms for Obtaining Information and Customer Complaints

- o 24 hour Halo BCA 1500888 contact center
Halo BCA 1500888 allows BCA customers to obtain important information related to banking solutions, and is also one of the platforms for receiving customer complaints.
- o E-mail halobca@bca.co.id
- o Twitter @HaloBCA
- o Halo BCA Chat www.bca.co.id
- o Video call at main branch offices: BSD, SCBD, Alam Sutera, Thamrin, Matraman, Darmo, and at myBCA
- o Video banking at myBCA Gandaria City, Bintaro Xchange, Central Park, Kota Kasablanka, Emporium Pluit, Ciputra World Surabaya, Grand City Surabaya, BCA Learning Institute Sentul
- o Face-to-face with BCA frontliners

• Number of Customer Feedback and Complaints

- o **24 hour Halo BCA 1500888 contact center**
Throughout 2017, Halo BCA received 14,505,678 telephone calls, consisting of 10.47% or 1,518,744 customer complaints and 44.86% or 6,507,247 calls related to customer needs for information on BCA's banking solutions.
- o **E-mail halobca@bca.co.id**
In 2017, there were 368,873 e-mails from customers, covering 70.13% or 245,484 emails related to product or service information needs, and 20.54% or 71,883 emails related to customer complaints.
- o **Twitter @HaloBCA**
At the end of December 2017, the official Twitter account @HaloBCA had 162,181 followers, from 127,697 followers the previous year. In 2017, BCA received 227,573 mentions, while 4.78% were complaints and 94.44% related to information needs on BCA banking solutions.

In addition to Twitter, customers can submit feedback and suggestions through various BCA official social media accounts listed at www.bca.co.id/socialmedia or on page 488 of this Annual Report

o Letters to the editor

BCA, through the Corporate Secretary, continuously manages customer input and complaints submitted through readers' letters in the print and online media, as this input is feedback from customers. The Corporate Secretariat coordinates with Halo BCA and related work units and branches to resolve issues submitted by customers. During 2017, there was 57 customer input conveyed via readers' letters in print and online media.

• Handling of Customer Complaints

BCA pays attention to customer input and complaints to strengthen the quality of customer service. Complaints submitted through various communications media are accepted and accurately responded to by branch offices, service offices or related work units. BCA strives to resolve complaints in accordance with its service level.



BCA's commitment and service excellence is proven through the acceptance of awards from various independent institutions



24-hour Halo BCA contact center 1500888

BCA has complaint handling monitoring guidelines to improve customer service by handling complaints appropriately and promptly, and improve the sense of urgency of each related work unit for handling customer complaints.

- o **24 hour Halo BCA 1500888 contact center**
In 2017, out of 92,449 of customer complaints, 98.92% were resolved in accordance with the service level in Halo BCA.
- o **E-mail halobca@bca.co.id**
In 2017, out of 368,873 complaints and request for information, 99.71% were responded to in accordance with the service level.
- o **Twitter @HaloBCA**
In 2017, out of 227,573 complaints and requests for information, 90.33% were responded to in accordance with the service level.
- o **Letters to the editor**
BCA followed-up and provided resolutions for all input and complaints through readers' letters.

In addition to improving the quality of Halo BCA officers through product knowledge debriefing and the renewal of BCA's banking solutions, we are also developing infrastructure to facilitate monitoring and support the work speed and quality of the organization. This includes the implementation of appropriate software and hardware, including 24 hour Halo BCA phone services, BCA CRM contact centers, e-mail addresses, interactive voice response (IVR), social media manager app, and live chat services on BCA's official website.

BCA has also established a service level for the problem-solving period with predetermined standards in which the amount may vary, depending on the type and complexity of the issue. The development of the service level can be monitored directly through the electronic screen in the Halo BCA Front Office.

d. **Banking Transaction Improvement for Customers**

BCA strives to provide the best services to customers by continuously developing its banking network. At the end of 2017, BCA had 1,235 service offices, growth of 24 offices from the end of 2016. The development of BCA's service office network is intended to reach a wider range of cities across Indonesia.

BCA monitors and analyzes the development of its ATM network and BCA network synergy to provide the best banking services and solutions for both customers and the community. At the end of 2017, BCA operated 17,658 ATMs, growth of 3% from the end of 2016.

BCA is also developing the myBCA digital branch format, which can be accessed seven days a week from 10:00 to 22:00, and are easy to reach because they are located in malls. By the end of 2017, myBCA could be found in five leading malls in Jakarta and two malls in Surabaya.

Customers can also enjoy the convenience of banking transactions through hundreds of thousands of EDC machines, mobile and Internet banking.

e. Public recognition

BCA's commitment and service excellence is proven through the acceptance of awards from various independent institutions, both at national and international levels.

Awards were received during 2017 related to HaloBCA contact centers include: Excellent Service Experience Award, Grand Champion The Best Contact Center Indonesia, and Service Quality Award.

The awards received by BCA during 2017 will further encourage the Bank to improve its services by managing customer complaints and providing the best banking solutions for our customers. This is a form of appreciation from BCA for the trust of our customers all this time.

Statement of Members of the Board of Commissioners and the Board of Directors Regarding Responsibility for the 2017 Annual Report of PT Bank Central Asia Tbk

We, the undersigned, hereby declare that all information in the Annual Report of PT Bank Central Asia Tbk for the year 2017 has been presented in its entirety, and that we assume full responsibility for the accuracy of the contents of this Annual Report.

This statement is duly made in all integrity.

Jakarta, 13 March 2018

Members of the Board of Commissioners



Djohan Emir Setijoso
President Commissioner



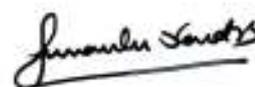
Tony Kumnadi
Commissioner



Cyrillus Harinowo
Independent Commissioner



Raden Pardede
Independent Commissioner



Sumantri Slamet
Independent Commissioner

Members of the Board of Directors



Jahja Setiaatmadja
President Director



Eugene Keith Galbraith
Deputy President Director



Armand Wahyudi Hartono
Deputy President Director



Suwignyo Budiman
Director



Subur Tan
Director



Henry Koenafi
Director



Erwan Yuris Ang
Independent Director



Rudy Susanto
Director



Lianawaty Suwono
Director



Santoso
Director



Inawaty Handoyo
Director

Consolidated Financial Statements
The Year Ended 31 December 2017 and 2016

PT BANK CENTRAL ASIA Tbk
AND SUBSIDIARIES

**DIRECTOR'S STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

We, the undersigned:

- | | | |
|----|----------------|---|
| 1. | Name | : Jahja Setiaatmadja |
| | Office Address | : Menara BCA Grand Indonesia
Jl. M.H. Thamrin No. 1, Jakarta 10310 |
| | Home Address | : Jl. Metro Kencana V/6 RT 001 RW 015,
Pondok Pinang, Kebayoran Lama,
Jakarta Selatan |
| | Phone Number | : (021) 2358-8000 |
| | Title | : President Director |
| 2. | Name | : Eugene K. Galbraith |
| | Office Address | : Menara BCA Grand Indonesia
Jl. M.H. Thamrin No. 1, Jakarta 10310 |
| | Home Address | : Jl. Metro Alam II TE 16, Pondok Pinang,
Jakarta Selatan |
| | Phone Number | : (021) 2358-8000 |
| | Title | : Deputy President Director |

declare that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Bank Central Asia Tbk (the "Bank") and Subsidiaries;
2. The consolidated financial statements of the Bank and Subsidiaries has been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information has been fully and correctly disclosed in the consolidated financial statements of the Bank and Subsidiaries;
b. The consolidated financial statements of the Bank and Subsidiaries do not contain false material information or facts, nor do they omit material information or facts;
4. We are responsible for the Bank and Subsidiaries' internal control system.

This statement has been made truthfully.

Jakarta, 14 February 2018

For and on behalf of the Board of Directors

		
Jahja Setiaatmadja President Director	6000 CRAMBUKUNPLAH	Eugene K. Galbraith Deputy President Director



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF**

PT BANK CENTRAL ASIA Tbk

We have audited the accompanying consolidated financial statements of PT Bank Central Asia Tbk (the "Bank") and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Central Asia Tbk and its subsidiaries as of 31 December 2017, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA
14 February 2018

Lucy Luciana Suhenda, S.E., Ak., CPA
License of Public Accountant No. AP.0229

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T: +62 21 5212901, F: - 62 21 52905555 / 52905050, www.pwc.com/id

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 1/1

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December	
		2017	2016
ASSETS			
Cash	2b,2i,5,32,35 37	16,754,289	15,943,854
Current accounts with Bank Indonesia	2b,2i,2j,6,32 35,37	43,472,752	40,596,730
Current accounts with other banks	2b,2i,2j,2v,7 32,35,37	9,093,572	12,466,153
Placements with Bank Indonesia and other banks	2b,2i,2k,2v,8 32,35,37	18,969,682	35,363,890
Financial assets held for trading	2i,2l,9,32,35 37	6,015,302	5,127,264
Acceptance receivables - net of allowance for impairment losses of Rp 416,642 as of 31 December 2017 (31 December 2016: Rp 178,528)	2i,2m,2v,10,32 35,37	9,899,426	7,167,392
Bills receivable - net of allowance for impairment losses of Rp 4,822 as of 31 December 2017 (31 December 2016: Rp 3,019)	2i,2v,32,35,37	6,614,355	3,826,144
Securities purchased under agreements to resell - net of allowance for impairment losses of Rp 2,859 as of 31 December 2017 (31 December 2016: Rp 2,499)	2i,2o,2v,11,32 37	9,258,767	2,547,098
Loans receivable - net of allowance for impairment losses of Rp 13,243,869 as of 31 December 2017 (31 December 2016: Rp 12,505,024) Related parties Third parties	2i,2n,2v,12,32 35,37, 2aj,41	3,568,627 450,696,329	2,869,952 400,521,269
Consumer financing receivables - net of allowance for impairment losses of Rp 377,520 as of 31 December 2017 (31 December 2016: Rp 299,086)	2i,2p,2v,13,32 37	8,506,983	8,207,469
Investment in finance leases - net of allowance for impairment losses of Rp 1,943 as of 31 December 2017 (31 December 2016: Rp 1,866)	2i,2q,2v,32,37	181,427	161,978
Assets related to sharia transactions - net of allowance for impairment losses of Rp 64,773 as of 31 December 2017 (31 December 2016: Rp 44,421)	2r	4,126,329	3,418,405
Investment securities - net of allowance for impairment losses of Rp 520,301 as of 31 December 2017 (31 December 2016: Rp 875,801)	2i,2s,2v,14,32 35,37	131,091,163	108,709,161
Fixed assets - net of accumulated depreciation of Rp 9,080,471 as of 31 December 2017 (31 December 2016: Rp 8,243,111)	2t,2v,15	16,868,949	16,990,835
Deferred tax assets - net	2ah,17	3,219,241	3,548,734
Other assets - net of allowance for impairment losses of Rp 9,966 as of 31 December 2017 (31 December 2016: Rp 5,221) Related party Third parties	2f,2u,2v,2w 2aj,41	245,388 11,737,090	258,733 9,013,692
TOTAL ASSETS		750,319,671	676,738,753

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 1/2

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December	
		2017	2016
LIABILITIES, TEMPORARY SYIRKAH DEPOSITS, AND EQUITY			
LIABILITIES			
Deposits from customers	2i,2x,16,32,35 37		
Related parties	2aj,41	3,290,867	8,099,416
Third parties		577,824,575	522,034,209
Sharia deposits	2y	478,698	364,755
Deposits from other banks	2i,2x,16,32,35 37	5,758,414	4,900,942
Financial liabilities held for trading	2i,2l,9,32,35 37	53,843	122,130
Acceptance payables	2i,2m,10,32,35 37	5,800,477	4,187,148
Securities sold under agreements to repurchase	2i,2o,14,32,35 37	96,225	134,748
Debt securities issued	2i,2z,18,32,37	610,499	2,332,171
Income tax liabilities	2ah,17	147,398	163,682
Borrowings	2i,2aj,19,32,35 37,41	3,040,602	2,788,552
Accruals and other liabilities	2aa	11,332,381	9,258,788
Post-employment benefits obligation	2ag,33	6,506,283	6,170,146
TOTAL LIABILITIES		614,940,262	560,556,687
TEMPORARY SYIRKAH DEPOSITS	2y	3,977,715	3,467,007
EQUITY			
Equity attributable to equity holders of the parent entity			
Share capital - par value per share of Rp 62.50 (full amount)			
Authorized capital: 88,000,000,000 shares			
Issued and fully paid-up capital: 24,655,010,000 shares	1c,20	1,540,938	1,540,938
Additional paid-in capital	1c,2g,2ac,21	5,548,977	5,564,552
Revaluation surplus of fixed assets	2t,15	6,587,497	6,591,827
Foreign exchange differences arising from translation of financial statements in foreign currency	2h	352,100	353,923
Unrealised gains (losses) on available-for-sale financial assets - net	2k,2s,8,14	1,274,336	(131,961)
Retained earnings			
Appropriated	31	1,463,952	1,257,895
Unappropriated	2ag	114,534,370	97,245,285
Other equity components	2e	1,385	10,618
Total equity attributable to equity holders of the parent entity		131,303,555	112,433,077
Non-controlling interest	1d,2e,40	98,139	281,982
TOTAL EQUITY		131,401,694	112,715,059
TOTAL LIABILITIES, TEMPORARY SYIRKAH DEPOSITS, AND EQUITY		750,319,671	676,738,753

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 2/1

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
OPERATING INCOME AND EXPENSES			
Interest and sharia income	2ad,2aj,23,41	53,767,939	50,425,826
Interest and sharia expenses	2ad,2aj,24,41	(11,941,465)	(10,346,736)
Net interest and sharia income		41,826,474	40,079,090
Fee and commission income	2ae,25	10,388,000	9,404,541
Fee and commission expenses	2ae,25	(2,162)	(3,842)
Net fee and commission income		10,385,838	9,400,699
Net trading income	2af,26	1,803,541	2,345,975
Other operating income		2,965,830	1,953,656
Total operating income		56,981,683	53,779,420
Impairment losses on assets	2v,27	(2,632,619)	(4,561,274)
Other operating expenses			
Personnel expenses	2ag,2aj,28,33,41	(11,335,155)	(10,629,884)
General and administrative expenses	2f,2aj,15,17j,29,41	(12,305,650)	(11,228,563)
Others		(1,549,516)	(1,520,499)
Total other operating expenses		(25,190,321)	(23,378,946)
Total operating expenses		(27,822,940)	(27,940,220)
INCOME BEFORE TAX		29,158,743	25,839,200
INCOME TAX EXPENSE	2ah,17b		
Current		(5,762,403)	(5,593,753)
Deferred		(75,190)	386,834
		(5,837,593)	(5,206,919)
NET INCOME		23,321,150	20,632,281
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	2ag,33	(850,232)	289,457
Income tax	2ah	212,936	(72,364)
		(637,296)	217,093
Revaluation surplus of fixed assets	2t,15	(4,330)	6,591,827
		(641,626)	6,808,920
Items that will be reclassified to profit or loss:			
Unrealised gains (losses) on available-for-sale financial assets	2k,2s	1,874,674	(36,908)
Income tax	2ah	(467,401)	8,276
		1,407,273	(28,632)
Unrealised gains (losses) on available-for-sale financial assets - net of tax		1,407,273	(28,632)
Foreign exchange differences arising from translation of financial statements in foreign currency		(1,823)	(11,108)
Others	2h	(9,233)	3,284
		1,396,217	(36,456)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		754,591	6,772,464
TOTAL COMPREHENSIVE INCOME (Carried forward)		24,075,741	27,404,745

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 2/2

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME****FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
TOTAL COMPREHENSIVE INCOME (Brought forward)		24,075,741	27,404,745
NET INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		23,309,994	20,605,736
Non-controlling interest	2e,40	11,156	26,545
		<u>23,321,150</u>	<u>20,632,281</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		24,063,606	27,378,282
Non-controlling interest	2e,40	12,135	26,463
		<u>24,075,741</u>	<u>27,404,745</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount of Rupiah)	2ab,30	<u>945</u>	<u>836</u>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 3/1

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	2017											
	Attributable to equity holders of parent entity											
	Notes	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Foreign exchange differences arising from translation of financial statements in foreign currency	Unrealised gains (losses) on available-for-sale financial assets - net	Retained earnings		Other equity components	Total equity attributable to equity holders of the parent entity	Non-controlling interest	Total equity
							Appropriated	Unappropriated				
Balance, 31 December 2016		1,540,938	5,564,552	6,591,827	353,923	(131,961)	1,257,895	97,245,285	10,618	112,433,077	281,982	112,715,059
Net income for the year		-	-	-	-	-	-	23,309,994	-	23,309,994	11,156	23,321,150
Revaluation surplus of fixed assets	2t,15	-	-	(4,330)	-	-	-	-	-	(4,330)	-	(4,330)
Foreign exchange differences arising from translation of financial statements in foreign currency	2h	-	-	-	(1,823)	-	-	-	-	(1,823)	-	(1,823)
Unrealised gains (losses) on available-for-sale financial assets - net	2k,2s,8,14	-	-	-	-	1,406,297	-	-	-	1,406,297	976	1,407,273
Remeasurements of defined benefit liability - net	33	-	-	-	-	-	-	(637,299)	-	(637,299)	3	(637,296)
Other equity components		-	-	-	-	-	-	-	(9,233)	(9,233)	-	(9,233)
Total comprehensive income for the year		-	-	(4,330)	(1,823)	1,406,297	-	22,672,695	(9,233)	24,063,606	12,135	24,075,741
Difference on transaction amount from business combination of entity under common control	2g,21	-	(15,575)	-	-	-	-	-	-	(15,575)	-	(15,575)
General reserve	31	-	-	-	-	-	206,057	(206,057)	-	-	-	-
Cash dividends	31	-	-	-	-	-	-	(5,177,553)	-	(5,177,553)	-	(5,177,553)
Increase in non-controlling interest due to additional share capital payment	1d,40	-	-	-	-	-	-	-	-	-	30,000	30,000
Changes in non-controlling interest due to acquisition of Subsidiaries	2e,40	-	-	-	-	-	-	-	-	-	(225,978)	(225,978)
Balance, 31 December 2017		1,540,938	5,548,977	6,587,497	352,100	1,274,336	1,463,952	114,534,370	1,385	131,303,555	98,139	131,401,694

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

	2016											
	Attributable to equity holders of parent entity											
	Notes	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Foreign exchange differences arising from translation of financial statements in foreign currency	Unrealised gains (losses) on available-for-sale financial assets - net	Retained earnings		Other equity components	Total equity attributable to equity holders of the parent entity	Non-controlling interest	Total equity
							Appropriated	Unappropriated				
Balance, 31 December 2015		1,540,938	5,564,552	-	365,031	(103,499)	1,077,708	80,917,357	7,334	89,369,421	255,519	89,624,940
Net income for the year		-	-	-	-	-	-	20,605,736	-	20,605,736	26,545	20,632,281
Revaluation surplus of fixed assets	2t,15	-	-	6,591,827	-	-	-	-	-	6,591,827	-	6,591,827
Foreign exchange differences arising from translation of financial statements in foreign currency	2h	-	-	-	(11,108)	-	-	-	-	(11,108)	-	(11,108)
Unrealised gains (losses) on available-for-sale financial assets - net	2k,2s,8,14	-	-	-	-	(28,462)	-	-	-	(28,462)	(170)	(28,632)
Remeasurements of defined benefit liability - net	33	-	-	-	-	-	-	217,005	-	217,005	88	217,093
Other equity components		-	-	-	-	-	-	-	3,284	3,284	-	3,284
Total comprehensive income for the year		-	-	6,591,827	(11,108)	(28,462)	-	20,822,741	3,284	27,378,282	26,463	27,404,745
General reserve	31	-	-	-	-	-	180,187	(180,187)	-	-	-	-
Cash dividends	31	-	-	-	-	-	-	(4,314,626)	-	(4,314,626)	-	(4,314,626)
Balance, 31 December 2016		1,540,938	5,564,552	6,591,827	353,923	(131,961)	1,257,895	97,245,285	10,618	112,433,077	281,982	112,715,059

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 4/1

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts of interest and sharia income, fees and commissions		62,896,141	57,248,921
Other operating income		2,554,654	2,062,231
Payments of interest and sharia expenses, fees and commissions		(11,900,029)	(10,313,905)
Payments of post-employment benefits	33	(1,488,730)	(1,510,616)
Gains from foreign exchange transactions - net		200,959	1,763,810
Other operating expenses		(22,390,235)	(20,631,629)
Payment of tantiem to Board of Commissioners and Board of Directors	31	(308,114)	(269,600)
Other increases/decreases affecting cash:			
Placements with Bank Indonesia and other banks - mature more than 3 (three) months from the date of acquisition		(549,529)	(2,224,735)
Financial assets held for trading		(522,860)	(3,335,070)
Acceptance receivables		(2,970,148)	454,808
Bills receivable		(2,759,868)	(1,311,522)
Securities purchased under agreements to resell		(6,712,029)	(2,034,498)
Loans receivable		(52,854,462)	(29,288,974)
Consumer financing receivables		(635,341)	(1,066,291)
Investments in finance leases - net		(19,526)	14,322
Assets related to sharia transactions		(817,728)	(562,567)
Other assets		(2,500,050)	818,537
Deposits from customers		50,981,817	56,467,413
Sharia deposits		113,943	13,088
Deposits from other banks		857,472	744,889
Acceptance payables		1,613,329	(187,791)
Accruals and other liabilities		2,136,940	1,638,789
Temporary <i>syirkah</i> deposits		510,708	664,601
Net cash provided by operating activities before payment of income tax		<u>15,437,314</u>	<u>49,154,211</u>
Payment of income tax		(5,778,687)	(5,681,162)
Net cash provided by operating activities		9,658,627	43,473,049
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment securities		(90,070,128)	(138,127,963)
Proceeds from sales of investment securities		35,500	29,497
Proceeds from investment securities that matured during the year		70,914,740	82,343,696
Cash dividends received from investment in shares		1,025	1,071
Acquisition of fixed assets		(1,736,651)	(2,728,366)
Proceeds from sale of fixed assets		505,430	80,123
Acquisition of Subsidiaries from non-controlling		(269,936)	-
Net cash used in investing activities		(20,620,020)	(58,401,942)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 4/2

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in debt securities issued - net		(1,721,672)	(488,794)
Increase in borrowings - net		252,050	1,045,215
Payment of cash dividends	31	(5,177,553)	(4,314,626)
(Decrease) increase in securities sold under agreements to repurchase - net		(38,523)	96,146
Additional share capital payment to a subsidiary	40	30,000	-
Net cash used in financing activities		(6,655,698)	(3,662,059)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(17,617,091)	(18,590,952)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		100,319,853	118,661,241
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		674,677	249,564
CASH AND CASH EQUIVALENTS, END OF YEAR		83,377,439	100,319,853
Cash and cash equivalents consist of:			
Cash	5	16,754,289	15,943,854
Current accounts with Bank Indonesia	6	43,472,752	40,596,730
Current accounts with other banks	7	9,093,572	12,466,153
Placements with Bank Indonesia and other banks - mature within 3 (three) months or less from the date of acquisition	8	14,056,826	31,313,116
Total cash and cash equivalents		83,377,439	100,319,853

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/1****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL**a. Establishment and general information of the Bank**

PT Bank Central Asia Tbk (the "Bank") was established in the Republic of Indonesia based on the Notary Deed No. 38 of Raden Mas Soeprapto dated 10 August 1955 under the name of "N.V. Perseroan Dagang Dan Industrie Semarang Knitting Factory". This deed of establishment was approved by the Minister of Justice in its decision letter No. J.A.5/89/19 dated 10 October 1955 and was published in Supplement No. 595 to State Gazette of the Republic of Indonesia No. 62 dated 3 August 1956. The name of the Bank has been changed several times with the latest change became PT Bank Central Asia based on the Notary Deed No. 144 of Wargio Suhardjo, S.H., the substitute of notary public Ridwan Suselo, dated 21 May 1974.

The Bank's Articles of Association have been amended several times, including amendments in relation to the Initial Public Offering of the Bank's shares in May 2000, which among others, changed its status to a publicly-listed company and its name to PT Bank Central Asia Tbk. These amendments were made based on Notary Deed No. 62 of Hendra Karyadi, S.H., dated 29 December 1999, which was approved by the Minister of Justice in its decision letter No. C-21020 HT.01.04.TH.99 dated 31 December 1999 and published in Supplement No. 1871 to the State Gazette of the Republic of Indonesia No. 30 dated 14 April 2000.

The amendment made in relation to the issuance of new shares under the Management Stock Option Plan ("MSOP"), for which the options were exercised up to 31 December 2006, was made based on Notary Deed No. 1 of Hendra Karyadi, S.H., dated 9 January 2007. This deed was approved by the Minister of Justice and Human Rights under its decision letter No. W7-HT.01.04-797 dated 18 January 2007 and published in Supplement No. 185 to the State Gazette of the Republic of Indonesia No. 15 dated 20 February 2007.

The latest amendment to all articles in the Bank's Articles of Association was made based on Notary Deed No. 171 of Dr. Irawan Soerodjo, S.H., MSi. dated 23 April 2015. This deed was approved by the Minister of Justice and Human Rights in its decision letter No. AHU-AH.0103-0926937 dated 23 April 2015.

The Bank started its commercial operations in the banking business since 12 October 1956. According to Article 3 of the Bank's Articles of Association, the Bank operates as a commercial bank. The Bank is engaged in banking activities and other financial services in accordance with the prevailing regulations in Indonesia. The Bank obtained its license to conduct these activities under the Minister of Finance Decision Letter No. 42855/U.M.II dated 14 March 1957. The Bank obtained its license to engage in foreign exchange activities based on the Directors of Bank Indonesia Decision Letter No. 9/110/Kep/Dir/UD dated 28 March 1977.

The Bank is domiciled in Jakarta with its head office located at Jalan M.H. Thamrin No. 1. As of 31 December 2017 and 2016, the number of branches and representative offices owned by the Bank was as follows:

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

a. Establishment and general information of the Bank (continued)

	2017	2016
Domestic branches	992	989
Overseas representative offices	2	2
	<u>994</u>	<u>991</u>

The domestic branches are located in major business centers all over Indonesia. The overseas representative offices are located in Hong Kong and Singapore.

b. Recapitalisation

Based on the Indonesian Bank Restructuring Agency ("IBRA") Decision Letter No. 19/BPPN/1998 dated 28 May 1998, IBRA took over the operations and management of the Bank. Accordingly, the Bank's status was changed into a Bank Taken Over ("BTO"). The Bank was determined as a participant of the bank recapitalisation program under the Minister of Finance and the Governor of Bank Indonesia joint decision No. 117/KMK.017/1999 and No. 31/15/KEP/GBI dated 26 March 1999 regarding the implementation of the bank recapitalisation program for Bank Taken Over.

In conjunction with the recapitalisation program, on 28 May 1999 the Bank received a payment of Rp 60,877,000 from the Government of the Republic of Indonesia. This amount consisted of (i) the principal amount of loans granted to affiliated companies that were transferred to IBRA (consisting of Rp 47,751,000 transferred effectively on 21 September 1998 and Rp 4,975,000 transferred effectively on 26 April 1999), and (ii) accrued interest on the loans granted to affiliated companies calculated from their respective effective transfer dates up to 30 April 1999, amounted to Rp 8,771,000, minus (iii) the excess of outstanding Liquidity Support from Bank Indonesia (including interest) amounted to Rp 29,100,000 over the recapitalisation payment from the government through IBRA of Rp 28,480,000. On the same date, the Bank used such proceeds to purchase newly issued government bonds of Rp 60,877,000 (consisted of fixed-rate government bonds amounted to Rp 2,752,000 and variable-rate government bonds amounted to Rp 58,125,000 through Bank Indonesia).

Pursuant to the Chairman of IBRA Decision Letter No. SK-501/BPPN/0400 dated 25 April 2000, IBRA returned the Bank to Bank Indonesia effective on that date. To fulfill the requirement of Bank Indonesia Regulation ("PBI") No. 2/11/PBI/2000 dated 31 March 2000, Bank Indonesia announced in its press release Peng. No. 2/4/Bgub dated 28 April 2000, that the recovery program including the restructuring of the Bank had been completed and the Bank had been returned to be under the supervision of Bank Indonesia.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/3****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)**c. Public offering of the Bank's shares**

Based on the Letter of the Chairman of the Capital Market Supervisory Agency No. S-1037/PM/2000 dated 11 May 2000, the Bank through an Initial Public Offering, offered its 662,400,000 shares with a total par value of Rp 331,200 (offering price of Rp 1,400 (full amount) per share), which represents 22% (twenty two percent) of the issued and paid-up share capital, as part of the divestment of shares owned by the Republic of Indonesia as represented by IBRA. This public offering was registered at the Jakarta Stock Exchange and the Surabaya Stock Exchange on 31 May 2000 (both exchanges have been merged and now namely the Indonesia Stock Exchange).

The Bank's shareholders through the Extraordinary General Meeting of Shareholders ("EGMS") held on 12 April 2001 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in the Deed No. 25) resolved to conduct a stock split from Rp 500 (full amount) per share to Rp 250 (full amount) per share and to increase the issued shares through the issuance of 147,199,300 shares (or equivalent to 294,398,600 shares after the stock split) under the Management Stock Option Plan ("MSOP"). The stock split was made under the Notary Deed No. 30 of Hendra Karyadi, S.H., dated 12 April 2001, which was approved by the Minister of Justice and Human Rights on 18 April 2001.

Based on the Letter of the Chairman of the Capital Market Supervisory Agency No. S-1611/PM/2001 dated 29 June 2001, the Bank offered additional 588,800,000 shares with a total par value of Rp 147,200 (at an offering price of Rp 900 (full amount) per share), which represents 10% (ten percent) of the issued and paid-up share capital, as part of the divestment of shares owned by the Republic of Indonesia as represented by IBRA. This public offering was registered at the Jakarta Stock Exchange and the Surabaya Stock Exchange on 10 July 2001.

The Bank's shareholders through the Annual General Meeting of Shareholders ("AGMS") held on 6 May 2004 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in the Deed No. 16) approved the stock split from Rp 250 (full amount) per share to Rp 125 (full amount) per share. The stock split was made under the Notary Deed No. 40 of Hendra Karyadi, S.H., dated 18 May 2004, which was approved by the Minister of Justice and Human Rights on 26 May 2004.

EGMS held on 26 May 2005 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in the Deed No. 42) approved the buy back of the Bank's shares, provided that the buy back of shares has been approved by Bank Indonesia, whereby the number of shares to be bought back should not exceed 5% (five percent) of the Bank's total issued shares as of 31 December 2004, i.e. in total of 615,160,675 shares, and total fund to buy back the shares should not exceed Rp 2,153,060. With Letter No. 7/7/DPwB2/PwB24/Rahasia dated 16 November 2005, Bank Indonesia expressed no objection on the Bank's plan to buy back its shares.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/4

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)**c. Public offering of the Bank's shares** (continued)

EGMS held on 15 May 2007 (with the minutes prepared by notary public Hendra Karyadi, S.H., in the Deed No. 6) approved the buy back of the Bank's shares stage II, provided that the buy back of shares has been approved by Bank Indonesia and executed from time to time during the period of 18 (eighteen) months after the date of the meeting, whereby the number of shares to be bought back should not exceed 1% (one percent) of the Bank's total issued shares as of 27 April 2007 or in total of 123,275,050 shares and the total fund to buy back the shares should not exceed Rp 678,013. With Letter No. 9/160/DPB 3/TPB 3-2 dated 11 October 2007, the Bank received an approval from Bank Indonesia in relation to buy back of shares stage II.

EGMS held on 28 November 2007 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in the Deed No. 33), approved to conduct a stock split of the Bank's shares from Rp 125 (full amount) to Rp 62.50 (full amount) per share and therefore decided to amend note 1, note 2 and note 3 of Article 4 of the Bank's Articles of Association. The Amendments of the Bank's Articles of Association by the Deed of Notary Public Hendra Karyadi, S.H., dated 11 December 2007 were received and recorded by the Department of Law and Human Rights of the Republic of Indonesia by the Receipt Report of the Deed on Amendment of the Articles of Association No. AHU-AH.01.10-0247 dated 3 January 2008.

Based on Letter No. 038/IQ-ECM/LTR/HFJ/XI/2008.TRIM dated 26 November 2008, the buy back of shares stage II for the period of 11 February 2008 to 13 November 2008 had been performed with the number of shares bought back in total of 397,562 lot or 198,781,000 shares at the average acquisition cost of Rp 3,106.88 (full amount) per share. Therefore, the total shares bought back as of 13 November 2008 were 289,767,000 shares with a total amount of Rp 808,585.

On 7 August 2012, the Bank sold 90,986,000 shares of its treasury stocks at Rp 7,700 (full amount) per share, with total net sales amounted to Rp 691,492. The difference between the acquisition costs and the selling price of treasury stocks amounted to Rp 500,496 was recorded as "additional paid-in capital from treasury stock transactions", which is part of additional paid-in capital (see Note 21). As of 31 December 2012, total treasury stocks of the Bank were 198,781,000 shares with a total amount of Rp 617,589.

On 7 February 2013, the Bank sold 198,781,000 shares of its treasury stocks at Rp 9,900 (full amount) per share, with total net sales amounted to Rp 1,932,528. The difference between the acquisition costs and the selling price of treasury stocks amounted to Rp 1,314,939 was recorded as "additional paid-in capital from treasury stock transactions", which is part of additional paid-in capital (see Note 21). As of 31 December 2013, the Bank did not have any treasury stocks.

The Company's immediate parent entity is PT Dwimuria Investama Andalan, which was incorporated in Indonesia, the owner of 54.94% and 47.15% of Bank's shares as of 31 December 2017 and 2016. The ultimate shareholders of the Bank are Mr. Robert Budi Hartono and Mr. Bambang Hartono.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

d. The Subsidiaries

The Subsidiaries, directly and indirectly owned by the Bank as of 31 December 2017 and 2016, were as follows:

Name of the Company	Year of Starting the Commercial Operation	Type of Business	Domicile	Percentage of Ownership		Total Assets	
				2017	2016	2017	2016
PT BCA Finance	1981	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency	Jakarta	100%	100%	8,438,891	8,151,864
BCA Finance Limited	1975	Money lending and remittance	Hong Kong	100%	100%	778,725	715,541
PT Bank BCA Syariah	1991	Sharia banking	Jakarta	100%	100%	5,961,175	4,995,606
PT BCA Sekuritas	1990	Securities brokerage dealer and underwriter for issuance of securities	Jakarta	90%	75%	724,741	769,805
PT Asuransi Umum BCA	1988	General or loss insurance	Jakarta	100%	100%	1,430,474	1,133,793
PT Central Santosa Finance	2010	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency	Jakarta	100%	70%	1,801,510	1,871,191
PT Central Capital Ventura	2017	Venture capital	Jakarta	100%	-	204,524	-
PT Asuransi Jiwa BCA	2014	Life insurance	Jakarta	90%	-	842,122	-

PT BCA Finance

PT BCA Finance, a company domiciled in Indonesia and located at Wisma BCA Pondok Indah, 2nd Floor, Jalan Metro Pondok Indah No. 10, South Jakarta, was established in 1981 under the name of PT Central Sari Metropolitan Leasing Corporation ("CSML"). At its inception, the shareholders of CSML were PT Bank Central Asia and Japan Leasing Corporation.

In 2001, PT Central Sari Metropolitan Leasing Corporation changed its name to PT Central Sari Finance ("CSF"), followed by the change in the composition of its shareholders, where PT Bank Central Asia Tbk became the majority shareholder, and the change in its business focus to motor vehicles financing activities, particularly in vehicles with four or more wheels. Further, based on the Decision Letter of Minister of Law and Human Rights of the Republic of Indonesia No.C-08091 HT.01.04.TH.2005 dated 28 March 2005, PT Central Sari Finance's name was changed to PT BCA Finance.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/6****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)**d. The Subsidiaries (continued)****BCA Finance Limited**

BCA Finance Limited, a company domiciled in Hong Kong and located at The Center, 47th Floor, Unit 4707, 99 Queen's Road Central, Hong Kong, is engaged in money lending and remittance and has been operating commercially since 1975.

PT Bank BCA Syariah

PT Bank BCA Syariah, a company domiciled in Indonesia and located at Jalan Jatinegara Timur No. 72, East Jakarta, is engaged in sharia banking activities and has been operating commercially since 1991.

Based on the Deed of Resolutions in lieu of General Meeting of Shareholders of PT Bank UIB No. 49, of Notary Public Ny. Pudji Redjeki Irawati, S.H., dated 16 December 2009, PT Bank UIB changed its business activities to become sharia bank and changed its name to PT Bank BCA Syariah. The deed of amendment was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. AHU-01929.AH.01.02 dated 14 January 2010.

The change in business activities of this subsidiary from conventional bank into sharia bank was approved by the Governor of Bank Indonesia through its Decision Letter No. 12/13/KEP.GBI/DpG/2010 dated 2 March 2010. Through this approval, on 5 April 2010, PT Bank BCA Syariah officially operated as a sharia bank.

PT BCA Sekuritas

PT BCA Sekuritas, a company domiciled in Indonesia and located at Menara BCA, Grand Indonesia, 41st Floor, Suite 4101, Jalan M.H. Thamrin No. 1, Jakarta, is engaged as securities broker and underwriter since 1990.

On 2 October 2012, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Dinamika Usaha Jaya No. 5, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., PT Dinamika Usaha Jaya changed its name to PT BCA Sekuritas. This change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-54329.AH.01.02 dated 22 October 2012.

On 25 August 2017, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT BCA Sekuritas No. 129, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., there was transfer of shares from PT Poly Kapitalindo to PT Bank Central Asia Tbk so that the ownership of PT Bank Central Asia on PT BCA Sekuritas became 90%.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/7****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)**d. The Subsidiaries (continued)****PT Asuransi Umum BCA**

PT Asuransi Umum BCA, a company domiciled in Indonesia and located at Sahid Sudirman Center Building, 10th Floor, unit E, F, G, H Jalan Jendral Sudirman Kav. 86, Jakarta is engaged in insurance activities, in particular in general or loss insurance activities.

PT Asuransi Umum BCA was established in 1988 under the name of PT Asuransi Ganesha Danamas. In 2006, PT Asuransi Ganesha Danamas changed its name to PT Transpacific General Insurance and later in 2011, this subsidiary's name was changed to PT Central Sejahtera Insurance, following the change in the composition of its shareholders to Dana Pensiun BCA at 75% (seventy five percent) ownership and PT BCA Finance (Bank's Subsidiary) at 25% (twenty five percent) ownership.

On 5 December 2013, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Central Sejahtera Insurance No. 7, of Notary Public Veronica Sandra Irawaty Purnadi, S.H., PT Central Sejahtera Insurance changed its name to PT Asuransi Umum BCA. This change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-64973.AH.01.02 dated 11 December 2013.

PT Central Santosa Finance

PT Central Santosa Finance, a company domiciled in Indonesia and located at WTC Mangga Dua, 6th Floor, Block CL No. 001, Jalan Mangga Dua Raya No. 8, Kelurahan Ancol, Kecamatan Pademangan, Jakarta, is engaged in investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency.

PT Central Santosa Finance was incorporated in the Republic of Indonesia with Deed of Notary Public Fransiscus Xaverius Budi Santosa Isbandi, S.H., dated 29 April 2010 No. 95. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-23631.AH.01.01 dated 10 May 2010.

PT Central Capital Ventura

PT Central Capital Ventura, a company domiciled in Indonesia and located at Office 8 Building, 16th floor, Unit F, Jalan Jenderal Sudirman Kav 52-53, Kelurahan Senayan, Kecamatan Kebayoran Baru, South Jakarta, is engaged in venture capital activities.

PT Central Capital Ventura was incorporated in the Republic of Indonesia with Deed of Notary Public Veronica Sandra Irawaty Purnadi, S.H., dated 25 January 2017 No. 15. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0004845.AH.01.01 dated 2 February 2017. The Subsidiary obtained venture capital business permit based on Copy of Decision of Board of Commissioner of Financial Services Authority number: KEP-39/D.05/2017 dated 19 June 2017.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

d. The Subsidiaries (continued)

PT Asuransi Jiwa BCA

PT Asuransi Jiwa BCA, a company domiciled in Indonesia and located at Chase Plaza Building, 22th floor, Jalan Jenderal Sudirman Kav 21, Jakarta, is engaged in life insurance activities, including life insurance with sharia principle.

PT Asuransi Jiwa BCA was incorporated in the Republic of Indonesia with Deed of Notary Public of Dr. Irawan Soerodjo, S.H., Msi., dated 16 October 2013 No. 90. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-56809.AH.01.01 dated 7 November 2013.

The Subsidiary obtained business permit in life insurance activities from the Chairman of the Board of Commissioner of Financial Services Authority through Decision Letter No. KEP-91/D.05/2014 dated 14 July 2014.

On 2 November 2017, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Asuransi Jiwa BCA No. 15, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., there was a transfer of PT Asuransi Jiwa BCA's issued shares by selling the entire shares owned by PT BCA Sekuritas and PT Asuransi Umum BCA (Subsidiaries) to the Bank amounting to 90%.

The Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0188287 dated 2 November 2017.

e. Board of Commissioners and Board of Directors

The composition of the Bank's management as of 31 December 2017 and 2016 are as follows:

Board of Commissioners

President Commissioner	: Djohan Emir Setijoso
Commissioner	: Tony Kusnadi
Independent Commissioner	: Cyrillus Harinowo
Independent Commissioner	: Raden Pardede
Independent Commissioner	: Sumantri Slamet

Board of Directors

President Director	: Jahja Setiaatmadja
Deputy President Director	: Eugene Keith Galbraith
Deputy President Director	: Armand Wahyudi Hartono
Director	: Suwignyo Budiman
Director	: Tan Ho Hien/Subur Tan ⁾
Director	: Henry Koenaifi
Independent Director	: Erwan Yuris Ang
Director	: Rudy Susanto
Director	: Lianawaty Suwono
Director	: Santoso
Director	: Inawaty Handoyo

The compositions of the Bank's management as of 31 December 2017 and 2016 based on the Deed of Resolution No. 216 dated 26 August 2016, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., notary in Jakarta.

⁾ Compliance Director

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/9****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)**f. Audit Committee, Internal Audit Division and Corporate Secretary**

The Bank's Audit Committee as of 31 December 2017 and 2016 are as follows:

Chairman	: Cyrillus Harinowo
Member	: Ilham Ikhsan
Member	: Tjen Lestari

The establishment of the Bank's Audit Committee was in line with Financial Services Authority Regulation ("POJK") No. 55/POJK.04/2015 dated 23 December 2015 regarding Establishment and Implementation Guidelines on Audit Committee Work.

The Head of the Bank's Internal Audit Division as of 31 December 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Internal Audit Division Head	: Ayna Dewi Setianingrum ^{*)}	Jacobus Sindu Adisuwono

^{*)} effective since November 2017

The Corporate Secretary of the Bank as of 31 December 2017 and 2016 is as follows:

Corporate Secretary	: Jan Hendra
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g. Number of employees

As of 31 December 2017 and 2016, the Bank and Subsidiaries had 26,962 and 26,364 permanent employees.

Key management personnel of the Bank consists of members of Board of Commissioners and Board of Directors.

h. Completion of the consolidated financial statements

The Bank's management is responsible for the preparation of these consolidated financial statements, which were authorised for issue on 14 February 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, consistently applied in the preparation of the consolidated financial statements of the Bank and Subsidiaries as of 31 December 2017 and 2016, are as follows:

a. Statement of compliance

The consolidated financial statements of the Bank and subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SFAS") which include Statement and Interpretation issued by the Financial Accounting Standard Board of Indonesian Institute of Accountant and Bapepam-LK Regulation No. KEP-347/BL/2012 dated 25 June 2012 which is Regulation No. VIII G.7 regarding "Presentation and Disclosure of Public Company's Financial Statements".

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/10****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**a. Statement of compliance (continued)**

Financial statements of PT Bank BCA Syariah (Subsidiary) are presented in accordance with Sharia Financial Accounting Standards and other Financial Accounting Standards issued by Indonesian Institute of Accountant.

b. Basis for preparation of the consolidated financial statements

These consolidated financial statements are presented in Rupiah, which is the functional currency. Except as otherwise stated, the financial information presented has been rounded to the nearest million of Rupiah.

The consolidated financial statements have been prepared under the historical cost convention, except for fixed assets - land, financial assets classified as available for sale, and financial assets and liabilities (including derivative instruments) held at fair value through profit or loss, which are measured at fair value.

The consolidated financial statements have been prepared based on the accrual basis, except for the consolidated statement of cash flows.

The consolidated statements of cash flows present the changes in cash and cash equivalents from operating, investing and financing activities, and are prepared using the direct method. For the purpose of the presentation of the consolidated statements of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks mature within 3 (three) months from the date of acquisition, as long as they are not being pledged as collateral for borrowings nor restricted.

c. Use of judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards ("SFAS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

In order to provide understanding of the financial performance of Bank and Subsidiaries, due to the significance of their nature or amount, several items of income or expense have been presented separately.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognised in the consolidated financial statements are described in Note 4.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Changes in accounting policies

d.1. Standards, amendments and accounting interpretations effective on 1 January 2017

Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following relevant new standards, amendments and interpretations which were effective on or after 1 January 2017 as follows:

- Amendment to SFAS 1 "Presentation of financial statement";
- ISFAS 31 "Interpretation on the scope of SFAS 13: investment property"
- ISFAS 32 "Interpretation on definition and hierarchy of financial accounting standards"
- SFAS 101 "Presentation of sharia financial statement";
- Amendment to SFAS 102 "*Murabahah* accounting";
- Amendment to SFAS 103 "*Salam* accounting";
- Amendment to SFAS 104 "*Istishna* accounting";
- Amendment to SFAS 107 "*Ijarah* accounting";
- Amendment to SFAS 108 "Accounting for transaction of sharia accounting";
- Annual improvement to SFAS 3 "Interim financial statement";
- Annual improvement to SFAS 24 "Employee benefit"
- Annual improvement to SFAS 58 "Non-current assets held for sale and discontinued operation"
- Annual improvement to SFAS 60 "Financial instrument: disclosure"

The implementation of above new/revised standards and interpretation which become effective since 1 January 2017, have no substantial impact to the Bank's and Subsidiaries' accounting policies on the amount reported for current or prior financial years.

d.2. Issued accounting standards but not yet effective

Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following relevant new standards, amendments and interpretations but not yet effective on 1 January 2017 as follows:

- Amendment to SFAS 2 "Statement of cash flows";
- Amendment to SFAS 13 "Investment property";
- Amendment to SFAS 15 "Investment in associates and joint ventures";
- Amendment to SFAS 16 "Fixed assets";
- Amendment to SFAS 46 "Income tax";
- Amendment to SFAS 53 "Share based payments";
- Amendment to SFAS 67 "Disclosure of interests in other entities";
- SFAS 71 "Financial instruments";
- Amendment to SFAS 62 "Insurance contracts";
- SFAS 72 "Revenue from contracts with customers";
- SFAS 73 "Leases";
- ISFAS 33 "Foreign currency transactions and advance consideration".

The new standards, amendments and interpretations of accounting standards above become effective on 1 January 2018 except for ISFAS 33 will be effective on 1 January 2019, Amendment to SFAS 15, SFAS 71, SFAS 72 and SFAS 3 will be effective on 1 January 2020, and Amendment to SFAS 62 will be effective on 1 January 2021.

As at the authorisation date of this financial statements, the Bank and Subsidiaries are still evaluating the potential impact of these new and revised standards to the consolidated financial statements of the Bank and Subsidiaries.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/12****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**e. Basis of consolidation**

The consolidated financial statements consist of financial statements of the Bank and Subsidiaries (PT BCA Finance, BCA Finance Limited, PT Bank BCA Syariah, PT BCA Sekuritas, PT Asuransi Umum BCA, PT Central Santosa Finance, PT Central Capital Ventura, and PT Asuransi Jiwa BCA) together "Group". Subsidiaries are all entities over which the Bank has control.

Control over a Subsidiary is presumed to exist if the Bank is exposed to, or has rights to variable returns from its involvement with the Subsidiary and has the ability to affect those returns through its power over the Subsidiary. The Bank reassesses whether it has control if there are changes to one or more of the elements of the control, including circumstances in which the potential rights (e.g. those resulting from a lending relationship) become substantive and lead to the Bank having power over a Subsidiary.

The financial statements of Subsidiaries are included in the consolidated financial statements since the date on which the Bank obtained control until the date such control ceases. The financial statements of Subsidiaries have been prepared using the same accounting policies with those implemented by the Bank for similar transactions and other events in similar circumstances, unless otherwise specified.

When control of an entity is obtained during the year, its results are included in the consolidated financial statements from the date on which the control commences. Where control ceases during the year, its results are included in the consolidated financial statements for the part of the year during which control existed.

All significant balances, transactions, income and expenses with and between Subsidiaries are eliminated in preparing the consolidated financial statements. Unrealised losses from transactions with and between Subsidiaries are eliminated, unless there is an indication of impairment that requires recognition in the consolidated financial statements.

Changes affected the Bank's ownership interest and equity of Subsidiary that do not result in a loss of control are accounted for as equity transactions and presented as other equity components within equity in the consolidated statements of financial position.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquiree's net assets.

Non-controlling interests are recognised on the date of business combination and subsequently adjusted to the portion of the changes in equity of Subsidiary.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity holders of the parent entity, and presented to the portion of Subsidiary's income for the year and equity attributable to the non-controlling interest based on percentage of ownership of the non-controlling interest on the Subsidiary.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/13****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**e. Basis of consolidation (continued)**

If the Group loses control of a Subsidiary, the Group:

- a. Derecognises the assets and liabilities of the former Subsidiary from the consolidated statement of financial position.
- b. Recognises any investment retained in the former Subsidiary at fair value on the date when control is lost and subsequently accounts for it and for any amounts owed by or to the former Subsidiary in accordance with the relevant financial accounting standard. That fair value is regarded as the fair value on initial recognition of a financial asset in accordance with SFAS No. 55, "Financial Instruments: Recognition and Measurement".
- c. Recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

f. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of assets transferred, equity instruments issued, liabilities incurred or obtained and adjustment to the contingent purchase price, if any, at the date of acquisition. Acquisition costs are expensed as incurred and included in the administrative expenses.

On the acquisition date, the acquirer classified and designated identified assets acquired and liabilities assumed as required to apply other financial accounting standards. The acquirer made classification or the determination based on the contractual terms, economic circumstances, its operational or accounting policies and other related conditions as at the acquisition date.

On the acquisition date, goodwill is initially measured at acquisition cost, which represents the excess of the aggregate of consideration transferred and the amount of any non-controlling interest in the acquiree over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition. If the consideration is lower than the fair value of Subsidiary's net assets acquired, the difference is recognised in the profit or loss. Subsequent to initial recognition, goodwill is measured at its carrying amount less accumulated impairment losses.

g. Business combination of entities under common control

Business combination of entities under common control transactions, such as transfer of business in relation to reorganisation of entities within the same business group, is not a change of ownership in terms of economic substance, therefore, such transaction cannot generate any gains or losses for the group as a whole as well as the individual entity within the business group.

Business combination of entities under common control transactions, according to SFAS No. 38 (2012 Revision), "Business Combination under Common Control", is recognised at its carrying amount based on a pooling-of-interest method. Entity that receives the business as well as the entity that disposes the business recognises the difference between the proceeds transferred/received and carrying amount arising from a business combination under common control transaction as part of equity in the additional paid-in capital account.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Business combination of entities under common control (continued)

In accordance with transition requirement of SFAS No. 38 (2012 Revision), the difference in value arising from restructuring transaction of entities under common control based on SFAS No. 38 (2004 Revision), "Accounting for Restructuring of Entities under Common Control", at the beginning of the implementation of this standard, was disclosed in equity as part of additional paid-in capital account and shall never be recognised as realised profit or loss or reclassified into retained earnings in the future.

h. Translation of transactions in foreign currencies

Items included in the consolidated financial statements of the Bank and Subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The Bank and Subsidiaries domiciled in Indonesia maintained its accounting record in Rupiah, which is the functional and presentation currency of the Group. Transactions denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the date of the transaction. At the reporting date, year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the date of consolidated statements of financial position.

For consolidation purposes, foreign currency financial statements of the Bank's overseas Subsidiary are translated into Rupiah based on the following basis:

- (1) Assets and liabilities, commitments and contingencies are translated using the Reuters spot rates at 16:00 WIB at the statement of financial position date.
- (2) Income, expenses, gains and losses, represent the accumulated amount from monthly profit or loss balance during the year, are translated into Rupiah using the average Reuters middle rate for the respective month.
- (3) Equity accounts are translated using historical rates.
- (4) Statement of cash flows is translated using the Reuters spot rate at 16:00 WIB at the statement of financial position date, except for income statement accounts which are translated using the average middle rates and equity accounts which are translated using historical rates.

Differences arising from the above translation are presented as "foreign exchange differences arising from translation of financial statements in foreign currency" under the equity section of the consolidated statements of financial position.

Exchange gains or losses arising from transactions in foreign currencies and from the translation of monetary assets and liabilities in foreign currencies are recognised in the current year consolidated profit or loss.

Summarised below are the major exchange rates as of 31 December 2017 and 2016, using Reuters middle rate at 16:00 WIB (full amount of Rupiah):

	Foreign currencies	2017	2016
1	United States Dollar (USD)	13,567.5	13,472.5
1	Australian Dollar (AUD)	10,594.2	9,723.1
1	Singapore Dollar (SGD)	10,154.6	9,311.9
1	Hong Kong Dollar (HKD)	1,736.2	1,737.3
1	Great Britain Poundsterling (GBP)	18,325.6	16,555.0
100	Japanese Yen (JPY)	12,052.0	11,507.0
1	Euro (EUR)	16,236.2	14,175.8

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/15****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i. Financial assets and liabilities**

Financial assets of the Bank and Subsidiaries mainly consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, financial assets held for trading, acceptance receivables, bills receivable, securities purchased under agreements to resell, loans receivable, consumer financing receivables, investment in finance leases and investment securities.

Financial liabilities of the Bank and Subsidiaries mainly consist of deposits from customers, deposits from other banks, financial liabilities held for trading, acceptance payables, securities sold under agreements to repurchase, debt securities issued and borrowings.

i.1. Classification

The Bank and Subsidiaries classify their financial assets in the following categories at initial recognition:

- i. at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;
- ii. available-for-sale;
- iii. held-to-maturity; and
- iv. loans and receivables.

Financial liabilities are classified into the following measurement categories at initial recognition:

- i. at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. those designated as such upon initial recognition and those classified as held for trading; and
- ii. financial liabilities measured at amortised cost.

Held for trading are those financial assets and liabilities that the Bank and Subsidiaries acquire or incur principally for the purpose of selling or repurchasing in the near term, or hold as part of a certain financial instrument portfolio that is managed together for short-term profit (short term profit taking).

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank and Subsidiaries have the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank and Subsidiaries do not intend to sell immediately or in the near term.

Financial liabilities measured at amortised cost consist of non-derivative financial liabilities that are not held for trading purpose and not designated at fair value through profit or loss.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/16****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i. Financial assets and liabilities (continued)****i.2. Initial recognition**

The Bank and Subsidiaries initially recognise loans receivable and deposits on the date of origination. Regular way purchases and sales of financial assets are recognised on the trade date at which the Bank and Subsidiaries commit to purchase or sell the asset. All other financial assets and liabilities are initially recognised on the trade date at which the Bank and Subsidiaries become a party to the contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus (for a financial instrument not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to the acquisition or issuance of financial liabilities.

The subsequent measurement of financial assets and liabilities depends on their classifications.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of financial liability and they are incremental costs that would not have been incurred if the instrument had not been acquired or issued. In the case of financial assets, transaction costs are added to the amount recognised initially, while for financial liabilities, transaction costs are deducted from the amount of debt recognised initially. Such transaction costs are amortised over the life of the instruments based on the effective interest rate method and are recorded as part of interest income for transaction costs related to financial assets or interest expenses for transaction costs related to financial liabilities.

i.3. Derecognition

The Bank and Subsidiaries derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Bank and Subsidiaries transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank and Subsidiaries is recognised as a separate asset or liability.

The Bank and Subsidiaries derecognise a financial liability when its contractual obligations are discharged, cancelled or expired.

In transactions in which the Bank and Subsidiaries neither retain nor transfer substantially all the risks and rewards of ownership of a financial asset, the Bank and Subsidiaries derecognise the asset if they do not retain control over the asset. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers in which control over the asset is retained, the Bank and Subsidiaries continue to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/17****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i.3. Derecognition (continued)**

The Bank and Subsidiaries write-off a financial asset and any related allowance for impairment losses, when the Bank and Subsidiaries determine that the financial asset is uncollectible. This determination is reached after considering information the occurrence of significant changes in the financial position of borrower/financial asset issuer such that the borrower/financial asset issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

i.4. Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statements of financial position when, and only when, the Bank and Subsidiaries have a legal right to offset the recognised amounts and intend either to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default in solvency or bankruptcy of the Group or the counterparty.

Income and expenses are presented on a net basis only when permitted by accounting standards.

i.5. Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount and minus any reduction for impairment.

i.6. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank and Subsidiaries have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank and Subsidiaries measure the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank and Subsidiaries use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/18****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i. Financial assets and liabilities (continued)****i.6. Fair value measurement (continued)**

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Bank and Subsidiaries determine that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Portfolios of financial assets and financial liabilities measured at fair value, that are exposed to market risk and credit risk that are managed by the Bank and Subsidiaries on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

i.7. Financial guarantee contracts and other commitment receivables

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities, and unused provision of funds facilities.

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms and the initial fair value is amortised over the life of the financial guarantees.

Subsequently, they are measured at the higher of amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable) and the difference is charged to other operating expense in consolidated statement of profit or loss.

j. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are initially measured at fair value plus transaction costs that are directly attributable and incremental to the acquisition of those financial assets, and subsequently measured at their amortised costs using the effective interest method. Current account with Bank Indonesia and other banks are classified as loans and receivables.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/19****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**k. Placements with Bank Indonesia and other banks**

Placements with Bank Indonesia and other banks are initially measured at fair value plus transaction costs that are directly attributable and incremental to the acquisition of those financial assets.

k.1. Loans and receivables

Placements with Bank Indonesia and other banks are subsequently measured at amortised costs using the effective interest method after initial recognition.

k.2. Available-for-sale

After initial recognition, available-for-sale placements with Bank Indonesia and other banks are carried at their fair values. Interest income is recognised in consolidated profit or loss using the effective interest method.

Other fair value changes are recognised directly in other comprehensive income until the placements are sold or impaired, where the cumulative gains and losses previously recognised in other comprehensive income are recycled to the current year consolidated profit or loss based on a First In First Out ("FIFO") method.

l. Financial assets and liabilities held for trading

Financial assets and liabilities held for trading are initially and subsequently recognised and measured at fair value in the consolidated statements of financial position, with transaction costs recognised in the current year profit or loss.

Financial assets and liabilities held for trading include all derivative instruments held by the Bank for trading, except for a derivative that is financial guarantee contract or a designated and effective hedging instrument.

All changes in fair value of financial assets and liabilities held for trading are recognised as part of net trading income. Gains or losses which are realised when the financial assets and liabilities held for trading are derecognised, are recognised in the current year consolidated profit or loss.

Financial assets and liabilities held for trading are not reclassified subsequent to their initial recognition, except that non-derivative trading assets, other than those designated at fair value through profit or loss upon initial recognition, may be reclassified out of the fair value through profit or loss (i.e., trading category) if they are no longer held for the purpose of being sold or repurchased in the near term and the following conditions are met:

- the financial asset would have met the definition of loans and receivables (if the financial asset had not been required to be classified as held for trading at initial recognition), then it may be reclassified if the Bank and Subsidiaries have the intention and ability to hold the financial asset for the foreseeable future or until maturity; or
- the financial asset would not have met the definition of loans and receivables, then it may be reclassified out of the trading category only in rare circumstances.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/20****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**l. Financial assets and liabilities held for trading (continued)****Investment in sukuk measured at fair value through profit or loss**

The Bank and Subsidiaries initially recognise the investment in sukuk measured at fair value through profit or loss at acquisition cost. Such cost does not include transaction costs. Subsequent to initial recognition, the difference between fair value and the carrying amount is recognised in consolidated profit or loss.

The fair value of investment is determined by referencing to the following order:

- quoted price (without adjustments) in active market, or
- input other than quoted price in the observable active market.

Investment in sukuk measured at fair value through profit or loss is presented in the consolidated statement of financial position as part of financial assets held for trading.

m. Acceptance receivables and payables

Acceptance receivables and payables are initially measured at fair value plus/minus transaction costs that are directly attributable and incremental to the acquisition/issue of those financial assets/liabilities, and subsequently measured at their amortised costs using the effective interest method. Acceptance receivables are presented net of allowance for impairment losses. Acceptance receivables are classified as loans and receivables, while acceptance payables are classified as financial liabilities measured at amortised cost.

n. Loans receivable

Loans receivable are initially measured at fair value plus transaction costs that are directly attributable and incremental to the acquisition of those financial assets, and subsequently measured at their amortised costs using the effective interest method. Loans receivable are classified as loans and receivables.

Syndicated, joint financing and channeling loans are stated at amortised cost in accordance with the portion of risks borne by the Bank.

The Bank and Subsidiaries account for troubled debt restructuring in accordance with the type of restructuring. In troubled debt restructuring which involves a modification of terms, reduction of portion of loan principal and/or combination of both, the Bank and Subsidiaries account for the effect of the restructuring prospectively and do not change the carrying value of receivables at the time of restructuring, unless the amount exceeds the present value of the total future cash receipts specified in the new terms. If the present value of the total future cash receipts specified in the new terms is lower than the recorded receivables balance prior to restructuring, the Bank and Subsidiaries should reduce the loan balance to the amount equal to the present value of the total future cash receipts. The amount of the reduction is recognised as individual impairment losses in the current year consolidated profit or loss.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**o. Securities purchased under agreements to resell and securities sold under agreements to repurchase**

Securities purchased under agreements to resell (reverse repo) are presented as receivables and stated at the agreed resell price less the difference between the purchase price and the agreed resale price. The difference between the purchase price and the agreed resale price is amortised using the effective interest method as interest income over the period commencing from the acquisition date to the resell date. Securities purchased under agreements to resell (reverse repo) are classified as loans and receivables.

Securities sold under agreements to repurchase (repo) are presented as liabilities and stated at the agreed repurchase price less the unamortised interest expense. Unamortised interest expense is the difference between selling price and agreed repurchase price and is recognised as interest expense during the period from the securities are sold until the securities are repurchased. Securities sold are still recorded as assets in the consolidated statements of financial position because the securities ownership remains substantially with the Bank as a seller. Securities sold under agreements to repurchase (repo) are classified as financial liabilities measured at amortised cost.

p. Consumer financing receivables

Consumer financing receivables are stated at net of unamortised transaction cost/(income), unearned consumer financing income and allowance for impairment losses on consumer financing receivables.

Unearned consumer financing income represents the difference between total installments to be received from the consumer and the principal amount financed, plus or deducted with the unamortised transaction cost/(income), which will be recognised as income over the term of the contract using effective interest rate method of the related consumer financing receivable.

Unamortised transaction cost/(income) are financing administration income and transaction expense which are incurred at the first time the financing agreement is signed and directly attributable to consumer financing.

Early termination of a contract is treated as a cancellation of an existing contract and the resulting gain is recognised in the current year consolidated profit or loss accounts.

Consumer financing receivables will be written-off when they are overdue for more than 150 (one hundred and fifty) days for four-wheeled motor vehicles and 180 (one hundred and eighty) days for two-wheeled motor vehicles, and based on management review of individual case.

Joint financing

All joint financing agreements entered by the Subsidiary are joint financing without recourse in which only the Subsidiary's financing portion of the total installments are recorded as consumer financing receivables in the consolidated statements of financial position (net approach). Consumer financing income is presented in the consolidated statements of profit or loss and other comprehensive income after deducting the portions belong to other parties participated to these joint financing transactions.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Consumer financing receivables (continued)

Receivables from collateral vehicles reinforced

Receivables from collateral vehicles reinforced represent receivables derived from motor vehicle collaterals owned by customers for settlement of their consumer financing receivables, which is presented as part of consumer financing receivables.

In case of default, the consumer gives the right to the Bank and Subsidiaries to sell the motor vehicle collaterals or take any other actions to settle the outstanding receivables.

Consumers are entitled to the positive differences between the proceeds from sales of foreclosed collaterals and the outstanding consumer financing receivables. If the differences are negative, the resulting losses are charged to the current year profit or loss.

Expenses in relation with the acquisition and maintenance of receivables from collateral vehicles reinforced are charged to the profit or loss accounts when incurred.

q. Accounting for finance leases

Leases are classified as finance leases if such leases transfer substantially all the risks and rewards related to the ownership of the leased assets. Leases are classified as operating leases if the leases do not transfer substantially all the risks and rewards related to ownership of the leased assets.

Assets held under finance lease are recognised in the consolidated statements of financial position at an amount equal to the net investment in the lease. Receipts from lease receivables are treated as repayments of principal and financing lease income. The recognition of finance lease income is based on a pattern reflecting a constant periodic rate of return on the Subsidiary's net investment as lessor in the finance lease.

r. Sharia transactions

Assets related to sharia transactions consist of *mudharabah* and *musyarakah* financing receivables, *ijarah* assets and receivables, and *murabahah* financing receivables.

Murabahah is a financing agreement to sell or purchase of goods, in which the selling price equals to the cost of goods plus a pre-agreed profit margin and the seller should disclose its cost to the buyer. *Murabahah* financing is stated at balance of receivables less deferred margin and allowance for impairment losses.

Ijarah is a lease agreement for goods and/or services, including the right to use, between the owner of a leased object (lessor) and lessee, to generate income from the leased object. *Ijarah muntahiyah bittamlik* is a lease agreement between lessor and lessee to obtain income from the leased object with an option to transfer the ownership title of leased object through purchase/sale or as a gift (*hibah*) at certain period as agreed in the lease agreement (*akad*). *Ijarah muntahiyah bittamlik* assets are stated at the acquisition costs less accumulated depreciation. *Ijarah* receivable is recognised at maturity date based on unearned lease income and presented at net realisable value, i.e. balance of the receivables less allowance for impairment losses.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**r. Sharia transactions** (continued)

Mudharabah is an investment of funds from the owner of fund (*malik*, *shahibul maal*, or sharia bank) to a fund manager (*amil*, *mudharib*, or customer) for a specific business activity, under a profit or revenue sharing agreement between the two parties at a pre-agreed ratio (*nisbah*). *Mudharabah* financing is stated at financing balance less allowance for impairment losses.

Musyarakah is an investment of funds from the owners of funds to combine their funds for a specific business activity, for which the profits are shared based on a pre-agreed *nisbah*, while losses are borne proportionally by the fund owners.

Permanent *musyarakah* is a *musyarakah* for which the amount of funds contributed by each party is fixed until the end of the agreement. Declining *musyarakah* (*musyarakah mutanaqisha*) is *musyarakah* with a condition that the amount contributed by a party will be declining from time to time as it is transferred to another party, such that at the end of the agreement, the other party will fully own the business. *Musyarakah* financing is stated at financing balance less allowance for impairment losses.

The Subsidiary determines the allowance for impairment losses of sharia financing receivables in accordance with the quality of each financing receivable by referring to the requirements of Financial Services Authority, except for *murabahah* financing receivables for which the identification and measurement of impairment losses follows SFAS No. 55.

s. Investment securities

Investment securities are initially recognised at fair value plus transaction costs that are directly attributable and incremental to the acquisition of those financial assets, and subsequently measured in accordance with their classifications, either held-to-maturity or available-for-sale.

s.1. Held-to-maturity

Subsequent to initial recognition, held-to-maturity investments are carried at amortised cost using the effective interest method. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturities would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following 2 (two) financial years.

s.2. Available-for-sale

After initial recognition, available-for-sale investments are carried at their fair values. Interest income is recognised in consolidated profit or loss using the effective interest method. Foreign exchange gains or losses on available-for-sale debt securities investments are recognised in the current year consolidated profit or loss.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Investment securities (continued)

s.2. Available-for-sale (continued)

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired, where the cumulative gains and losses previously recognised in other comprehensive income are recycled to the current year consolidated profit or loss based on a weighted average method.

Investments in sukuk measured at cost and measured at fair value through other comprehensive income

Investments in sukuk initially measured at cost and measured at fair value through other comprehensive income are recognised at acquisition cost, including the transaction costs.

• **Measured at cost**

Subsequent to initial recognition, the difference between acquisition cost and nominal value is amortised using straight-line method during the period of sukuk and recognised in consolidated profit or loss. If there is indication of impairment, the entity measures its recoverable amount. If the recoverable amount is less than the carrying amount, the Bank and Subsidiaries recognise the impairment losses.

Investment in sukuk is classified as measured at cost if:

- a. the investment is held within a business model whose objective is to collect contractual cash flows; and
- b. the contractual terms give rise on specified dates to payments of principal and/or the margin.

• **Measured at fair value through other comprehensive income**

Subsequent to initial recognition, the difference between acquisition cost and nominal value is amortised using straight-line method during the period of sukuk and recognised in consolidated profit or loss. Gains or losses from fair value changes are recognised in other comprehensive income after considering the difference between acquisition cost and unamortised nominal value and accumulated gains or losses of fair value that previously have been recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses, until the investment in sukuk is derecognised or reclassified. When the investment in sukuk is derecognised, accumulated gains or losses that have been recognised in other comprehensive income are reclassified to consolidated profit or loss as the reclassification adjustments. If there is an indication of impairment, the impairment losses recognised in consolidated profit or loss are the amount after considering the balance in other comprehensive income.

Investment in sukuk is classified as measured at fair value through other comprehensive income if:

- a. the investment is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the sukuk; and
- b. the contractual terms give rise on specified dates to payments of principal and/or the margin.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/25****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**t. Fixed assets**

Fixed assets are initially recognised at cost. Cost includes expenditures directly attributable to bring the assets for their intended use. Except for land, subsequent to initial measurement, all fixed assets are measured using cost model, which is cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

In 2016, the Bank changed its accounting policy related to subsequent measurement of land from cost model to revaluation model. The change of accounting policy is implemented prospectively.

Land is presented at fair value, based on valuation performed by external independent valuers which are registered with OJK. Valuation of land is carried out by appraisers who have professional qualifications. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of revalued assets does not differ materially from their fair values at the reporting date.

Increases arising on the revaluation are credited to "revaluation surplus of fixed assets" as part of other comprehensive income. Decreases that offset previous increases of the same asset are debited against "revaluation surplus of fixed assets" as part of other comprehensive income, all other decreases are charged to the consolidated statement of profit or loss. At each reporting period, the difference between depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from "revaluation surplus of fixed assets" to retained earnings".

Costs relating to the acquisition of legal titles on the land rights are recognised as part of acquisition cost of land and not amortised, except there is evidence which indicates that the extension or renewal of land rights is probable or certainly not be obtained. The costs of extension or renewal of legal titles on the land rights are charged to consolidated profit or loss as incurred because the amount is not significant.

Buildings are depreciated using the straight-line method over their estimated useful lives of 20 (twenty) years. Except for land which is not depreciated, other fixed assets are depreciated over their estimated useful lives ranging from 2 (two) to 8 (eight) years using the double-declining balance method for the Bank and PT BCA Finance, and straight-line method for other Subsidiaries. The effect of such different depreciation method is not material to the consolidated financial statements. For all fixed assets, the Bank and Subsidiaries have determined residual values to be "nil" for the calculation of depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and Subsidiaries and the cost of the item can be measured reliably. The carrying amount of replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/26****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**t. Fixed assets (continued)**

Buildings under construction are stated at cost. The accumulated costs will be transferred to the buildings account when construction is completed and the buildings are ready for their intended use.

When assets are disposed, their acquisition cost and the related accumulated depreciation are eliminated from the consolidated statements of financial position, and the resulting gain or loss on the disposal of fixed assets is recognised in the current year consolidated profit or loss. When revalued assets are sold, the amounts included in equity are transferred to retained earnings.

At each reporting date, residual value, useful life and depreciation method are reviewed, and if required, will be adjusted and applied in accordance with the requirement of prevailing SFAS.

When the carrying amount of fixed assets is greater than its estimated recoverable amount, it is written down to its recoverable amount and the impairment loss is recognised in the current year consolidated profit or loss.

u. Foreclosed assets

Foreclosed assets acquired in conjunction with settlement of loans are initially recorded at the lower of carrying value of the related loans or net realisable value of the repossessed assets. Net realisable value is the fair value of the repossessed assets after deducting the estimated cost of disposal.

Subsequent to initial recognition, foreclosed assets are recorded at carrying amount or at fair value less cost to sell, whichever is lower. The excess between the carrying value and fair value less cost to sell is recognised as impairment losses and charged to the current year consolidated profit or loss.

Foreclosed assets are not depreciated and expenses in relation with the acquisition and maintenance of those assets are charged as incurred.

The difference between the carrying value and the proceeds from the sale of foreclosed assets is recognised as gain or loss at the time of sale, and recognised as other operating income or expense in the current year consolidated profit or loss.

Foreclosed assets are presented under "Other assets" in the consolidated statement of financial position.

v. Identification and measurement of impairment losses of assets**v.1. Financial assets**

At each reporting date, the Bank and Subsidiaries assess whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/27****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**v. Identification and measurement of impairment losses of assets (continued)****v.1. Financial assets (continued)**

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan by the Bank and Subsidiaries on terms that the Bank and Subsidiaries would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security due to financial difficulties or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Bank and Subsidiaries consider evidence of impairment for financial assets at both individual and collective level. All individually significant financial assets are assessed for specific impairment.

All individually significant financial assets not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping together such financial assets with similar risk characteristics. Financial assets that are individually assessed for impairment and for which an impairment loss is recognised are no longer included in a collective assessment of impairment.

In assessing collective impairment, the Bank and Subsidiaries use statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by statistical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on financial assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the financial assets original effective interest rate. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral. Losses are recognised in the current year consolidated profit or loss and reflected in an allowance account against financial assets in the consolidated statements of financial position. Interest on the impaired financial asset continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the current year consolidated profit or loss.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/28****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**v. Identification and measurement of impairment losses of assets (continued)****v.1. Financial assets (continued)**

Impairment losses on available-for-sale marketable securities are recognised by transferring the cumulative loss that has been recognised directly in other comprehensive income to consolidated profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in consolidated profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed with the amount of reversal recognised in the current year consolidated profit or loss.

If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms.

v.2. Non-financial assets

The carrying amounts of the Bank and Subsidiaries' non-financial assets are reassessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, non-financial assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash generating units ("CGU").

The recoverable amount of an asset or CGU is the greater of its fair value and its value in use less costs to sell. Value in use is calculated based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of a non-financial asset or CGU exceeds its recoverable amount.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/29****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**v. Identification and measurement of impairment losses of assets (continued)****v.2. Non-financial assets (continued)**

Impairment losses recognised in prior periods are tested at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed.

w. Intangible assets

Intangible assets consist of software and goodwill.

Software

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as software. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Amortisation is recognised in consolidated statement of profit or loss using a double-declining balance method over the estimated useful economic life of 4 (four) years.

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition. Goodwill is tested at each reporting date for impairment and carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each cash-generating unit (CGU), or group of CGUs, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Deposits from customers and other banks

Deposits from customers and deposits from other banks are initially measured at fair value minus directly attributable transaction costs and subsequently measured at their amortised costs using the effective interest method.

y. Sharia and temporary *syirkah* deposits

Sharia deposits are deposits from third parties in form of *wadiah* demand deposits and *wadiah* savings and *Sertifikat Investasi Mudharabah Antarbank* ("SIMA"). *Wadiah* demand deposits can be used as payment instrument, and can be withdrawn using cheque and payment slip. *Wadiah* demand deposits and *wadiah* savings are entitled to receive bonus in accordance with Subsidiary's policy. *Wadiah* demand deposits and *wadiah* savings are stated at the liabilities of the Subsidiary.

Temporary *syirkah* deposit is an investment with *mudharabah mutlaqah* agreement, where the owner of funds (*shahibul maal*) gives flexibility to fund manager (*mudharib*/Subsidiary) in managing the investment with the purpose that the returns are to be shared based on a pre-agreed basis. Temporary *syirkah* deposits consist of *mudharabah* saving deposit and *mudharabah* time deposits. These funds obtained by Subsidiary which has the right to manage and invest fund, according to Subsidiary's policy or limitation from fund holders, whereby gains are to be shared based on the agreement. In case that the decrease of temporary *syirkah* deposits was caused by normal losses, and not caused by willful default, negligence or breach of the agreement, the Subsidiary has no obligation to return or cover the fund losses or deficit.

Mudharabah saving deposits are deposits from third parties which are entitled to receive sharing revenue from Subsidiary for the utilisation of the funds with a pre-agreed and approved *nisbah*. *Mudharabah* saving deposits are stated at the liabilities to customers.

Mudharabah time deposits are deposits from third parties which can only be withdrawn at a specific time based on the agreement between holder of *mudharabah* time deposits and the Subsidiary. *Mudharabah* time deposits are stated at nominal amount based on the agreement between holder of *mudharabah* time deposits and the Subsidiary.

Temporary *syirkah* deposits can not be classified as liability. When the Subsidiary incurs losses, the Subsidiary does not possess any liability to return the initial fund amount from the fund owners except from negligence and default of the Subsidiary. Temporary *syirkah* deposits can not be classified as equity because it has maturity date and owners and it does not possess any ownership rights equal to shareholders as voting rights and rights of gain realisation from current assets and non-investment assets.

Temporary *syirkah* deposits is one of the elements of consolidated financial statements, it in accordance with sharia principle which give rights to Subsidiary to manage the fund, including blending the funds with other funds.

Owners of temporary *syirkah* deposits obtain part of gain as agreed and incur losses based on the amount from each parties. Revenue sharing of temporary *syirkah* deposits can be done by revenue sharing concept or profit sharing concept.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/31****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**z. Debt securities issued**

Debt securities issued by Subsidiary which consists of medium-term notes payable and bonds payable, are classified as other financial liabilities measured at amortised cost. Issuance costs in connection with the issuance of debt securities are recognised as discounts and directly deducted from the proceeds of debt securities issued and amortised over the period of debt securities using the effective interest method.

aa. Provision

A provision is recognised if, as a result of a past event, the Bank and Subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are determined by discounting the estimated future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

ab. Earning per share

Basic earnings per share is computed based on net income for the current year attributable to equity holders of the parent entity divided by the weighted average number of outstanding issued and fully paid-up common shares during the year after considering the treasury stocks.

As of 31 December 2017 and 2016, there were no instruments which could potentially result in the issuance of common shares. Therefore, diluted earnings per share is equivalent to basic earnings per share.

ac. Treasury stocks

The Bank uses cost method in recording the treasury stocks. Treasury stocks are recorded at reacquisition cost and presented as a deduction of equity in the consolidated statement of financial position.

When treasury stocks are sold, the Bank recorded the difference between reacquisition price and selling price of treasury stocks as additional paid-in capital from treasury stock transaction which is part of additional paid-in capital.

ad. Interest and sharia income and expenses

Interest income and expenses are recognised in consolidated profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank and Subsidiaries estimate future cash flows by considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes transaction costs (see Note 2i.2) and all fees and points paid or received that are an integral part of the effective interest rate.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Interest and sharia income and expenses (continued)

Interest income and expenses presented in the consolidated statements of profit or loss and other comprehensive income include:

- interest on financial assets and liabilities at amortised cost calculated using the effective interest method; and
- interest on available-for-sale investment securities calculated using the effective interest method.

Interest income on all trading financial assets are considered to be incidental to the Bank's trading operations and are presented as part of net trading income.

Interest income on the impaired financial assets continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment losses.

Sharia revenue consists of *murabahah* profit, *ijarah* revenue (leases), and profit sharing from *mudharabah* and *musyarakah* financing.

Recognition of *murabahah* transaction profit with deferred payment or installments is carried out during the contractual period in accordance with effective (annuity) method.

Ijarah revenue is recognised proportionally during the contractual period.

Musyarakah revenue sharing which is entitled to passive partner is recognised during the period in which the revenue occurs according to agreed *nisbah*.

Mudharabah revenue sharing is recognised during the period in which revenue sharing in accordance to agreed *nisbah* occurs, and not allowed to recognise revenue from projected business result.

Sharia expenses consist of *mudharabah* expense and *wadiah* bonus expense. Sharia expenses consist of expense for profit distribution on third party funds which are calculated using profit distribution principle in accordance with agreed sharing ratio (*nisbah*) based on *wadiah*, *mudharabah mutlaqah* and *mudharabah muqayyadah* principles.

ae. Fees and commission income and expenses

Significant fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income and expenses, including export import related fees, cash management fees, service fees and/or related to a specific period and the amount is significant, are recognised as unearned income/prepaid expenses and amortised based on the straight-line method over the terms of the related transactions; otherwise, they are directly recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line method over the commitment period.

Other fees and commission expenses which are mainly related to inter-bank transaction fees are expensed as the services are received.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/33****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**af. Net trading income**

Net trading income comprises of net gains or losses related to financial assets and liabilities held for trading, and includes interest income and expenses from all financial instruments held for trading and all realised and unrealised fair value changes and foreign exchange differences.

ag. Obligation for post-employment benefits**ag.1. Pension obligation**

Group companies operate various pension schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the consolidated statements of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statements of profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to pension plans on a mandatory, contractual or voluntary basis. However, since Labour Law No. 13 of 2003 requires an entity to pay to a worker entering into pension age a certain amount based on, the worker's length of service, the Group is exposed to the possibility of having to make further payments to reach that certain amount in particular when the cumulative contributions are less than that amount. Consequently for financial reporting purposes, defined contribution plans are effectively treated as if they were defined benefit plans.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/34****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**ag. Obligation for post-employment benefits (continued)****ag.2. Other post-employment obligations**

Bank provide post-retirement healthcare benefits to their employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using projected unit credit method. These obligations are valued annually by independent qualified actuaries.

ag.3. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the Group recognises costs for a restructuring that is within the scope of SFAS 57 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

ah. Current and deferred income tax

Income tax expense comprises of current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in annual tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences which arise from the difference between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/35****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**ah. Current and deferred income tax (continued)**

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ai. Operating segment

An operating segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the entity's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise of head office expenses, fixed assets, income tax assets/liabilities, including current and deferred taxes.

The Bank and Subsidiaries manage their businesses and identify reporting segment based on geographic region and product. Several regions have similar characteristics, have been aggregated and evaluated regularly by management. Gain/loss from each segment is used to assess the performance of each segment.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/36****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**aj. Related parties transaction**

Group has transactions with related parties. In accordance with SFAS 7 (Revised 2015) - Related Party Disclosure, the meaning of a related party is a person or entity that is related to a reporting entity as follow:

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is member of the key management personel of the reporting entity or a parent of the reporting entity;
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a company of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - vi. the entity controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personel of the entity (or of a parent of the entity).

The nature of transactions and balances of accounts with related parties are disclosed in the Note 41.

3. FINANCIAL RISK MANAGEMENT**a. Risk management framework**

The Bank recognises that in operating its business, there are inherent risks in its financial instruments, i.e. credit risk, liquidity risk, market risk which consists of foreign exchange risk and interest rate risk, operational risk, and other risk.

In order to control those risks, the Bank implemented an integrated Risk Management Framework which is stated in its Basic Policy of Risk Management. This framework is used as a tool for determining the strategies, organisation, policies and guidances as well as the Bank's infrastructures to ensure that all risks faced by the Bank can be properly identified, measured, controlled and reported.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/37****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**a. Risk management framework (continued)**

To implement an effective risk management, the Bank has established a Risk Management Committee whose functions are to address overall risk issues faced by the Bank and recommend risk management policies to the Board of Directors.

In addition to the above-mentioned committee, the Bank also has other committees which are responsible to handle specific risks, such as: Credit Policy Committee, Credit Committee and Asset and Liability Committee ("ALCO").

The Bank always conducts a thorough risk assessment on management plan to release new products or activities in accordance with the type of risks regulated by the prevailing Bank Indonesia Regulations ("PBI"), Financial Services Authority Regulation ("POJK") and other prevailing regulations.

b. Assets and liabilities risk management

ALCO is responsible for evaluating, recommending and establishing the Bank's funding and investing strategies. Included in the scope of ALCO activities are managing liquidity risk, interest rate risk and foreign exchange risk; minimising funding cost and at the same time maintaining liquidity; and optimising the Bank's interest income by allocating the funds to productive assets in a prudent manner.

ALCO is led by the President Director (concurrently as a member of ALCO), with other members consisting of 9 (nine) directors, Executive Vice President which supervise Treasury and International Banking Division, Executive Vice President which supervise Corporate Banking Group, Head of International Banking Division, Head of Treasury Division, Head of Finance and Planning Division, Head of Corporate Banking and Corporate Finance Group, Head of Commercials and SME Division, Head of Transaction Banking Product Development Division, Head of Business Development & Transaction Banking Marketing Division, Head of Transaction Banking Cooperation Solution Development Division, Head of Consumer Credit Business Unit and Head of Risk Management Unit.

The Bank's asset and liability management process begins with an assessment of economic parameters affecting the Bank, which primarily consist of inflation rate, market liquidity, yield curve, US Dollar-Rupiah exchange rate, and other macro economic factors. Liquidity risks, foreign currency exchange risks and interest rate risks are reviewed by the Risk Management Unit and reported to ALCO. ALCO then decides the pricing strategy for the interest rates on deposits and loans based on the conditions and competition in the market.

c. Credit risk management

The credit organisation is continuously being improved with an emphasis on the four eyes principle, in which the credit decision is determined with the considerations of 2 (two) functions, i.e. business development function and credit risk analysis function.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/38****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**c. Credit risk management (continued)**

The Bank has Basic Policy of Bank's Credit which are continuously being improved, in line with the Bank's development, PBI, POJK and in accordance with International Best Practices.

The improvement on procedures and credit risk management system are conducted through the development of "Loan Origination System" which is a policy that regulates the workflow on loan origination process (end-to-end) in order to achieve an effective and efficient credit process. Risk profile measurement system is continuously being developed to determine the risk of debtor completely and correctly. The credit database development process is also continuously being conducted and improved.

The Credit Policy Committee is responsible for formulating credit policies, especially those that relate to prudence principles in credit, monitoring and evaluating the implementation of credit policies so that it can be applied consistently and in accordance with credit policy, and give advice and corrective actions to resolve problems in the implementation.

The Credit Committee was established to assist Board of Directors in evaluating and/or providing credit decisions in accordance with their level of authorisation through the Credit Committee Meeting or Directors' Circular Letter. The main functions of Credit Committee are as follows:

- providing further guidance if a thorough and comprehensive credit analysis is needed;
- making a decision or giving a recommendation on a credit proposal for big debtors and specific industries; and
- coordinating with ALCO, especially when it relates with sources of funding for credits.

The Bank has developed a debtor's risk rating system, which is known as the Internal Credit Risk Rating/Scoring System. The Internal Credit Risk Rating/Scoring System consists of 11 (eleven) categories of risk rating, from RR1 to RR10, and the worst is Loss. Debtor's risk rating provides an authorised officer with a valuable input for a better and more appropriate credit decision.

To maintain the credit quality, monitoring over credit quality is performed regularly on each credit category (Corporate, Commercial, Small & Medium Enterprise ("SME"), Consumer and Credit Card) as well as to overall credit portfolio.

The Bank developed a credit risk management tools through credit portfolio stress testing analysis and monitoring the results of such stress testing. Stress testing is used by the Bank as a tool to estimate the impact of stressful condition in order to enable the Bank creating appropriate strategies to mitigate the risks as part of its contingency plan implementation.

In order to monitor and control credit risk of the Subsidiaries, the Bank monitors the Subsidiaries' credit risk regularly, to ensure that the Subsidiaries have a good and effective Credit Risk Management Policy.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

i. Maximum exposure to credit risk

For financial assets recognised in the consolidated statements of financial position, the maximum exposure to credit risk generally equals their carrying amount. For guarantees and irrevocable Letters of Credit issued, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the guarantees and irrevocable Letters of Credit issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the unused committed loan facilities granted to customers.

The following table presents maximum exposure to credit risk of financial instruments in the consolidated statements of financial position (on-balance sheet) and off-balance sheet accounts.

	<u>2017</u>	<u>2016</u>
Consolidated financial position :		
Current accounts with Bank Indonesia	43,472,752	40,596,730
Current accounts with other banks	9,093,572	12,466,153
Placements with Bank Indonesia and other banks	18,969,682	35,363,890
Financial assets held for trading	6,015,302	5,127,264
Acceptance receivables	9,899,426	7,167,392
Bills receivable	6,614,355	3,826,144
Securities purchased under agreements to resell	9,258,767	2,547,098
Loans receivable	454,264,956	403,391,221
Consumer financing receivables	8,506,983	8,207,469
Investment in finance leases	181,427	161,978
Investment securities	131,091,163	108,709,161
	<u>697,368,385</u>	<u>627,564,500</u>
Consolidated administrative account :		
Unused credit facilities to customers - committed	136,811,259	118,834,625
Unused credit facilities to other banks - committed	2,685,604	1,285,435
Irrevocable Letters of Credit issued	7,753,880	5,778,889
Bank guarantees issued to customers	13,814,478	11,345,249
	<u>161,065,221</u>	<u>137,244,198</u>
	<u>858,433,606</u>	<u>764,808,698</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis

The following table presents individually impaired financial assets, financial assets that are not individually significant and collectively assessed for impairment, past due but not impaired financial assets and neither past due nor impaired financial assets.

	2017									
	Individually impaired	Past due but not impaired			Neither past due nor impaired			Other financial assets	Not individually significant and collectively assessed for impairment	Total
		Acceptance receivables, bills receivable and loans receivable								
		1 - 30 days	31 - 60 days	61 - 90 days	High grade	Standard grade	Low grade			
Loans and receivables :										
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	43,472,752	-	43,472,752
Current accounts with other banks	-	-	-	-	-	-	-	9,093,572	-	9,093,572
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	14,933,161	-	14,933,161
Acceptance receivables - net	298	-	-	-	4,577,904	4,923,996	90,500	-	306,728	9,899,426
Bills receivable - net	-	-	-	-	2,177,506	751,327	435	-	3,685,087	6,614,355
Securities purchased under agreements to resell - net	-	-	-	-	-	-	-	9,258,767	-	9,258,767
Loans receivable - net	1,291,086	258,331	62,619	87,699	193,348,470	52,040,043	1,351,403	-	205,825,305	454,264,956
Consumer financing receivables - net	-	-	-	-	-	-	-	-	8,506,983	8,506,983
Investment in finance leases - net	-	-	-	-	-	-	-	-	181,427	181,427
	1,291,384	258,331	62,619	87,699	200,103,880	57,715,366	1,442,338	76,758,252	218,505,530	556,225,399
Measured at fair value through profit or loss:										
Financial assets held-for trading	-	-	-	-	-	-	-	6,015,302	-	6,015,302
	-	-	-	-	-	-	-	6,015,302	-	6,015,302
Available-for-sale:										
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	4,036,521	-	4,036,521
Investment securities - net	76,507	-	-	-	-	-	-	107,229,267	-	107,305,774
	76,507	-	-	-	-	-	-	111,265,788	-	111,342,295
Held-to-maturity:										
Investment securities - net	-	-	-	-	-	-	-	23,785,389	-	23,785,389
	-	-	-	-	-	-	-	23,785,389	-	23,785,389
	1,367,891	258,331	62,619	87,699	200,103,880	57,715,366	1,442,338	217,824,731	218,505,530	697,368,385

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis (continued)

The following table presents individually impaired financial assets, financial assets that are not individually significant and collectively assessed for impairment, past due but not impaired financial assets and neither past due nor impaired financial assets.

	2016									
	Individually impaired	Past due but not impaired			Neither past due nor impaired			Other financial assets	Not individually significant and collectively assessed for impairment	Total
		Acceptance receivables, bills receivable and loans receivable								
		1 - 30 days	31 - 60 days	61 - 90 days	High grade	Standard grade	Low grade			
Loans and receivables :										
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	40,596,730	-	40,596,730
Current accounts with other banks	-	-	-	-	-	-	-	12,466,153	-	12,466,153
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	31,578,716	-	31,578,716
Acceptance receivables - net	-	-	-	-	4,042,318	2,951,592	18,273	-	155,209	7,167,392
Bills receivable - net	-	-	-	-	740,612	426,412	-	-	2,659,120	3,826,144
Securities purchased under agreements to resell - net	-	-	-	-	-	-	-	2,547,098	-	2,547,098
Loans receivable - net	626,286	190,339	56,120	157,217	179,824,096	45,325,207	908,496	-	176,303,460	403,391,221
Consumer financing receivables - net	-	-	-	-	-	-	-	-	8,207,469	8,207,469
Investment in finance leases - net	-	-	-	-	-	-	-	-	161,978	161,978
	626,286	190,339	56,120	157,217	184,607,026	48,703,211	926,769	87,188,697	187,487,236	509,942,901
Measured at fair value through profit or loss:										
Financial assets held-for trading	-	-	-	-	-	-	-	5,127,264	-	5,127,264
	-	-	-	-	-	-	-	5,127,264	-	5,127,264
Available-for-sale:										
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	3,785,174	-	3,785,174
Investment securities - net	-	-	-	-	-	-	-	81,754,728	-	81,754,728
	-	-	-	-	-	-	-	85,539,902	-	85,539,902
Held-to-maturity:										
Investment securities - net	-	-	-	-	-	-	-	26,954,433	-	26,954,433
	-	-	-	-	-	-	-	26,954,433	-	26,954,433
	626,286	190,339	56,120	157,217	184,607,026	48,703,211	926,769	204,810,296	187,487,236	627,564,500

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/43****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**c. Credit risk management (continued)****iii. Credit risk analysis (continued)****Individually impaired financial assets**

Individually impaired financial assets are financial assets that are individually significant and there is objective evidence that impairment loss has incurred after initial recognition of the financial assets.

Based on the Bank's internal policy, loans that are determined to be individually significant are loans to corporate and commercial debtors.

Financial assets that are not individually significant and assessed for collective impairment

Financial assets that are not individually significant consist of loans and receivables of the Bank and Subsidiaries to retail debtors, i.e. Small & Medium Enterprise ("SME") debtors, consumer financing receivables (including joint financing) debtors, mortgage and its housing renovation loans, vehicle loans and credit card receivables.

The Bank and Subsidiaries determined that impairment losses of financial assets that are not individually significant are assessed collectively, by grouping those financial assets based on similar risk characteristics.

The carrying value of financial assets that are not individually significant and have been assessed for collective impairment, which have been past due for more than 90 (ninety) days as of 31 December 2017 and 2016 amounting to Rp 932,443 and Rp 739,403, respectively.

Past due but not impaired financial assets

Past due but not impaired financial assets are financial assets from corporate and commercial segment, for which contractual interest or principal payments are past due, but the Bank and Subsidiaries believes that individual impairment has not occurred on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Bank and Subsidiaries.

Neither past due nor impaired financial assets

Included in neither past due nor impaired financial assets are financial assets which are not impaired individually and have been grouped based on similar risk characteristics for the purpose of assessing its collective impairment for the incurred but not yet reported losses ("IBNR").

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/44****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**c. Credit risk management (continued)****iii. Credit risk analysis (continued)****Neither past due nor impaired financial assets (continued)**

Based on its quality, neither past due nor impaired loans receivable, acceptance receivables, and bills receivable are classified into 3 categories, i.e. high grade, standard grade and low grade, in accordance with the Bank's internal estimate of each debtor's probability of default or certain portfolios that have been assessed against a range of qualitative and quantitative factors.

Loans receivable, acceptance receivables and bills receivable with risk rating of RR1 to RR7 are included in high grade category. Included in high grade category are loans to debtors which have strong capacity to repay all of its obligations in a timely manner, supported by strong fundamental factors and are not easily affected by unfavourable economic conditions.

Loans receivable, acceptance receivables and bills receivable with risk rating of RR8 to RR9 are included in standard grade category. Included in standard grade category are loans to debtors which considered to have sufficient capacity to repay its contractual interest and principal, but quite sensitive to unfavourable changes of economic conditions.

Loans receivable, acceptance receivables and bills receivable with risk rating RR10 and Loss are included in low grade category. Included in low grade category are loans to debtors with volatile repayment capacity, have poor fundamental factors and are easily affected by unfavourable economic conditions.

iv. Collateral

Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types that can be accepted by the Bank. The Bank differentiates collateral types based on its liquidity and existence into solid collaterals and non-solid collaterals. Solid collaterals are collaterals which have relatively high liquidity value and/or the existence is permanent (is not easily moved) i.e., cash collaterals and land/building, and therefore, the collaterals can be repossessed or taken over by the Bank when the loan to debtor/group debtor becomes non-performing. Non-solid collaterals are collaterals which have relatively low liquidity value and/or the existence is temporary (easily moveable) i.e., vehicles, machineries, inventories, receivables, etc. As of 31 December 2017 and 2016, the Bank held collaterals against loans receivables in the form of cash, properties (land/building), motor vehicles, guarantees, machineries, inventories, debt securities, etc.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iv. Collateral (continued)

The Bank's policy in connection with collateral as mitigation of credit risk depends on the credit category or facilities provided. For SME loans, all loans should be supported with collateral (collateral basis) whereby at least 50% (fifty percent) of it are solid collaterals. For corporate and commercial loans, the collateral values are determined based on the individual debtor credit worthiness. The collateral value is determined based on the appraisal value at the time of loan approval and periodically reviewed.

For mortgage facility ("KPR"), the Bank requires that all facilities should be supported by collaterals. The Bank applied the Loan-to-Value ("LTV") regulation gradually, starting from the first mortgage facility and so forth, in accordance with the rules imposed by the regulator. Value of the collateral for KPR is calculated based on the collateral value when credit is granted and renewed every 30 (thirty) months. For auto loan facility ("KKB"), the Bank requires that all facilities should be supported by collateral vehicles. The Bank applied the down payment rule, in accordance with the regulation imposed by the regulator.

Subsidiaries' consumer financing receivables are secured by the related certificates of ownership ("BPKB") of the vehicles being financed.

For foreign exchange transactions, either spot or forward, the Bank requires cash collaterals which is set at a certain percentage of facility provided. If the debtor has other credit facilities in the Bank, the debtor may use the collateral that has been given previously to be crossed with each other. The policy on percentage of the required collateral will be reviewed periodically, in line with the fluctuation and volatility of Rupiah currency to foreign currency exchange rate.

Details of financial and non-financial assets obtained by the Bank during the year by taking possession of collaterals held as security against financial assets as of 31 December 2017 and 2016, presented in other assets at the lower of carrying amount and net realisable value, were as follows:

	<u>2017</u>	<u>2016</u>
Land	19,388	80,471
Building	216,848	135,335
Other commercial properties	665	5,085
Financial assets and other assets	<u>2,703</u>	<u>2,703</u>
Fair value	<u>239,604</u>	<u>223,594</u>

The Bank generally does not use non-cash collateral for its own operations. The Bank's policy is to realise collaterals which are repossessed as part of the settlement of credit.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

v. Financial assets held for trading

As of 31 December 2017 and 2016, the Bank and Subsidiaries had financial assets held for trading at the fair value amounting to Rp 6,015,302 and Rp 5,127,264, respectively (see Note 9). Information on credit quality of the maximum exposure to credit risk of financial assets held for trading was as follows:

	<u>2017</u>	<u>2016</u>
Government securities :		
Investment grade	5,837,217	4,588,175
Derivative assets :		
Other banks as counterparties	95,775	18,344
Corporates as counterparties	28,600	41,874
Others	53,710	478,871
Fair value	<u>6,015,302</u>	<u>5,127,264</u>

vi. Investment securities

As of 31 December 2017 and 2016, the Bank and Subsidiaries had investment securities at the carrying value amounting to Rp 131,091,163 and Rp 108,709,161, respectively (see Note 14). Information on credit quality of the maximum exposure to credit risk of investment securities was as follows:

	<u>2017</u>	<u>2016</u>
Government securities :		
Investment grade	106,832,842	86,578,735
Corporate securities :		
Investment grade	13,109,456	11,626,415
Non-investment grade	27,311	126,116
Others	11,121,554	10,377,895
Carrying amount	<u>131,091,163</u>	<u>108,709,161</u>

d. Liquidity risk management

The Bank emphasises the importance of maintaining adequate liquidity to meet its commitments to its customers and other parties, whether in loans disbursement, repayment of customers' deposits or to meet operational liquidity requirements. The management of overall liquidity needs is overseen by ALCO, and operationally by the Treasury Division.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity risk management (continued)

The Bank monitors its liquidity by maintaining sufficient liquid assets to repay the customers' deposits, and ensuring that total assets mature in each period is sufficient to cover total matured liabilities.

The Bank's liquid assets mainly consist of placements with Bank Indonesia and other banks, including current accounts with Bank Indonesia and other banks, and cash. If the Bank needs liquidity, the Bank can immediately drawdown excess reserve funds over its minimum statutory reserve in the current accounts with Bank Indonesia (*Giro Wajib Minimum* or "GWM"), sell the Certificates of Bank Indonesia ("SBI")/State Debentures ("SUN")/other government securities or sell SBI/SUN/other government securities under repurchase agreements, early redemption of BI term deposits or seek for borrowings from interbank money market in Indonesia. The Bank's primary reserve consists of the minimum statutory reserve and cash held at branches.

In order to reduce risk of dependency to single funding, the Subsidiaries have diversified its funding resources. Besides capital and collection from customers, the Subsidiaries generate funding resources from bank loans and capital market, through bonds and medium-term notes issuance.

The following table presents the contractual undiscounted cash flows of financial liabilities and administrative accounts of the Bank and Subsidiaries based on remaining period to contractual maturity as of 31 December 2017 and 2016:

	2017					
	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 - 3 months	> 3 months - 1 year	> 1 - 5 years
Non-derivative financial liabilities						
Deposits from customers	(581,115,442)	(581,398,945)	(546,395,727)	(28,572,508)	(6,430,710)	-
Deposits from other banks	(5,758,414)	(5,758,476)	(5,721,876)	(36,500)	(100)	-
Acceptance payables	(5,800,477)	(5,800,477)	(2,108,238)	(2,435,249)	(1,074,989)	(182,001)
Securities sold under agreements to repurchase	(96,225)	(96,370)	(96,370)	-	-	-
Debt securities issued	(610,499)	(652,058)	-	(436,589)	(15,281)	(200,188)
Borrowings	(3,040,602)	(3,045,169)	(5,536)	(417,075)	(2,219,180)	(403,378)
	(596,421,659)	(596,751,495)	(554,327,747)	(31,897,921)	(9,740,260)	(785,567)
Derivative financial liabilities						
Financial liabilities held for trading :	(53,843)	-	-	-	-	-
Outflow	-	(19,426,156)	(8,133,244)	(7,209,706)	(4,083,206)	-
Inflow	-	19,460,553	8,120,754	7,212,039	4,127,760	-
	(53,843)	34,397	(12,490)	2,333	44,554	-
Administrative accounts						
Unused credit facilities to customers - committed	-	(136,811,259)	(136,811,259)	-	-	-
Unused credit facilities to other banks - committed	-	(2,685,604)	(2,685,604)	-	-	-
Irrevocable Letters of Credit issued	-	(7,753,880)	(3,079,498)	(3,759,110)	(765,897)	(149,375)
Bank guarantees issued to customers	-	(13,814,478)	(1,860,603)	(2,675,290)	(7,686,535)	(1,592,050)
	-	(161,065,221)	(144,436,964)	(6,434,400)	(8,452,432)	(1,741,425)
	(596,475,502)	(757,782,319)	(698,777,201)	(38,329,988)	(18,148,138)	(2,526,992)

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity risk management (continued)

	2016					
	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 - 3 months	> 3 months - 1 year	> 1 - 5 years
Non-derivative financial liabilities						
Deposits from customers	(530,133,625)	(530,373,099)	(507,430,361)	(18,494,889)	(4,447,849)	-
Deposits from other banks	(4,900,942)	(4,901,016)	(4,864,416)	(36,500)	(100)	-
Acceptance payables	(4,187,148)	(4,187,148)	(1,482,051)	(1,906,308)	(776,637)	(22,152)
Securities sold under agreements to repurchase	(134,748)	(134,927)	(134,927)	-	-	-
Debt securities issued	(2,332,171)	(2,496,946)	-	(576,628)	(1,268,261)	(652,057)
Borrowings	(2,788,552)	(2,793,552)	(5,933)	(896,679)	(1,501,074)	(389,866)
	(544,477,186)	(544,886,688)	(513,917,688)	(21,911,004)	(7,993,921)	(1,064,075)
Derivative financial liabilities						
Financial liabilities held for trading :	(122,130)	-	-	-	-	-
Outflow	-	(18,227,791)	(5,735,522)	(11,163,049)	(1,329,220)	-
Inflow	-	18,251,409	5,696,328	11,196,899	1,358,182	-
	(122,130)	23,618	(39,194)	33,850	28,962	-
Administrative accounts						
Unused credit facilities to customers - committed	-	(118,834,625)	(118,834,625)	-	-	-
Unused credit facilities to other banks - committed	-	(1,285,435)	(1,285,435)	-	-	-
Irrevocable Letters of Credit issued	-	(5,778,889)	(1,942,828)	(3,218,372)	(600,481)	(17,208)
Bank guarantees issued to customers	-	(11,345,249)	(1,324,736)	(2,138,275)	(6,506,647)	(1,375,591)
	-	(137,244,198)	(123,387,624)	(5,356,647)	(7,107,128)	(1,392,799)
	(544,599,316)	(682,107,268)	(637,344,506)	(27,233,801)	(15,072,087)	(2,456,874)

The above tables were prepared based on remaining contractual maturities of the financial liabilities and irrevocable Letters of Credit facility, while for issued guarantee contracts and unused committed credit facility were based on the their earliest possible contractual maturity. The Bank's and Subsidiaries' expected cash flows from these instruments vary significantly from the above analysis. For example, current accounts and saving accounts are expected to have a stable or increasing balance, or unused committed credit facility to customers/other banks are not all expected to be drawn down immediately.

The nominal inflow/(outflow) disclosed in the above table represents the contractual undiscounted cash flows relating to the principal and interest on the financial liabilities or commitments. The disclosure for derivatives show a gross inflow and outflow amount for derivatives that have simultaneous gross settlement (e.g., foreign currency forward).

Analysis on the maturity gap profile of financial assets and liabilities based on remaining contractual maturities as of 31 December 2017 and 2016 is disclosed in Note 37.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management

i. Foreign exchange risk

The Bank conducts foreign currency trading in accordance with its internal policies and regulations from Bank Indonesia regarding Net Open Position (“NOP”). In managing its foreign exchange risk, the Bank centralises the management of its NOP at the Treasury Division, which consolidates daily NOP reports from all branches. In general, each branch is required to square its foreign exchange risk at the end of each business day, although there is a NOP tolerance limit set for each branch depending on the volume of its foreign exchange activity. The Bank prepares its daily NOP report which combines the NOP from consolidated statements of financial position and from administrative accounts (off-balance sheet accounts).

The Bank’s revenue from foreign currency trading is mainly obtained from customer-related transactions and sometimes the Bank has NOP in certain amount to fulfill the customer’s needs, in accordance with the Bank’s internal guidelines. Trading for profit-taking purposes (proprietary trading) can only be performed for limited foreign currencies with small limits.

The Bank’s foreign currency liabilities mainly consist of deposits and borrowings denominated in US Dollar. To comply with the NOP regulations, the Bank maintains its assets which consist of placements with other banks and loans receivable in USD.

For internal reporting purposes, the Bank measures its foreign exchange risk by using Value at Risk (“VaR”) method which is based on Historical Simulation approach, while for the Minimum Capital Adequacy Ratio purposes, the Bank uses the OJK’s standard method.

Bank’s sensitivity towards foreign currency is taken into account by using Net Open Position information translated to major foreign currency of the Bank, which is USD. The table below summarise the Bank’s profit before tax sensitivity on changes of foreign exchange rate as of 31 December 2017 and 2016:

	Impact on profit before tax	
	+5%	-5%
31 December 2017	(31,383)	31,383
31 December 2016	(6,656)	6,656

Information about Bank’s NOP as of 31 December 2017 and 2016 was disclosed in Note 38.

The Subsidiary had borrowings in foreign currencies as of 31 December 2017 and 2016. The Subsidiary entered into derivative contracts to manage its foreign exchange risk.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**e. Market risk management** (continued)**ii. Interest rate risk**

The major component of the Bank's interest-rate-sensitive liabilities is customer deposits, while its interest-rate-sensitive assets are government bonds, investment securities and loans receivable. ALCO regularly monitors any development in the market and adjusts the interest rates of deposits and loans receivable accordingly.

The Bank uses earning approach and economic value approach to measure interest rate risk in the banking book. The earning approach uses accrual method to measure the sensitivity of Bank's Net Interest Income to changes in market interest rates. The economic value approach uses Duration method to measure the sensitivity of economic value of productive assets and interest bearing liabilities to changes in market interest rates. In the Duration method, the interest rate risk is defined as a decrease in fair value of all productive asset portfolio and interest bearing liabilities in the banking book due to movement in market interest rates.

The Banking book is all financial asset/other position that are not included in trading book.

The risk measurement is performed on Rupiah and USD which are then reported to ALCO. To measure interest rate risk on the trading book, the Bank uses VaR method with Historical Simulation approach for internal reporting purposes, while for the Minimum Capital Adequacy Ratio purpose, the Bank uses OJK's standard approach.

The Bank determines the interest rates on deposits from customers based on market condition and competitiveness by monitoring the fluctuations of the base rates and interest rates offered by other banks for similar products. The interest rates on deposit may vary and depend on maturity and size of the deposit. The interest rates for saving and current account are floating in nature and will be reviewed periodically based on market condition, while the interest rate for time deposit is fixed and depends on the maturity period. The interest rate for credit is determined by adding a certain margin on the Bank's cost of funds (including the cost of Minimum Reserve Requirements).

Cash flow interest rate risk is the risk that future cash flow from financial instruments fluctuates due to the movement in market interest rates. Fair value interest rate risk is the risk that the fair value of financial instruments fluctuates due to the movement in market interest rates. The Bank has exposure to the volatility in market interest rates both to the fair value risk and cash flows risk. To mitigate this risk, the Board of Directors have set VaR limits for trading book, which are monitored by the Risk Management Unit on a daily basis.

The Subsidiary is exposed to interest rate risk arising from consumer financing receivables, factoring receivables, other receivables, the issuance of fixed rate bonds payable and medium-term notes payable. The Subsidiary manages the interest rate risk by diversifying its financing sources to find the most suitable fixed interest rate to minimise mismatch.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management (continued)

ii. Interest rate risk (continued)

Sensitivity analysis

Based on the re-pricing gap report, the Bank analyzes the sensitivity to 1% (one percent) parallel interest rate movement (increase or decrease), with the following assumptions:

- the movement in interest rate for asset components is the same with the movement in interest rate for liability components; and
- the movement is the same for every maturity period in the yield curve (parallel yield curve movement).

This sensitivity analysis is performed on a monthly basis for ALCO purposes. The following table describes the sensitivity of a reasonably possible change in market interest rate, with all other variables held constant, to the net interest income:

	<u>2017</u>	<u>2016</u>
Decrease in interest income due to 1% (one percent) parallel increase in interest rate	(1,262,074)	(1,005,516)
Increase in interest income due to 1% (one percent) parallel decrease in interest rate	1,262,074	1,005,516

f. Operational risk management

Risk and Control Self Assessment (“RCSA”)

Basel Accord II requires the Bank to include operational risk as one of the components in the calculation of the Bank’s capital adequacy ratio. In accordance with Basel Accord II, in 2002, the Bank started to implement Risk Self Assessment (“RSA”) to all regional offices and branches, and all divisions in Head Office. One of the objectives of RSA is to disseminate the risk culture and to increase risk awareness which are the main conditions in managing those risks. By improving the risk culture, it is expected that the employees’ risk control culture in their daily activities will increase.

In its implementation, RSA is continuously being improved with an aim to increase risk awareness in all business units. In 2006, the RSA was supplemented with control factors, and therefore its name was changed into RCSA. From 2007 to 2010, RCSA was implemented using sampling method based on certain criteria, especially for working units that are significantly exposed to operational risk.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/53****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**f. Operational risk management (continued)****Risk and Control Self Assessment (“RCSA”) (continued)**

Starting 2011, RCSA has been implemented in all business units in branches and head office that are significantly exposed to operational risk. The scale of impact and probability of event in RCSA have been re-evaluated and re-validated every year to provide the Bank with more appropriate and accurate risk levels for current business activities and risk profile of each working unit and the Bank as a whole. For the year 2017, the validation and review results of the impact and incurred possibility have been approved by management. The implementation of RCSA is on progress in all branches and regional offices, and in working units at the head office that have significant operational risks.

Loss Event Database (“LED”)

Bank has a database of cases or losses related to operational risks occurred in every working unit which is called Loss Event Database (“LED”). The objective of LED is to facilitate the Bank in recording and analyzing operational risk events faced by the Bank, thus preventive and corrective actions can be made for similar cases. The main purpose of LED is to minimise the Bank’s potential losses from operational risks.

Further, LED is also used as a tool to summarise the loss data related to operational risks, which is used by the Bank to allocate capital charge and to continuously monitor events that can give rise to the Bank’s operational losses. Currently, LED has been implemented in all regional offices, branches and working units at the head office.

Key Risk Indicator (“KRI”)

KRI is a method used to give indications (early warning sign) of the possibility of increasing operational risks in certain business unit. By the end of 2008, almost all branches had implemented the KRI method. In the early 2009, the Bank enhanced KRI methodology by adding 7 (seven) new indicators. This enhancement is used to increase the risk awareness. Since mid 2009, all regional offices and branches have implemented the KRI methodology. In 2013, by considering the development of the Bank’s operational activities and to monitor the operational transactions effectively, therefore KRI was improved by using 6 (six) indicators in monitoring the operational risks.

Operational Risk Management Information System (“ORMIS”)

ORMIS is a supporting application used in implementing RCSA, LED and KRI. Currently, all working units of the Bank have used the ORMIS in implementing RCSA, LED and KRI.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/54****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**g. Consolidated risk management**

In accordance with Financial Services Authority Regulation (“POJK”) No. 38/POJK.03/2017 dated 12 July 2017 regarding the Implementation of Consolidated Risk Management for Banks with Control over Subsidiaries, the Bank is required to implement consolidated risk management.

Implementation of consolidated risk management in the Bank is performed based on the above-mentioned Financial Services Authority regulation, including:

- Active supervision of Board of Commissioners and Board of Directors;
- Adequate policies and procedures and setting limits;
- Adequacy of the process of identification, measurement, monitoring and risk control, as well as risk management information system; and
- A comprehensive internal control system.

By referring to the concept for implementation of consolidated risk management, the implementation of risk management framework in Subsidiaries has been indirectly monitored and examined by the Bank’s management.

The Subsidiaries have implemented risk management in line with the implementation of risk management in the Bank (parent entity). Implementation of risk management in the Subsidiaries is aimed to increase competitiveness, as this is one of the Bank’s efforts to comply with the international standards.

The Bank has Accounting Information System and Risk Management System that can identify, measure and monitor the business risk of the Bank and Subsidiaries, in order to implement consolidated risk management effectively.

In accordance with Financial Services Authority Regulation (“POJK”) No. 17/POJK.03/2014 dated 18 November 2014 regarding the Implementation of Integrated Risk Management for Financial Conglomeration, a financial conglomeration should implement a comprehensive and effective integrated risk management, in this case the Bank as the main entity is obliged to integrate the implementation of risk management within the financial conglomeration.

Referring to the implementation of integrated risk management concept, implementation of tasks and responsibilities of Integrated Risk Management Working Unit is one of the functions of the existing Risk Management Working Unit. In performing their duties, Integrated Risk Management Working Unit coordinates with working units that conduct Risk Management function on the respective Financial Service Institution (“LJK”) in financial conglomeration.

The Bank has:

1. formed Integrated Risk Management Committee (“KMRT”) with the aim of ensuring that the risk management framework has provided adequate protection to all Bank’s and Subsidiaries’ risks in integrated manner; and
2. compiled Basic Policy of Integrated Risk Management (“KDMRT”).

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/55****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**g. Consolidated risk management (continued)**

The Bank as the Main Entity has submitted to OJK:

1. Reports regarding the Main Entity and LJK included as members of the financial conglomeration to the OJK.
2. Integrated Risk Profile Report.
3. Integrated Capital Sufficiency Report.
4. Changes in Financial Conglomeration Member Report.

Beside that, Bank and Subsidiaries as conglomeration has performed integrated Stress Test to ensure that capital and liquidity on conglomeration level are still adequate during stress conditions.

4. USE OF ESTIMATES AND JUDGMENT

This disclosure supplements the commentary on financial risk management (see Note 3).

a. Key sources of estimation uncertainty**a.1. Allowance for impairment losses of financial assets**

Financial assets accounted for at amortised cost are evaluated for impairment on the basis described in Note 2v.

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy, and estimated cash flows considered recoverable are independently approved by the credit risk unit.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of receivables with similar economic characteristics when there is an objective evidence to suggest that they contain impaired receivables, but the individual impaired items cannot yet be identified. In assessing the need for collective allowances, management considers factors such as credit quality, portfolio size, credit concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on historical experiences and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/56

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

4. USE OF ESTIMATES AND JUDGMENT (continued)**a. Key sources of estimation uncertainty** (continued)

a.2. Determining fair values of financial instruments

In determining the fair value of financial assets and liabilities for which there is no observable market price, the Bank and Subsidiaries must use the valuation techniques as described in Note 2i.6. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks.

a.3. Post-employment benefits obligations

Present value of retirement obligations depends on several factors which determined by actuarial basis using several assumptions. Assumptions used to determine expenses/(revenues) of net pension including discount rate and future salary growth. Any changes on these assumptions will affect the recorded amount of pension obligations.

b. Critical accounting judgments in applying the Bank and Subsidiaries' accounting policy

Critical accounting judgments made in applying the Bank and Subsidiaries' accounting policies include:

b.1. Valuation of financial instruments

The Bank and Subsidiaries' accounting policies on fair value measurements are discussed in Note 2i.6.

Information regarding the fair value of financial instruments is disclosed in Note 32.

b.2. Financial asset and liability classification

The Bank and Subsidiaries' accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets and financial liabilities as "held for trading", the Bank and Subsidiaries have determined that they meet the description of trading assets as set out in Note 2i.1.
- In classifying financial assets as "held-to-maturity", the Bank and Subsidiaries have determined that the Bank and Subsidiaries have both the positive intention and ability to hold those assets until their maturity date as required (see Note 2i.1).

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

4. USE OF ESTIMATES AND JUDGMENT (continued)

b. Critical accounting judgments in applying the Bank and Subsidiaries' accounting policy (continued)

b.2. Financial asset and liability classification (continued)

- In classifying investment in sukuk as "measured at cost" and "measured at fair value through other comprehensive income", the Bank and Subsidiaries have determined that the investment meets the classification requirements as set out in Note 2s.

5. CASH

	<u>2017</u>	<u>2016</u>
Rupiah	15,867,985	14,998,065
Foreign currencies	<u>886,304</u>	<u>945,789</u>
	<u>16,754,289</u>	<u>15,943,854</u>

The balance of cash in Rupiah includes cash in Automatic Teller Machines ("ATM") amounting to Rp 11,090,344 and Rp 10,196,498 as of 31 December 2017 and 2016, respectively.

6. CURRENT ACCOUNTS WITH BANK INDONESIA

	<u>2017</u>	<u>2016</u>
Rupiah	38,742,327	35,539,748
Foreign currencies	<u>4,730,425</u>	<u>5,056,982</u>
	<u>43,472,752</u>	<u>40,596,730</u>

Weighted average effective interest rates per annum of current accounts with Bank Indonesia denominated in Rupiah as of 31 December 2017 and 2016 were 1.60% and 1.99%, respectively.

The balance of current accounts with Bank Indonesia is maintained to fulfill the Minimum Reserve Requirements from Bank Indonesia.

As of 31 December 2017 and 2016, the Bank's Primary Minimum Reserve Requirement for Rupiah currency was 7.04% and 7.25%, respectively, while the Bank's Primary Minimum Reserve Requirement for foreign currencies was 8.49% and 8.46%, respectively. Minimum Reserve Requirement LFR/Loan to Funding Ratio as of 31 December 2017 and 2016 was 0.49% and 0.64%, respectively because the Bank's LFR was below 80%. Secondary Minimum Reserve Requirement was 19.29% and 16.17%, respectively as of 31 December 2017 and 2016, in the form of Certificates of Bank Indonesia, Certificates of Deposit of Bank Indonesia, State Debentures, Sharia Government Securities and excess funds above the Minimum Reserve Requirement (excess reserve).

As of 31 December 2017 and 2016, the Bank complied with Bank Indonesia's regulation regarding the Minimum Statutory Reserve of Commercial Banks.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

6. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

Information on the classification and fair value of current accounts with Bank Indonesia is disclosed in Note 32. Information on the maturity of current accounts with Bank Indonesia is disclosed in Note 37.

7. CURRENT ACCOUNTS WITH OTHER BANKS

	<u>2017</u>	<u>2016</u>
Rupiah	148,151	71,750
Foreign currencies	8,945,421	12,394,403
	<u>9,093,572</u>	<u>12,466,153</u>

Details of current accounts with other banks by counterparty as of 31 December 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
JPMorgan Chase Bank, Co.	3,411,896	2,080,783
DBS Bank	773,758	819,951
Wells Fargo Bank, N.A.	607,654	2,468,674
Standard Chartered Bank	557,195	3,201,456
Oversea-Chinese Banking Corporation Limited	414,351	360,655
The Bank of New York Mellon Corporation	396,189	393,046
PT Bank Mandiri (Persero) Tbk	380,195	400,901
Citibank, N.A.	377,882	500,873
Bank of China	354,098	237,746
Sumitomo Mitsui Banking Corporation	253,906	168,572
The Hongkong and Shanghai Banking Corporation Limited	245,527	32,582
United Overseas Bank Limited, Co.	240,509	255,782
GBC International Bank	167,019	82,760
Euroclear Bank	156,102	140,546
ING Bank	153,101	98,319
PT Bank Tabungan Pensiunan Nasional Tbk	126,163	2
Bank of America, N.A.	97,296	393,912
Westpac Banking Corporation	87,764	159,296
National Australia Bank Limited	68,696	106,013
The Bank of Tokyo Mitsubishi UFJ, Ltd	45,468	31,131
PT Bank ICBC Indonesia	50,485	54,595
Barclays Bank PLC	37,458	225,754
PT Bank Mizuho Indonesia	35,851	33,326
PT Bank Rabobank Internasional Indonesia	19,376	68,602
Others	35,633	150,876
	<u>9,093,572</u>	<u>12,466,153</u>

As of 31 December 2017 and 2016, the Bank did not have balances of current accounts with other banks from related party.

Current accounts with foreign banks are placed in several countries.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

7. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

Weighted average effective interest rates per annum of current accounts with other banks were as follows:

	2017	2016
Rupiah	4.77%	4.06%
Foreign currencies	0.69%	0.29%

Management believes that the impairment losses of current accounts with other banks as of 31 December 2017 and 2016 were not required.

Information on the classification and fair value of current accounts with other banks is disclosed in Note 32. Information on the maturity of current accounts with other banks is disclosed in Note 37.

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

Details of placements with Bank Indonesia and other banks by type and contractual period at initial placement were as follows:

	2017					Total
	Up to 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	More than 12 months	
Bank Indonesia:						
Rupiah	2,641,385	-	-	-	-	2,641,385
Foreign currencies	2,442,150	4,328,032	-	-	-	6,770,182
Call money:						
Rupiah	1,250,000	2,076,000	20,000	620,000	-	3,966,000
Foreign currencies	96,038	296,638	-	-	-	392,676
Time deposits:						
Rupiah	599,900	289,500	128,000	80,000	-	1,097,400
Foreign currencies	16,248	20,834	28,335	-	-	65,417
Certificates of deposits:						
Rupiah	-	-	-	573,365	3,463,156	4,036,521
Others:						
Foreign currencies	101	-	-	-	-	101
	<u>7,045,822</u>	<u>7,011,004</u>	<u>176,335</u>	<u>1,273,365</u>	<u>3,463,156</u>	<u>18,969,682</u>
	2016					Total
	Up to 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	More than 12 months	
Bank Indonesia:						
Rupiah	20,224,483	-	-	-	-	20,224,483
Foreign currencies	6,736,250	-	-	-	-	6,736,250
Call money:						
Rupiah	2,590,000	510,000	40,000	-	-	3,140,000
Foreign currencies	48,615	286,832	-	-	-	335,447
Time deposits:						
Rupiah	671,900	185,200	165,600	60,000	-	1,082,700
Foreign currencies	12,252	47,574	-	-	-	59,826
Certificates of deposits:						
Rupiah	-	-	-	1,131,505	2,653,669	3,785,174
Others:						
Foreign currencies	10	-	-	-	-	10
	<u>30,283,510</u>	<u>1,029,606</u>	<u>205,600</u>	<u>1,191,505</u>	<u>2,653,669</u>	<u>35,363,890</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

Details of placements with Bank Indonesia and other banks by counterparty as of 31 December 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Bank Indonesia	9,411,567	26,960,733
PT Bank Negara Indonesia (Persero) Tbk	1,712,640	1,195,390
PT Bank Sumitomo Mitsui Indonesia	1,677,450	974,359
PT Bank Mandiri (Persero) Tbk	980,760	906,570
Bank of America - Jakarta Branch	520,000	100,000
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	517,716	170,000
PT Bank Pan Indonesia Tbk	500,000	170,000
Deutsche Bank - Jakarta	500,000	-
Standard Chartered Bank - Indonesia	400,000	-
Sumitomo Mitsui Banking Corporation - Singapore	381,391	335,447
PT Bank CIMB Niaga Tbk	352,740	563,920
PT Bank KEB Hana Indonesia	341,500	189,480
PT Bank Tabungan Negara Tbk	290,520	-
PT Bank CTBC Indonesia	196,000	150,000
PT Bank Rakyat Indonesia Tbk	185,000	-
PT Bank Woori Saudara Indonesia	142,380	-
PT Bank Tabungan Pensiunan Nasional Tbk	123,800	373,200
PT Bank UOB Indonesia	100,959	35,500
PT Bank Muamalat Indonesia Tbk	95,000	95,000
PT Bank OCBC NISP Tbk	84,100	322,200
PT Bank Commonwealth	76,936	188,580
PT Bank Danamon Indonesia Tbk	76,289	214,702
PT Bank DKI	64,000	277,000
PT Bank Panin Dubai Syariah Tbk	50,000	65,000
PT Bank Maybank Indonesia Tbk	11,500	263,070
The Hongkong and Shanghai Banking Corporation - Indonesian Branch	-	500,000
PT Bank Pembangunan Daerah Riau Kepri	-	270,000
Bangkok Bank Public Company Limited Indonesia	-	250,000
PT Bank Bukopin Tbk	-	217,300
PT Bank ICBC Indonesia	-	150,000
PT Bank Sinarmas	-	70,000
PT Bank Jabar Banten Syariah	-	50,000
PT Bank Victoria International Tbk	-	50,000
PT Bank Permata Tbk	-	22,550
Others	177,434	233,889
	<u>18,969,682</u>	<u>35,363,890</u>

As of 31 December 2017 and 2016, the Bank and Subsidiaries did not have balances of placements with other banks from related party.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

The movement of unrealised gains (losses) from the change in fair value of available-for-sale placements with other banks was as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year - before deferred income tax	(2,271)	545
Addition of unrealised gains (losses) during the year - net	45,776	(2,732)
Realised gains during the year - net	(345)	(84)
Total before deferred income tax	43,160	(2,271)
Deferred income tax (Note 17)	(10,790)	568
Balance, end of year - net	<u>32,370</u>	<u>(1,703)</u>

Weighted average effective interest rates per annum of placements with Bank Indonesia and other banks were as follows:

	<u>2017</u>	<u>2016</u>
Bank Indonesia and call money:		
Rupiah	4.63%	4.82%
Foreign currencies	1.12%	0.52%
Time deposits:		
Rupiah	6.65%	7.26%
Foreign currencies	3.09%	2.62%
Certificates of deposits:		
Rupiah	7.39%	7.94%

The range of contractual interest rates of time deposits owned by the Bank in Rupiah currency during the years ended 31 December 2017 and 2016 were 2.75% - 8.00% and 4.00% - 9.75%, respectively, while the range of contractual interest rates of time deposits owned by the Bank in foreign currencies were 0.40% - 5.20% and 0.12% - 4.80%, respectively, during the years ended 31 December 2017 and 2016.

As of 31 December 2017 and 2016, there were no placements with Bank Indonesia and other banks which were used as collateral for securities trading transactions.

Management believes that the impairment losses of placements with Bank Indonesia and other banks as of 31 December 2017 and 2016 were not required.

Information on the classification and fair value of placements with Bank Indonesia and other banks is disclosed in Note 32. Information on the maturity of placements with Bank Indonesia and other banks is disclosed in Note 37.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

9. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

Financial assets and liabilities held for trading consist of:

	2017		2016	
	Nominal value	Fair value	Nominal value	Fair value
Financial assets:				
Securities				
Government bonds	187,974	188,707	38,760	39,199
Sukuk	170,260	171,038	130,045	130,241
Certificates of Bank Indonesia	4,907,025	4,827,967	4,183,625	4,044,310
Treasury bills	650,000	649,505	380,000	374,425
Shares	-	5,835	-	3,071
	<u>5,915,259</u>	<u>5,843,052</u>	<u>4,732,430</u>	<u>4,591,246</u>
Placements with other banks				
Certificates of deposits	<u>50,000</u>	<u>47,875</u>	<u>500,000</u>	<u>475,800</u>
Derivative assets				
Forward		28,481		41,868
Currency swap		93,985		17,707
Spot		<u>1,909</u>		<u>643</u>
		<u>124,375</u>		<u>60,218</u>
		<u>6,015,302</u>		<u>5,127,264</u>
Financial liabilities:				
Derivative liabilities				
Forward		12,180		12,064
Currency swap		39,071		109,490
Spot		<u>2,592</u>		<u>576</u>
		<u>53,843</u>		<u>122,130</u>

As of 31 December 2017 and 2016, the Bank and Subsidiaries did not have balances of financial assets and liabilities held for trading from and to related party.

During 2017 and 2016, there was no reclassification of financial instruments held for trading.

Information on the classification and fair value of financial assets and liabilities held for trading is disclosed in Note 32. Information on the maturity of financial assets and liabilities held for trading is disclosed in Note 37.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

10. ACCEPTANCE RECEIVABLES AND PAYABLES

a. The details of acceptance receivables

	<u>2017</u>	<u>2016</u>
<u>Rupiah</u>		
Non-bank debtors	2,461,203	1,746,038
Other banks	307,870	366,549
	<u>2,769,073</u>	<u>2,112,587</u>
Less:		
Allowance for impairment losses	(159,091)	(66,610)
	<u>2,609,982</u>	<u>2,045,977</u>
<u>Foreign currencies</u>		
Non-bank debtors	7,204,326	4,979,965
Other banks	342,669	253,368
	<u>7,546,995</u>	<u>5,233,333</u>
Less:		
Allowance for impairment losses	(257,551)	(111,918)
	<u>7,289,444</u>	<u>5,121,415</u>
Total acceptance receivables - net	<u>9,899,426</u>	<u>7,167,392</u>

b. The details of acceptance payables

	<u>2017</u>	<u>2016</u>
<u>Rupiah</u>		
Non-bank debtors	397,371	452,930
Other banks	263,341	512,131
	<u>660,712</u>	<u>965,061</u>
<u>Foreign currencies</u>		
Non-bank debtors	342,669	253,368
Other banks	4,797,096	2,968,719
	<u>5,139,765</u>	<u>3,222,087</u>
Total acceptance payables - net	<u>5,800,477</u>	<u>4,187,148</u>

c. The movement of allowance for impairment losses of acceptance receivables

	<u>31 December 2017</u>		
	<u>Rupiah</u>	<u>Foreign currencies</u>	<u>Total</u>
Balance, beginning of year	(66,610)	(111,918)	(178,528)
Addition of allowance during the year	(92,481)	(144,764)	(237,245)
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(869)	(869)
Balance, end of year	<u>(159,091)</u>	<u>(257,551)</u>	<u>(416,642)</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

10. ACCEPTANCE RECEIVABLES AND PAYABLES (continued)

c. The movement of allowance for impairment losses of acceptance receivables (continued)

	31 December 2016		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(13,831)	(419,508)	(433,339)
(Addition) reversal of allowance during the year	(52,779)	304,132	251,353
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	3,458	3,458
Balance, end of year	(66,610)	(111,918)	(178,528)

Management believes that the allowance for impairment losses provided was adequate to cover possible losses on uncollectible acceptance receivables.

As of 31 December 2017 and 2016, the Bank did not have balances of acceptance receivables and payables from and to related party.

Information on the classification and fair value of acceptance receivables and payables is disclosed in Note 32. Information on the maturity of acceptance receivables and payables is disclosed in Note 37.

11. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

This account represents receivables to Bank Indonesia, other banks and third party for securities purchased with agreements to resell with details as follows:

	2017					
	Range of purchase date	Range of sale date	Resell price	Deferred interest income	Allowance for impairment losses	Carrying value
Transactions with Bank Indonesia:						
Underlying instruments:						
Treasury bills	13 Oct - 27 Dec 17	10 - 12 Jan 18	2,257,325	(3,595)	-	2,253,730
Government bonds	13 Oct 17	12 Jan 18	1,933,964	(2,822)	-	1,931,142
			4,191,289	(6,417)	-	4,184,872
Transactions with other banks:						
Underlying instruments:						
Government bonds	12 - 20 Dec 17	12 - 22 Jan 18	1,633,224	(4,047)	-	1,629,177
Certificates of Bank Indonesia	3 Nov - 21 Dec 17	4 Jan - 30 May 18	3,214,687	(22,848)	-	3,191,839
			4,847,911	(26,895)	-	4,821,016
Transactions with third parties:						
Underlying instruments:						
Shares	8 Nov - 8 Dec 17	8 Feb - 10 Sep 18	268,720	(12,982)	(2,859)	252,879
			268,720	(12,982)	(2,859)	252,879
			9,307,920	(46,294)	(2,859)	9,258,767

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

11. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

		2016				
Range of purchase date	Range of sale date	Resell price	Deferred interest income	Allowance for impairment losses	Carrying value	
Transactions with Bank Indonesia:						
Underlying instruments:						
Treasury bills	7 - 28 Dec 16	4 - 25 Jan 17	273,202	(501)	-	272,701
			273,202	(501)	-	272,701
Transactions with other banks:						
Underlying instruments:						
Government bonds	22 - 30 Dec 16	4 - 12 Jan 17	951,296	(1,061)	-	950,235
Certificates of Bank Indonesia	22 - 29 Dec 16	3 - 12 Jan 17	1,247,638	(1,642)	-	1,245,996
			2,198,934	(2,703)	-	2,196,231
Transactions with third party:						
Underlying instruments:						
Shares	8 Dec 16	8 Jun 17	85,258	(4,593)	(2,499)	78,166
			85,258	(4,593)	(2,499)	78,166
			2,557,394	(7,797)	(2,499)	2,547,098

The movement of allowance for impairment losses on securities purchased under agreements to resell was as follows:

	2017	2016
Balance, beginning of year	(2,499)	-
Addition of allowance during the year	(360)	(2,499)
Balance, end of year	(2,859)	(2,499)

Management believes that the allowance for impairment losses provided was adequate to cover possible losses on uncollectible securities purchased under agreements to resell.

All securities purchased under agreements to resell as of 31 December 2017 and 2016 were denominated in Rupiah currency.

As of 31 December 2017 and 2016, the Bank did not have balances of securities purchased under agreements to resell with related party.

Weighted average effective interest rates per annum of securities purchased under agreements to resell for the years ended 31 December 2017 and 2016 were 5.23% and 5.79%, respectively.

Information on the classification and fair value of securities purchased under agreements to resell is disclosed in Note 32. Information on the maturity of securities purchased under agreements to resell is disclosed in Note 37.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS RECEIVABLE

Loans receivable consisted of:

a. By type and currency

	<u>2017</u>	<u>2016</u>
<u>Rupiah</u>		
Related parties:		
Working capital	3,495,521	2,784,566
Investment	35,892	27,512
Consumer	5,896	15,693
	<u>3,537,309</u>	<u>2,827,771</u>
Third parties:		
Working capital	198,424,369	174,298,437
Investment	111,502,056	100,223,736
Consumer	111,321,576	98,708,623
Credit card	11,527,879	10,778,931
Employee loans	2,826,610	2,560,057
	<u>435,602,490</u>	<u>386,569,784</u>
	<u>439,139,799</u>	<u>389,397,555</u>
<u>Foreign currencies</u>		
Related parties:		
Working capital	20,351	16,504
Investment	14,782	29,331
	<u>35,133</u>	<u>45,835</u>
Third parties:		
Working capital	18,663,219	17,597,171
Investment	9,670,674	8,855,684
	<u>28,333,893</u>	<u>26,452,855</u>
	<u>28,369,026</u>	<u>26,498,690</u>
Total loans receivable	467,508,825	415,896,245
Less: Allowance for impairment losses		
Rupiah	(12,569,024)	(11,780,322)
Foreign currencies	(674,845)	(724,702)
	<u>(13,243,869)</u>	<u>(12,505,024)</u>
Total loans receivable - net	<u>454,264,956</u>	<u>403,391,221</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

b. By economic sector and Bank Indonesia's collectibility

	2017						Total
	Pass	Special mention	Sub-standard	Doubtful	Loss	Allowance for impairment losses	
Rupiah							
Manufacturing	82,144,649	460,534	23,920	22,605	427,736	(2,666,277)	80,413,167
Business services	44,993,752	827,323	944	603	280,758	(887,903)	45,215,477
Trading, restaurants and hotels	112,074,805	926,662	333,418	270,022	1,796,351	(4,760,828)	110,640,430
Agriculture and agricultural facilities	18,990,104	31,472	218	77	147,195	(273,415)	18,895,651
Construction	10,216,022	23,305	688,234	4,017	137,366	(624,468)	10,444,476
Transportation, warehousing and communications	17,457,242	360,737	553,561	42,655	386,203	(1,366,485)	17,433,913
Social/public services	6,000,909	29,123	136	35,294	15,038	(149,503)	5,930,997
Mining	628,784	247	1,428	43	65,764	(88,264)	608,002
Electricity, gas, and water	13,026,053	212	-	22	20,263	(58,640)	12,987,910
Others	120,410,012	4,000,123	213,045	272,743	798,070	(1,693,241)	124,000,752
	425,942,332	6,659,738	1,814,904	648,081	4,074,744	(12,569,024)	426,570,775
Foreign currencies							
Manufacturing	11,524,149	62,162	-	-	-	(98,919)	11,487,392
Business services	2,582,754	-	-	-	-	(5,621)	2,577,133
Trading, restaurants and hotels	5,005,965	-	-	38,276	17,721	(95,112)	4,966,850
Agriculture and agricultural facilities	7,593,522	-	-	-	-	(15,805)	7,577,717
Construction	20,288	-	-	-	-	(5)	20,283
Transportation, warehousing and communications	687,722	-	171,307	-	180,300	(349,166)	690,163
Social/public services	60,571	-	-	-	-	(1,002)	59,569
Mining	103,971	-	-	-	-	(4,759)	99,212
Electricity, gas, and water	320,318	-	-	-	-	(104,456)	215,862
	27,899,260	62,162	171,307	38,276	198,021	(674,845)	27,694,181
Total	453,841,592	6,721,900	1,986,211	686,357	4,272,765	(13,243,869)	454,264,956

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

b. By economic sector and Bank Indonesia's collectibility (continued)

	2016						Total
	Pass	Special mention	Sub-standard	Doubtful	Loss	Allowance for impairment losses	
Rupiah							
Manufacturing	80,123,058	160,614	28,540	26,099	559,254	(2,309,329)	78,588,236
Business services	34,985,328	27,956	4,660	1,567	242,157	(935,158)	34,326,510
Trading, restaurants and hotels	96,531,808	1,368,154	140,056	152,078	1,782,330	(4,360,072)	95,614,354
Agriculture and agricultural facilities	15,727,201	8,570	1,328	629	164,771	(264,838)	15,637,661
Construction	9,569,362	33,001	185	5,025	152,928	(323,250)	9,437,251
Transportation, warehousing and communications	18,255,028	953,018	3,433	127,978	594,926	(1,744,594)	18,189,789
Social/public services	5,248,745	89,853	2,827	3,985	24,977	(195,470)	5,174,917
Mining	485,614	6,684	-	-	66,659	(82,379)	476,578
Electricity, gas, and water	9,641,180	381	-	204	20,567	(34,240)	9,628,092
Others	107,354,117	3,746,756	192,721	205,053	576,190	(1,530,992)	110,543,845
	377,921,441	6,394,987	373,750	522,618	4,184,759	(11,780,322)	377,617,233
Foreign currencies							
Manufacturing	11,031,405	40,515	-	-	-	(124,927)	10,946,993
Business services	2,309,880	-	-	-	-	(2,729)	2,307,151
Trading, restaurants and hotels	5,225,187	6,788	-	-	11,613	(193,729)	5,049,859
Agriculture and agricultural facilities	5,630,752	-	-	-	-	(9,272)	5,621,480
Construction	43,351	-	-	-	-	(9)	43,342
Transportation, warehousing and communications	771,422	-	160,658	-	198,466	(384,216)	746,330
Social/public services	90,964	-	-	-	-	(1,337)	89,627
Mining	977,689	-	-	-	-	(8,483)	969,206
Electricity, gas, and water	-	-	-	-	-	-	-
	26,080,650	47,303	160,658	-	210,079	(724,702)	25,773,988
Total	404,002,091	6,442,290	534,408	522,618	4,394,838	(12,505,024)	403,391,221

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

c. By maturity

Loans receivable by maturity period based on loan agreements:

	<u>2017</u>	<u>2016</u>
<u>Rupiah</u>		
Up to 1 year	165,711,094	144,926,916
> 1 - 5 years	88,388,486	83,118,019
> 5 years	185,727,971	161,894,872
	<u>439,827,551</u>	<u>389,939,807</u>
<u>Foreign currencies</u>		
Up to 1 year	15,833,381	14,692,971
> 1 - 5 years	5,261,231	4,706,351
> 5 years	7,272,742	7,099,866
	<u>28,367,354</u>	<u>26,499,188</u>
Total loans receivable	<u>468,194,905</u>	<u>416,438,995</u>
Less:		
Deferred provision and commission income*)	(686,080)	(542,750)
Allowance for impairment losses	<u>(13,243,869)</u>	<u>(12,505,024)</u>
Total loans receivable - net	<u>454,264,956</u>	<u>403,391,221</u>

*) Deferred provision and commission income represent all provisions, commissions and other fees received by the Bank on loan agreements, which are integral part of effective interest rate.

d. Syndicated loans

Syndicated loans represent loans provided to debtors under syndication agreements with other banks. Syndicated loans with risk sharing participation to the Bank's financing were as follows:

	<u>2017</u>	<u>2016</u>
Bank's participation as participant, ranged between 2.78% - 33.33% and 4.17% - 29.70%, respectively, for the years ended 31 December 2017 and 2016, with outstanding balance of Rp 9,402,857 and USD 148,738,783 as of 31 December 2017 (2016: Rp 8,041,176 and USD 77,568,261)	11,420,871	9,086,215
Bank's participation as arranger, ranged between 5.00% - 50.00%, respectively, for the years ended 31 December 2017 and 2016, with outstanding balance of Rp 14,293,654 and USD 3,150,000 as of 31 December 2017 (2016: Rp 10,090,740 and USD 67,692,548)	<u>14,336,392</u>	<u>11,002,727</u>
	<u>25,757,263</u>	<u>20,088,942</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

e. Restructured loans

The amount of restructured loans by the Bank up to 31 December 2017 and 2016 amounting to Rp 6,568,422 and Rp 6,531,279, respectively. Credit restructuring carried out by modifying credit terms, deduction or amnesty of part of outstanding credit balance and/or both. Of the restructured credit, Bank is not committed to provide additional credit facilities.

f. The movement of allowance for impairment losses on loans receivable

	2017						Total
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	
Balance, beginning of year	(8,849,831)	(367,596)	(9,217,427)	(2,930,491)	(357,106)	(3,287,597)	(12,505,024)
(Addition) reversal of allowance during the year	(1,320,391)	49,057	(1,271,334)	(566,863)	6,384	(560,479)	(1,831,813)
Loans written-off during the year	955,142	-	955,142	378,577	-	378,577	1,333,719
Recoveries on loans previously written-off	(96,521)	-	(96,521)	(138,646)	-	(138,646)	(235,167)
Exchange rate difference	-	(2,248)	(2,248)	-	(3,336)	(3,336)	(5,584)
Balance, end of year	(9,311,601)	(320,787)	(9,632,388)	(3,257,423)	(354,058)	(3,611,481)	(13,243,869)
	2016						Total
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	
Balance, beginning of year	(7,315,815)	(417,166)	(7,732,981)	(1,086,947)	(206,417)	(1,293,364)	(9,026,345)
(Addition) reversal of allowance during the year	(2,413,754)	43,741	(2,370,013)	(1,970,600)	(153,127)	(2,123,727)	(4,493,740)
Loans written-off during the year	1,005,385	600	1,005,985	147,603	-	147,603	1,153,588
Recoveries on loans previously written-off	(125,647)	-	(125,647)	(20,547)	-	(20,547)	(146,194)
Exchange rate difference	-	5,229	5,229	-	2,438	2,438	7,667
Balance, end of year	(8,849,831)	(367,596)	(9,217,427)	(2,930,491)	(357,106)	(3,287,597)	(12,505,024)

Management believes that allowance for impairment losses provided was adequate to cover possible losses on uncollectible loans receivable.

As of 31 December 2017 and 2016, allowance for collective impairment losses on loans receivable to related parties amounting to Rp 3,815 and Rp 3,654, respectively.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

g. Joint financing

The Bank entered into joint financing agreements with several multi-finance companies for financing the purchase of vehicles. All risks from the loss arising from these joint financing facilities will be borne proportionally by both parties based on respective financing participation (without recourse). The Bank's portion of outstanding balance of joint financing receivable facilities as of 31 December 2017 and 2016 were Rp 43,357,868 and Rp 39,282,972, respectively.

h. Other significant information relating to loans receivable

As of 31 December 2017 and 2016, the Bank had no loans receivable which were pledged as collaterals.

Demand deposits, saving deposits and time deposits pledged as collateral for loans receivable amounting to Rp 11,379,473 and Rp 10,388,249, respectively, as of 31 December 2017 and 2016 (see Note 16).

As of 31 December 2017 and 2016, the Bank, at individual level and at consolidated level, complied with Legal Lending Limit ("LLL") requirements for both related parties and third parties.

Weighted average effective interest rates per annum of loans receivable were as follows:

	<u>2017</u>	<u>2016</u>
Rupiah	9.78%	10.56%
Foreign currencies	3.56%	3.80%

Ratio of small business loans to loans receivable as of 31 December 2017 and 2016 was 1.77% and 1.24%, respectively.

The Bank's non-performing loans (classified as sub-standard, doubtful and loss) as of 31 December 2017 and 2016 amounting to Rp 6,944,916 and Rp 5,451,447, respectively.

As of 31 December 2017, the ratio of gross non-performing loan ("NPL") and net NPL was 1.49% and 0.45% (2016: 1.31% and 0.31%), which was calculated based on prevailing Bank Indonesia Regulations.

Information on the classification and fair value of loans receivable is disclosed in Note 32. Information on the maturity of loan receivables is disclosed in Note 37. Information on the details of loans receivable by geographic region is disclosed in Note 36.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

13. CONSUMER FINANCING RECEIVABLES

The Subsidiaries' consumer financing receivables at amortised cost were as follows:

	<u>2017</u>	<u>2016</u>
Consumer financing receivables		
- Self-financing by Subsidiaries	7,750,109	6,993,980
- Share in joint financing with related parties without recourse	6,375,154	6,259,167
Unamortised transaction cost - net	(569,031)	(317,729)
Unrecognised consumer financing income	<u>(4,671,729)</u>	<u>(4,428,863)</u>
Consumer financing receivables, before allowance for impairment losses	8,884,503	8,506,555
Less:		
Allowance for impairment losses	<u>(377,520)</u>	<u>(299,086)</u>
Total consumer financing receivables - net	<u>8,506,983</u>	<u>8,207,469</u>

Contractual interest rates per annum for consumer financing during 2017 and 2016 were 6.50% - 33.64% and 6.68% - 36.62%, respectively.

The Subsidiaries extend consumer financing contracts for 4 (four) wheel vehicles with terms ranging from 1 (one) year to 6 (six) years, while consumer financing contracts for 2 (two) wheel vehicles ranging from 1 (one) year to 4 (four) years.

The movement in the allowance for impairment losses on consumer financing receivables was as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	(299,086)	(286,019)
Addition of allowance during the year	(335,827)	(266,340)
Written-off during the year	<u>257,393</u>	<u>253,273</u>
Balance, end of year	<u>(377,520)</u>	<u>(299,086)</u>

The collection of consumer financing receivables previously written-off amounting to Rp 19,322 and Rp 21,527 for the years ending 31 December 2017 and 2016, respectively.

As of 31 December 2017 and 2016 consumer financing receivables, before deduction of unearned income, amounting to Rp 2,883,082 and Rp 3,453,391, respectively, were pledged as collateral to borrowings and overdraft, and debt securities issued.

The consumer financing receivables are secured by the related certificates of ownership ("BPKB") of the vehicles financed by the Subsidiaries.

Management believes that the allowance for impairment losses was adequate to cover possible losses arising from uncollectible consumer financing receivables.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

13. CONSUMER FINANCING RECEIVABLES (continued)

Information on the classification and fair value of consumer financing receivables is disclosed in Note 32. Information on the maturity of consumer financing receivables is disclosed in Note 37.

14. INVESTMENT SECURITIES

The details of investment securities by type and currency as of 31 December 2017 and 2016 were as follows:

Description	2017				Carrying value
	Nominal amount	Unamortised premium (discount)	Unrealised (loss) gain	Allowance for impairment losses	
<u>Rupiah</u>					
Held-to-maturity:					
Government bonds					
- Recapitalisation	100,000	(1,308)	-	-	98,692
- Non-recapitalisation	4,243,796	159,469	-	-	4,403,265
Sukuk	17,413,281	84,671	-	-	17,497,952
Corporate bonds	713,000	(10)	-	(6,086)	706,904
Money market securities	45,000	-	-	(450)	44,550
Asset-backed securities	5,000	(4,537)	-	-	463
Available-for-sale:					
Certificates of Bank Indonesia	23,207,526	(428,759)	14,360	-	22,793,127
Government bonds, non-recapitalisation	9,777,648	323,295	241,801	-	10,342,744
Sukuk	33,227,306	294,206	375,646	(21,667)	33,875,491
Mutual fund units	9,552,344	2,000	795,079	(3,516)	10,345,907
Corporate bonds	11,958,200	(89,723)	48,725	(288,445)	11,628,757
Medium-term notes	750,000	(69)	11,864	-	761,795
Treasury bills	988,305	(4,879)	1,322	-	984,748
Investment in shares	292,419	-	-	(34,414)	258,005
Others	14,903	-	-	-	14,903
	112,288,728	334,356	1,488,797	(354,578)	113,757,303
<u>Foreign currencies</u>					
Held-to-maturity:					
Government bonds, non-recapitalisation	320,572	-	-	-	320,572
Sukuk	672,962	12,718	-	-	685,680
Medium-term notes	67,858	244	-	(40,791)	27,311
Available-for-sale:					
Certificates of Bank Indonesia	12,889,125	(85,544)	(10,039)	-	12,793,542
Government bonds, non-recapitalisation	1,771,915	764	114,255	-	1,886,934
Sukuk	1,289,048	(22,093)	48,179	-	1,315,134
Corporate bonds	298,485	(1,187)	7,389	-	304,687
Medium-term notes	122,108	(5)	-	(122,103)	-
Investment in shares	2,829	-	-	(2,829)	-
	17,434,902	(95,103)	159,784	(165,723)	17,333,860
Total investment securities	129,723,630	239,253	1,648,581	(520,301)	131,091,163

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

14. INVESTMENT SECURITIES (continued)

The details of investment securities by type and currency as of 31 December 2017 and 2016 were as follows: (continued)

Description	2016				Carrying value
	Nominal amount	Unamortised premium (discount)	Unrealised (loss) gain	Allowance for impairment losses	
<u>Rupiah</u>					
Held-to-maturity:					
Government bonds					
- Recapitalisation	100,000	(1,365)	-	-	98,635
- Non-recapitalisation	4,870,036	206,319	-	-	5,076,355
Sukuk	18,553,279	148,992	-	-	18,702,271
Corporate bonds	2,260,000	47	-	(317,625)	1,942,422
Money market securities	95,000	-	-	(950)	94,050
Asset-backed securities	5,000	(3,081)	-	-	1,919
Available-for-sale:					
Certificates of Bank Indonesia	13,100,000	(213,036)	23,826	-	12,910,790
Government bonds, non-recapitalisation	14,494,870	528,481	(221,127)	-	14,802,224
Sukuk	20,840,068	193,258	(194,468)	(20,700)	20,818,158
Mutual fund units	9,793,125	(795,631)	449,822	(1,501)	9,445,815
Corporate bonds	8,037,700	(921)	(416,077)	(100,034)	7,520,668
Medium-term notes	2,100,000	(376)	(7,484)	-	2,092,140
Investment in shares	187,046	-	-	(23,335)	163,711
	94,436,124	62,687	(365,508)	(464,145)	93,669,158
<u>Foreign currencies</u>					
Held-to-maturity:					
Government bonds, non-recapitalisation	309,920	9,861	-	-	319,781
Sukuk	668,250	23,496	-	-	691,746
Medium-term notes	317,282	382	-	(290,410)	27,254
Available-for-sale:					
Certificates of Bank Indonesia	7,263,119	(12,581)	1,569	-	7,252,107
Government bonds, non-recapitalisation	4,507,898	29,851	109,093	-	4,646,842
Sukuk	1,280,022	(26,079)	75,148	-	1,329,091
Corporate bonds	767,933	(1,812)	7,061	-	773,182
Medium-term notes	121,252	(6)	-	(121,246)	-
	15,235,676	23,112	192,871	(411,656)	15,040,003
Total investment securities	109,671,800	85,799	(172,637)	(875,801)	108,709,161

As of 31 December 2017, investment securities include government bonds with carrying value amounting to Rp 99,795 (nominal amount of Rp 95,021), which according to the agreements, the Bank is required to repurchase the respective government bonds on 17 October 2023. Total liabilities at carrying value ("securities sold under agreements to repurchase") in the consolidated statements of financial position as of 31 December 2017 amounting to Rp 96,225.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

14. INVESTMENT SECURITIES (continued)

As of 31 December 2016, investment securities include government bonds with carrying value amounting to Rp 172,007 (nominal amount of Rp 168,435), which according to the agreements, the Bank is required to repurchase the respective government bonds on 13 March 2020 and 17 October 2023. Total liabilities at carrying value ("securities sold under agreements to repurchase") in the consolidated statements of financial position as of 31 December 2016 amounting to Rp 134,748.

As of 31 December 2017 and 2016, the Bank did not have investment securities pledged as collateral.

During the years ended 31 December 2017 and 2016, the Bank reclassified certain held-to-maturity investment securities to available-for-sale investment securities amounting to Rp 660,145 (fair value of Rp 669,195) and Rp 1,264,574 (fair value of Rp 1,257,568), respectively. Such reclassifications were made for investment closed to its maturity date (will be matured in less than six months) and fulfill the reclassification requirements in SFAS No. 55.

Management believes that changes of interest rate will have no significant impact to the fair value of those investment securities. The balance of available-for-sale securities reclassified from held-to-maturity as of 31 December 2017 and 2016 were Rp nil, respectively.

The details of government recapitalisation bonds owned by the Bank as of 31 December 2017 and 2016 were as follows:

		2017			
	Nominal amount	Fair value	Maturity date	Frequency of interest payment	Carrying value
Held-to-maturity:					
Series VR0026	100,000	99,420	25 Jan 2018	3 months	98,692
	<u>100,000</u>	<u>99,420</u>			<u>98,692</u>
		2016			
	Nominal amount	Fair value	Maturity date	Frequency of interest payment	Carrying value
Held-to-maturity:					
Series VR0026	100,000	99,320	25 Jan 2018	3 months	98,635
	<u>100,000</u>	<u>99,320</u>			<u>98,635</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

14. INVESTMENT SECURITIES (continued)

The weighted average effective interest rates per annum for investment securities were as follows:

	2017		2016	
	Rupiah (%)	Foreign currencies (%)	Rupiah (%)	Foreign currencies (%)
Held-to-maturity:				
Government bonds	6.88	4.81	7.31	4.82
Corporate bonds	7.64	-	8.63	-
Medium-term notes	-	1.39	-	1.52
Asset-backed securities	9.26	-	9.85	-
Available-for-sale:				
Certificates of Bank Indonesia	5.81	1.54	6.53	1.02
Government bonds	6.67	3.69	6.34	2.95
Corporate bonds	8.35	2.67	8.84	2.59
Medium-term notes	8.55	-	8.84	-
Treasury bills	5.79	-	-	-

The movement of allowance for impairment losses of investment securities for the years ended 31 December 2017 and 2016 was as follows:

	2017						
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	
Balance, beginning of year	(36,107)	(74)	(36,181)	(428,038)	(411,582)	(839,620)	(875,801)
(Addition) reversal of allowance during the year	(10,026)	(2,863)	(12,889)	(188,409)	4,190	(184,219)	(197,108)
Write-offs during the year	-	-	-	308,002	247,182	555,184	555,184
Exchange rate difference	-	40	40	-	(2,616)	(2,616)	(2,576)
Balance, end of year	(46,133)	(2,897)	(49,030)	(308,445)	(162,826)	(471,271)	(520,301)
	2016						
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	
Balance, beginning of year	(31,535)	(81)	(31,616)	(409,454)	(411,593)	(821,047)	(852,663)
(Addition) reversal of allowance during the year	(4,572)	7	(4,565)	(18,584)	4,329	(14,255)	(18,820)
Exchange rate difference	-	-	-	-	(4,318)	(4,318)	(4,318)
Balance, end of year	(36,107)	(74)	(36,181)	(428,038)	(411,582)	(839,620)	(875,801)

Management believes that the balance of allowance for impairment losses provided was adequate to cover possible losses on uncollectible investment securities.

The movement of unrealised gains (losses) from the change in fair value of available-for-sale investment securities was as follows:

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

14. INVESTMENT SECURITIES (continued)

	2017		
	Rupiah	Foreign currencies	Total
Balance, beginning of year - before deferred income tax	(365,280)	192,871	(172,409)
Addition of unrealised gains (losses) during the year - net	1,686,487	(47,353)	1,639,134
Realised losses during the year - net	174,541	12,680	187,221
Exchange rate difference	-	1,587	1,587
Total before deferred income tax	1,495,748	159,785	1,655,533
Deferred income tax (Note 17)			(413,567)
Balance, end of year - net			1,241,966
	2016		
	Rupiah	Foreign currencies	Total
Balance, beginning of year - before deferred income tax	(316,194)	177,650	(138,544)
Addition of unrealised gains (losses) during the year - net	223,773	18,753	242,526
Realised gains during the year - net	(272,859)	(180)	(273,039)
Exchange rate difference	-	(3,352)	(3,352)
Total before deferred income tax	(365,280)	192,871	(172,409)
Deferred income tax (Note 17)			42,151
Balance, end of year - net			(130,258)

The following table represents the summary of ratings and credit rating companies of Bank's investment securities as of 31 December 2017 and 2016:

	2017		2016	
	Rating	Rating Agency	Rating	Rating Agency
Government of the Republic of Indonesia	BBB-	Fitch	BBB-	Fitch
Government of the United States of America	AAA	Fitch	AAA	Fitch
Indonesian Export Financing Institution/Indonesian Eximbank	AAA	Pefindo	AAA	Pefindo
Perum Pegadaian	AAA	Pefindo	AA+	Pefindo
PT Adhi Karya (Persero) Tbk	A-	Pefindo	A-	Pefindo
PT Aneka Tambang Tbk	BBB+	Pefindo	BBB+	Pefindo
PT Angkasa Pura I (Persero)	AAA	Pefindo	AAA	Pefindo
PT Arpeni Pratama Ocean Line Tbk	D	Pefindo	D	Pefindo
PT Astra Otoparts Tbk	AA-	Fitch	AA-	Fitch
PT Astra Sedaya Finance	AAA	Pefindo	AAA	Pefindo
PT Bank CIMB Niaga Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank DKI	A+	Pefindo	A+	Pefindo
PT Bank Jabar Banten Tbk	AA-	Pefindo	-	-
PT Bank Mandiri (Persero) Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Mandiri Taspen Pos	AA	Pefindo	-	-
PT Bank Negara Indonesia (Persero) Tbk	AAA	Pefindo	-	-
PT Bank OCBC NISP Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Pan Indonesia Tbk	AA	Pefindo	AA	Pefindo
PT Bank Rakyat Indonesia (Persero) Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Resona Perdanika	AA-	Pefindo	AA-	Pefindo
PT Bank Sumitomo Mitsui Indonesia	AAA	Pefindo	AAA	Pefindo
PT Bank Tabungan Negara (Persero) Tbk	AA+	Pefindo	AA+	Pefindo
PT Bank Tabungan Pensiunan Nasional Tbk	AAA	Pefindo	-	-
PT Bank UOB Indonesia	AAA	Fitch	AAA	Fitch
PT Berlian Laju Tanker Tbk	-	-	D	Pefindo
PT Chandra Asri Petrochemical Tbk	AA-	Pefindo	A+	Pefindo
PT Express Transindo Utama Tbk	BBB+	Pefindo	BBB+	Pefindo
PT Fastfood Indonesia Tbk	AA	Pefindo	AA	Pefindo
PT Hutama Karya (Persero)	AAA	Pefindo	-	-
PT Indofood Sukses Makmur Tbk	-	-	AA+	Pefindo

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

14. INVESTMENT SECURITIES (continued)

	2017		2016	
	Rating	Rating Agency	Rating	Rating Agency
PT Indonesia Power	AAA	Pefindo	-	-
PT Indosat Tbk	AAA	Pefindo	AAA	Pefindo
PT Japfa Comfeed Indonesia Tbk	-	-	A	Pefindo
PT Jasa Marga (Persero) Tbk	AA	Pefindo	AA	Pefindo
PT Lautan Luas Tbk	A-	Pefindo	A-	Pefindo
PT Nippon Indosari Corpindo Tbk	AA-	Pefindo	AA-	Pefindo
PT Pertamina (Persero)	BBB-	Fitch	BBB-	Fitch
PT Perusahaan Listrik Negara (Persero)	AAA	Pefindo	AAA	Pefindo
PT Profesional Telekomunikasi Indonesia	-	-	AAA	Fitch
PT Pupuk Indonesia (Persero)	AAA	Fitch	-	-
PT Sarana Multi Infrastruktur (Persero)	AAA	Pefindo	AAA	Pefindo
PT Sumber Alfaria Trijaya Tbk	AA-	Fitch	AA-	Fitch
PT Tiphone Mobile Indonesia Tbk	A	Pefindo	A	Pefindo

Information on the classification and fair value of investment securities is disclosed in Note 32. Information on the maturity of investment securities is disclosed in Note 37.

15. FIXED ASSETS

Fixed assets consisted of:

	2017					Ending balance
	Beginning balance	Additions	Deductions	Reclassifications	Revaluations	
<u>Acquisition cost/ revaluation amount</u>						
Direct ownership						
Land	10,049,141	52,646	(23,232)	134,269	(4,330)	10,208,494
Buildings	3,797,841	149,983	(10,691)	539,142	-	4,476,275
Office furnitures, fixtures, and equipments	9,467,785	937,528	(713,083)	3,304	-	9,695,534
Motor vehicles	45,708	14,479	(4,755)	-	-	55,432
Construction in progress	1,869,259	580,082	(263,153)	(676,715)	-	1,509,473
Leased assets	4,212	-	-	-	-	4,212
	<u>25,233,946</u>	<u>1,734,718</u>	<u>(1,014,914)</u>	<u>-</u>	<u>(4,330)</u>	<u>25,949,420</u>
<u>Accumulated depreciation</u>						
Direct ownership						
Buildings	(1,342,146)	(193,953)	8,459	-	-	(1,527,640)
Office furnitures, fixtures, and equipments	(6,875,236)	(1,354,820)	708,006	-	-	(7,522,050)
Motor vehicles	(24,423)	(7,627)	3,296	-	-	(28,754)
Leased assets	(1,306)	(721)	-	-	-	(2,027)
	<u>(8,243,111)</u>	<u>(1,557,121)</u>	<u>719,761</u>	<u>-</u>	<u>-</u>	<u>(9,080,471)</u>
Net book value	<u>16,990,835</u>					<u>16,868,949</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

15. FIXED ASSETS (continued)

Fixed assets consisted of: (continued)

	2016					Ending balance
	Beginning balance	Additions	Deductions	Reclassifications	Revaluations	
<u>Acquisition cost/ revaluation amount</u>						
Direct ownership						
Land	3,213,913	172,122	(80)	103,203	6,559,983	10,049,141
Buildings	3,277,400	297,008	(116,292)	339,725	-	3,797,841
Office furnitures, fixtures, and equipments	8,094,488	1,581,649	(216,696)	8,344	-	9,467,785
Motor vehicles	44,472	8,156	(6,920)	-	-	45,708
Construction in progress	2,120,077	769,984	(569,530)	(451,272)	-	1,869,259
Leased assets	7,156	-	(2,944)	-	-	4,212
	16,757,506	2,828,919	(912,462)	-	6,559,983	25,233,946
<u>Accumulated depreciation</u>						
Direct ownership						
Buildings	(1,199,296)	(167,832)	24,982	-	-	(1,342,146)
Office furnitures, fixtures, and equipments	(5,821,662)	(1,258,661)	205,087	-	-	(6,875,236)
Motor vehicles	(22,013)	(6,332)	3,922	-	-	(24,423)
Leased assets	(2,514)	(1,197)	2,405	-	-	(1,306)
	(7,045,485)	(1,434,022)	236,396	-	-	(8,243,111)
Net book value	9,712,021					16,990,835

Revaluation of fixed assets

In accordance with Decree of Minister of Finance No. 384/KMK/04/1998 dated 14 August 1998, the Bank revalued certain fixed assets on 31 December 1998. The revaluation of fixed assets was based on the appraisal report from PT Ujatek Baru dated 24 March 1999 which was determined using market data approach and resulted in fixed asset revaluation difference of Rp 1,043,470. Such fixed asset revaluation difference was approved by the Jakarta Tamansari Tax Office in its letter No. KEP-2111/WPJ.05/KP.09/1999 dated 3 October 1999.

On 31 October 2000, the Bank revalued certain fixed assets amounting to Rp 141,127 in relation to the Bank's quasi-reorganisation. The revaluation of fixed assets was based on the appraisal report from PT Ujatek Baru dated 20 December 2000 which was determined using market data approach.

The fixed asset revaluation difference in 2000 amounting to Rp 141,127 was approved by Listed Company Tax Office in its letter No. KEP-04/WPJ.06/KP.0404/2001 dated 15 June 2001. The fixed asset revaluation difference was allocated to additional paid-in capital due to quasi-reorganisation amounting to Rp 124,690.

In 2008, the Bank and Subsidiaries chose the cost method as their accounting policy for fixed assets in accordance with SFAS No. 16 (2007 Revision), "Fixed Assets", and reclassified all remaining fixed asset revaluation difference of Rp 1,059,907 which was presented as part of equity in the consolidated statement of financial position to the retained earnings.

In 2016, the Bank revalued its fixed asset of land class with carrying value at the time of revaluation of Rp 3,052,873 and changed its accounting policies for measurement of land from cost model to revaluation model.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/80

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

15. FIXED ASSETS (continued)**Revaluation of fixed assets (continued)**

Revaluation was performed by *Kantor Jasa Penilai Publik* (“KJPP”) Antonius Setiady & Rekan, an external independent appraisal, based on Indonesian Valuation Standards (SPI 2013), Indonesian Appraisal Code of Conduct (“KEPI”), Bapepam-LK Regulation No. VIII. C4 concerning Guidelines for Appraisal and Presentation of the Property Appraisal Report in Capital Market, and prevailing rules and regulations.

The differences of land revaluation year 2016 were recorded as “revaluation surplus of fixed assets”, and presented in other comprehensive income amounting to Rp 6,591,827. The decrease of carrying value arising from revaluation year 2016 amounting to Rp 31,844 was recognised in consolidated profit or loss year 2016 as other operating expenses.

The fair value of land is determined based on market approach by comparing several comparable land transactions that either have occurred or still in sales offering stage of a buying and selling process, by adjusting the differences between land appraised and comparative data and list of land price that has been obtained. It also relates to location factors, the property rights, physical characteristic, utilisation and other comparative elements.

The fair value measurement for the land is categorised as level 2 fair value based on the inputs to the valuation technique used.

As of 31 December 2017 and 2016, the carrying value of land if the land was recorded using cost model amounting to Rp 3,446,821 and Rp 3,052,873, respectively.

Management conclude that there is no significant changes in the fair value of land as of 31 December 2017.

Other informations

As of 31 December 2017 and 2016, the Bank did not have any fixed assets pledged as collateral.

Depreciation charged to general and administrative expenses for the years ended 31 December 2017 and 2016 amounting to Rp 1,557,122 and Rp 1,434,022, respectively.

Gain on sale of fixed assets recognised as part of other operating income for the years ended 31 December 2017 and 2016 amounting to Rp 488,631 and Rp 5,254, respectively.

Loss on sale of fixed assets recognised as part of other operating expenses for the years ended 31 December 2017 and 2016 amounting to Rp 2,336 and Rp 2,963, respectively.

The Bank has insured its fixed assets (excluding land rights) to cover the possible losses from fire, theft and natural disaster with a total coverage of Rp 18,095,144 as of 31 December 2017, and Rp 14,439,026 as of 31 December 2016. Management believes that the insurance coverage is adequate to cover possible losses from such risks.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

15. FIXED ASSETS (continued)

Other informations (continued)

As of 31 December 2017 and 2016, the cost of fully depreciated fixed assets that were still in use amounting to Rp 4,344,162 and Rp 3,886,928, respectively.

No impairment losses on fixed assets during 2017 and 2016.

16. DEPOSITS FROM CUSTOMERS AND OTHER BANKS

a. Deposits from customers

	2017			2016		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
<u>Demand deposits:</u>						
Related parties	382,724	762,682	1,145,406	359,557	5,322,943	5,682,500
Third parties	132,368,591	17,735,908	150,104,499	112,876,933	19,293,450	132,170,383
	<u>132,751,315</u>	<u>18,498,590</u>	<u>151,249,905</u>	<u>113,236,490</u>	<u>24,616,393</u>	<u>137,852,883</u>
<u>Savings:</u>						
Related parties	64,228	797,688	861,916	69,132	790,879	860,011
<u>Third parties:</u>						
Tahapan	265,898,289	-	265,898,289	245,338,500	-	245,338,500
Tapres	7,920,676	-	7,920,676	7,758,306	-	7,758,306
Tabunganku	2,308,599	-	2,308,599	1,586,545	-	1,586,545
Tahapan Xpresi	1,609,623	-	1,609,623	678,778	-	678,778
Tahapan Berjangka	913,142	-	913,142	509,162	-	509,162
Simpanan Pelajar	1,422	-	1,422	1,370	-	1,370
BCA Dollar	-	12,903,062	12,903,062	-	13,619,130	13,619,130
	<u>278,715,979</u>	<u>13,700,750</u>	<u>292,416,729</u>	<u>255,941,793</u>	<u>14,410,009</u>	<u>270,351,802</u>
<u>Time deposits:</u>						
Related parties	890,778	392,767	1,283,545	1,533,495	23,410	1,556,905
Third parties	124,331,742	11,833,521	136,165,263	109,977,414	10,394,621	120,372,035
	<u>125,222,520</u>	<u>12,226,288</u>	<u>137,448,808</u>	<u>111,510,909</u>	<u>10,418,031</u>	<u>121,928,940</u>
Total deposits from customers	<u>536,689,814</u>	<u>44,425,628</u>	<u>581,115,442</u>	<u>480,689,192</u>	<u>49,444,433</u>	<u>530,133,625</u>

b. Deposits from other banks

	2017			2016		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Demand deposits	4,291,778	1,420,002	5,711,780	2,878,697	1,967,384	4,846,081
Time deposits	46,634	-	46,634	54,861	-	54,861
Total deposits from other banks	<u>4,338,412</u>	<u>1,420,002</u>	<u>5,758,414</u>	<u>2,933,558</u>	<u>1,967,384</u>	<u>4,900,942</u>

As of 31 December 2017 and 2016, the Bank did not have balances of deposits from other banks from related party.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

16. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

- c. The weighted average effective interest rates per annum for deposits from customers and other banks were as follows:

	2017		2016	
	Rupiah (%)	Foreign currencies (%)	Rupiah (%)	Foreign currencies (%)
Deposits from customers:				
Demand deposits	0.97	0.13	1.02	0.14
Savings	1.00	0.21	1.03	0.14
Time deposits	5.16	0.64	5.02	0.27
Deposits from other banks:				
Demand deposits	0.49	0.01	0.51	0.01
Time deposits	4.00	-	4.02	-

- d. Time deposits based on maturity period

	2017			2016		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
1 month	77,461,153	10,573,504	88,034,657	83,537,839	9,240,079	92,777,918
3 months	39,883,969	822,112	40,706,081	22,125,895	501,827	22,627,722
6 months	4,671,512	268,002	4,939,514	2,696,042	179,137	2,875,179
12 months	3,252,520	562,670	3,815,190	3,205,994	496,988	3,702,982
	<u>125,269,154</u>	<u>12,226,288</u>	<u>137,495,442</u>	<u>111,565,770</u>	<u>10,418,031</u>	<u>121,983,801</u>

- e. Time deposits based on remaining period until maturity date

	2017			2016		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Up to 1 month	91,408,089	11,047,535	102,455,624	89,571,305	9,433,159	99,004,464
> 1 - 3 months	27,981,243	627,765	28,609,008	18,095,959	435,429	18,531,388
> 3 - 6 months	3,889,441	205,024	4,094,465	1,978,435	173,804	2,152,239
> 6 - 12 months	1,990,381	345,964	2,336,345	1,920,071	375,639	2,295,710
	<u>125,269,154</u>	<u>12,226,288</u>	<u>137,495,442</u>	<u>111,565,770</u>	<u>10,418,031</u>	<u>121,983,801</u>

- f. Deposits pledged as collateral to loans granted by the Bank as of 31 December 2017 and 2016 (see Note 12) were as follows:

	2017	2016
Demand deposits	2,249,781	1,681,412
Savings	615,186	752,408
Time deposits	8,514,506	7,954,429
	<u>11,379,473</u>	<u>10,388,249</u>

Information on the classification and fair value of deposits from customers and other banks is disclosed in Note 32. Information on the maturity of deposits from customers and other banks is disclosed in Note 37.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

17. INCOME TAX

a. Current tax liabilities

	<u>2017</u>	<u>2016</u>
Bank	4,990	110,897
Subsidiaries	<u>142,408</u>	<u>52,785</u>
	<u>147,398</u>	<u>163,682</u>

b. Tax expenses

Current tax:		
Current year		
Bank	5,188,000	5,129,551
Subsidiaries	<u>574,403</u>	<u>464,202</u>
	<u>5,762,403</u>	<u>5,593,753</u>
Deferred tax:		
Origination of temporary differences		
Bank	122,882	(335,580)
Subsidiaries	<u>(47,692)</u>	<u>(51,254)</u>
	<u>75,190</u>	<u>(386,834)</u>
	<u>5,837,593</u>	<u>5,206,919</u>

c. In accordance with Article 2 of Government Regulation No. 77/2013 regarding the Guidelines on the Implementation and Supervision on the Tariff Reduction for Domestic Tax Payers in the form of Public Companies, signed by the President of Republic Indonesia on 21 November 2013, tax payers can receive a reduction of 5% (five percent) lower than income tax rate for a domestic tax payer as stipulated by Tax Law, if the company fulfills the following criteria:

1. The public owned 40% (forty percent) or more of the total paid up shares and those shares are owned by at least 300 (three hundred) parties.
2. Each party can only own less than 5% (five percent) of total paid-up shares.
3. The tax payer should fulfill the above mentioned criteria at least within 6 (six) months (183 (one hundred and eighty three) calendar days) in 1 (one) fiscal year.

The tax payers should attach the declaration letter from Securities Administration Agency ("*Biro Administrasi Efek*") to the annual income tax return of the tax payers with the form X.H.1-2 as provided in Decision Letter of the Chairman of Capital Market and Financial Institution Supervisory Agency ("*Bapepam-LK*") No. KEP-669/BL/2012 dated 13 December 2012 for the respective fiscal year.

On 9 January 2018 and 13 January 2017, the Bank received a declaration letter from the Securities Administration Agency for the fulfillment of the above criteria for fiscal year 2017 and 2016, respectively.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

17. INCOME TAX (continued)

- d. The reconciliation of consolidated accounting income before tax to taxable income of the Bank was as follows:

	<u>2017</u>	<u>2016</u>
Consolidated accounting income before tax	29,158,743	25,839,200
Eliminations	481,114	453,115
Before eliminations	29,639,857	26,292,315
Subsidiaries' income before income tax	(2,165,195)	(1,744,960)
Accounting income before tax - Bank	<u>27,474,662</u>	<u>24,547,355</u>
Permanent differences:		
Employees' welfare	168,147	188,335
Rent income	(44,498)	(32,442)
Dividends from Subsidiaries	(453,070)	(418,219)
Interest income from off-shore government bonds	(88,338)	(88,693)
Other (income) expenses which cannot be added/deducted for tax calculation purposes - net	(625,377)	109,099
	<u>(1,043,136)</u>	<u>(241,920)</u>
Temporary differences:		
Post-employment benefits obligation	(538,871)	(414,248)
Impairment losses on financial assets	(16,156)	1,817,730
(Reversal) addition of impairment losses on non-financial assets	(2,423)	4,282
Accrued employees' benefits	44,988	23
Unrealised losses (gains) of trading and available-for-sale investment securities and placements with other banks	20,934	(65,464)
	<u>(491,528)</u>	<u>1,342,323</u>
Taxable income	<u>25,939,998</u>	<u>25,647,758</u>

- e. The reconciliation between consolidated accounting income before tax multiplied by the maximum tax rate and income tax expense was as follows:

	<u>2017</u>	<u>2016</u>
Consolidated accounting income before tax	29,158,743	25,839,200
Maximum tax rate	25%	25%
	<u>7,289,686</u>	<u>6,459,800</u>
Permanent differences at 25% - Bank	(260,784)	(60,480)
Permanent differences at 25% - Subsidiaries	105,691	89,987
	<u>7,134,593</u>	<u>6,489,307</u>
Adjustment of corporate income tax rate - Bank (Note 17c)	(1,297,000)	(1,282,388)
Income tax expense - consolidated	<u>5,837,593</u>	<u>5,206,919</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

17. INCOME TAX (continued)

f. The calculation of current tax and income tax payable was as follows:

	2017	2016
Taxable income:		
Bank	25,939,999	25,647,758
Subsidiaries	1,684,081	1,744,960
	<u>27,624,080</u>	<u>27,392,718</u>
Current tax:		
Bank	5,188,000	5,129,551
Subsidiaries	574,403	464,202
	<u>5,762,403</u>	<u>5,593,753</u>
Prepaid taxes:		
Bank	(5,183,010)	(5,018,654)
Subsidiaries	(431,995)	(411,417)
	<u>(5,615,005)</u>	<u>(5,430,071)</u>
Income tax payable:		
Bank	4,990	110,897
Subsidiaries	142,408	52,785
	<u>147,398</u>	<u>163,682</u>

Annual corporate income tax return for fiscal year 2017 has yet been submitted. Taxable income results from above reconciliation is the basis in filling the Bank's Annual Tax Return ("SPT") of Corporate Income Tax for the year ended 31 December 2017

The calculations of income tax for the year ended 31 December 2016 conform to the Bank's Annual Tax Returns ("SPT").

g. The significant items of deferred tax assets and liabilities as of 31 December 2017 and 2016 were as follows:

	2016	Recognised in current year profit or loss	Recognised in current year other comprehensive income	2017
Parent entity - Bank:				
Deferred tax assets:				
Post-employment benefits obligations	741,973	(134,718)	-	607,255
Allowance for impairment losses of financial assets	1,734,038	(4,039)	-	1,729,999
Allowance for impairment losses of non-financial assets	1,279	(605)	-	674
Accrued employees' benefits	67,836	11,247	-	79,083
Unrealised loss on available-for-sale investment securities and placements with other banks	42,539	-	(42,539)	-
Remeasurements of defined benefit liability	781,091	-	202,502	983,593
	<u>3,368,756</u>	<u>(128,115)</u>	<u>159,963</u>	<u>3,400,604</u>
Deferred tax liabilities:				
Unrealised gain on available-for-sale securities and placements	-	-	(419,935)	(419,935)
Unrealised gain on trading securities	(18,870)	5,233	-	(13,637)
	<u>(18,870)</u>	<u>5,233</u>	<u>(419,935)</u>	<u>(433,572)</u>
Deferred tax assets - net	<u>3,349,886</u>	<u>(122,882)</u>	<u>(259,972)</u>	<u>2,967,032</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

17. INCOME TAX (continued)

- g. The significant items of deferred tax assets and liabilities as of 31 December 2017 and 2016 were as follows: (continued)

	2016	Recognised in current year profit or loss	Recognised in current year other comprehensive income	2017
Deferred tax assets - net (brought forward)	3,349,886	(122,882)	(259,972)	2,967,032
Subsidiaries:				
PT BCA Finance	26,938	4,876	2,469	34,283
PT BCA Sekuritas	33,069	(29,279)	(267)	3,523
PT BCA Syariah	6,538	2,993	4,108	13,639
PT Asuransi Umum BCA	24,244	11,426	(736)	34,934
PT Central Santosa Finance	108,059	12,003	1,755	121,817
PT Central Capital Ventura	-	-	-	-
PT Asuransi Jiwa BCA	-	45,673	(1,660)	44,013
Deferred tax assets - net	198,848	47,692	5,669	252,209
Total deferred tax assets - net	3,548,734	(75,190)	(254,303)	3,219,241
	2015	Recognised in current year profit or loss	Recognised in current year other comprehensive income	2016
Parent entity - Bank:				
Deferred tax assets:				
Post-employment benefits obligations	845,535	(103,562)	-	741,973
Allowance for impairment losses of financial assets	1,279,606	454,432	-	1,734,038
Allowance for impairment losses of non-financial assets	209	1,070	-	1,279
Accrued employees' benefits	67,830	6	-	67,836
Unrealised loss on available-for-sale investment securities and placement with other banks	31,417	-	11,122	42,539
Remeasurements of defined benefit liability	855,300	-	(74,209)	781,091
	3,079,897	351,946	(63,087)	3,368,756
Deferred tax liability:				
Unrealised gain on trading securities	(2,504)	(16,366)	-	(18,870)
	(2,504)	(16,366)	-	(18,870)
Deferred tax assets - net	3,077,393	335,580	(63,087)	3,349,886
Subsidiaries:				
PT BCA Finance	20,242	4,585	2,111	26,938
PT BCA Sekuritas	21,659	11,751	(341)	33,069
PT BCA Syariah	7,577	2,194	(3,233)	6,538
PT Asuransi Umum BCA	21,081	3,076	87	24,244
PT Central Santosa Finance	78,036	29,648	375	108,059
PT Central Capital Ventura	-	-	-	-
PT Asuransi Jiwa BCA	-	-	-	-
Deferred tax assets - net	148,595	51,254	(1,001)	198,848
Total deferred tax assets - net	3,225,988	386,834	(64,088)	3,548,734

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/87****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

17. INCOME TAX (continued)

- g. The significant items of deferred tax assets and liabilities as of 31 December 2017 and 2016 were as follows: (continued)

Included in total deferred tax asset and liability of the Bank and Subsidiaries were deferred tax asset and liability arising from unrealised loss from change in fair value of available-for-sale investment securities (see Note 14) amounting to Rp (409,145) and Rp (4,422) as of 31 December 2017, and Rp 41,971 and Rp 180 as of 31 December 2016. Moreover, included in total deferred tax asset of the Bank and Subsidiaries was deferred tax asset arising from unrealised (loss) gain from change in fair value of available-for-sale placements with Bank Indonesia and other banks (see Note 8) amounting to Rp (10,790) and Rp 568 as of 31 December 2017 and 2016, respectively.

Management believes that total deferred tax assets arising from temporary differences are probable to be realised in the future years.

- h. Under the taxation laws of Indonesia, the Bank and its Subsidiaries in Indonesia calculate, pay and report individual company tax return (submission of consolidated income tax computation is not allowed) on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.
- i. The Bank and Subsidiaries' tax positions may be challenged by the tax authorities. Management vigorously defends the Bank and Subsidiaries' tax positions which are believed to be grounded on sound technical basis, in compliance with the tax regulations. Accordingly, management believes that the accruals for tax liabilities are adequate for all open tax years based on the assessment of various factors, including interpretations of tax law, other tax provisions and prior experience. This assessment relies on estimates and assumptions and may involve judgement about future events. New information may become available that causes management to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period in which such determination is made.
- j. Other information

In 2015, the Bank conducted a revaluation of fixed assets based on the Minister of Finance Regulation No. 191/PMK.01/2015 dated 20 October 2015 regarding Revaluation of Fixed Assets for Tax Purposes. In accordance with the regulation, the Bank submitted a request to obtain a tax incentive in the form of reduced tariff of final income tax at 3% (three percent) of fixed assets revaluation surplus on tax basis.

In accordance with this regulation, revaluation can be performed for some or all tangible fixed assets. In 2015 the Bank revalued its fixed assets in the form of land by engaging an appraisal company, *Kantor Jasa Penilai Publik* ("KJPP") Antonius Setiady & Rekan, as follows:

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

17. INCOME TAX (continued)

j. Other information (continued)

Phase	Number of locations which are revalued	Acquisition cost/book value of land	Book value after revaluation	Excess of revaluation	Final income tax rate	Final income tax
Phase 1	533	1,492,009	7,045,157	5,553,148	3%	166,595
Phase 2	11	426,964	1,115,106	688,142	3%	20,644
Total	544	1,918,973	8,160,263	6,241,290		187,239

For the phase 1 revaluation, the Bank obtained the Director General of Taxes Decision Letter No. KEP-2636/WPJ.19/2015 regarding "The Approval of the Revaluation of Fixed Assets for Taxation Purposes for Submission in 2015 and 2016" on 29 December 2015.

On 7 January 2016, the Bank has obtained the Director General of Taxes Decision Letter No. KEP-55/WPJ.19/2016 regarding "The Approval of the Revaluation of Fixed Assets for Taxation Purposes for Submission in 2015 and 2016" for the second phase revaluation.

The Bank recorded the 3% (three percent) final income tax paid amounting to Rp 187,239 as part of general and administrative expenses in 2015.

18. DEBT SECURITIES ISSUED

Debt securities issued by PT BCA Finance, Subsidiary, were as follows:

	2017	2016
Bonds payable	610,499	2,212,380
Medium-term notes	-	119,791
	610,499	2,332,171

a. Bonds payable

As of 31 December 2017 and 2016, the outstanding balance of bonds payable related to bonds issued was as follows:

	2017	2016
Nominal value:		
BCA Finance Continuous Bonds I Phase II	-	200,000
BCA Finance Continuous Bonds I Phase III	-	270,000
BCA Finance Continuous Bonds II Phase I	422,000	557,000
BCA Finance Continuous Bonds II Phase II	190,000	1,190,000
	612,000	2,217,000
Less:		
Deferred bonds issuance costs - net	(1,501)	(4,620)
Total - net	610,499	2,212,380
Amortisation expense charged to profit or loss	3,576	5,672

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/89****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

18. DEBT SECURITIES ISSUED (continued)**a. Bonds payable (continued)****BCA Finance Continuous Bonds I Phase II (“Continuous Bonds I Phase II”) Year 2013**

BCA Finance Continuous Bonds I - Phase II were offered at nominal value. Interest will be paid on a quarterly basis based on interest payment due date. The first interest payment was made on 14 September 2013 and the final interest payment will be with the repayment of the principal of each series of bonds.

The Subsidiary entered into a Trusteeship Agreement with PT Bank Mega Tbk (acts as the Bond's Trustee) for BCA Finance Continuous Bonds I - Phase II Year 2013 based on the Trusteeship Agreement No. 128 dated 23 May 2013 which was made before Satria Amiputra A., S.E., Ak., S.H., M.Ak., M.H., M.Kn., notary in Jakarta. This agreement has been amended which was effected by Amendment I No. 40 dated 7 June 2013.

BCA Finance Continuous Bonds I - Phase II Series A and B was fully repaid on 24 June 2014, 14 June 2016, and 14 June 2017.

As of 31 December 2016, BCA Finance Continuous Bonds I - Phase II were rated at ^{id}AAA by Pefindo and AAA(idn) by Fitch.

BCA Finance Continuous Bonds I Phase III (“Continuous Bonds I Phase III”) Year 2014

BCA Finance Continuous Bonds I - Phase III were offered at nominal value. Interest will be paid on a quarterly basis based on interest payment due date. The first interest payment was made on 27 June 2014 and the final interest payment will be with the repayment of the principal of each series of bonds.

The Subsidiary entered into a Trusteeship Agreement with PT Bank Mega Tbk (acts as the Bond's Trustee) for BCA Finance Continuous Bonds I - Phase III Year 2014 based on the Trusteeship Agreement No. 9 dated 10 March 2014 which was made before Fathiah Helmi, S.H., notary in Jakarta.

BCA Finance Continuous Bonds I - Phase III Series A was fully repaid on 7 April 2015 and 27 March 2017.

BCA Finance Continuous Bonds II Phase I (“Continuous Bonds II Phase I”) Year 2015

BCA Finance Continuous Bonds II - Phase I were offered at nominal value. Interest will be paid on a quarterly basis based on interest payment due date. The first interest payment was made on 20 June 2015 and the final interest payment will be with the repayment of the principal of each series of bonds.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

18. DEBT SECURITIES ISSUED (continued)

a. Bonds payable (continued)

BCA Finance Continuous Bonds II Phase I (“Continuous Bonds II Phase I”) Year 2015 (continued)

The Subsidiary entered into a Trusteeship Agreement with PT Bank Mega Tbk (acts as the Bond’s Trustee) for BCA Finance Continuous Bonds II – Phase I Year 2015 based on the Trusteeship Agreement No. 12 dated 8 December 2014 which was made before Fathiah Helmi, S.H., notary in Jakarta.

BCA Finance Continuous Bonds II - Phase I Series A was fully repaid on 30 March 2016 and 20 March 2017.

As of 31 December 2017, BCA Finance Continuous Bonds II - Phase I was rated at ^{id}AAA by Pefindo and AAA(idn) by Fitch (2016: ^{id}AAA by Pefindo and AAA(idn) by Fitch).

BCA Finance Continuous Bonds II Phase II (“Continuous Bonds II Phase II”) Year 2016

BCA Finance Continuous Bonds II - Phase II were offered at nominal value. Interest will be paid on a quarterly basis based on interest payment due date. The first interest payment was made on 21 September 2016 and the final interest payment will be with the repayment of the principal of each series of bonds.

The Subsidiary entered into a Trusteeship Agreement with PT Bank Mega Tbk (acts as the Bond’s Trustee) for BCA Finance Continuous Bonds II - Phase II Year 2016 based on the Trusteeship Agreement No. 41 dated 6 June 2016 which was made before Satria Amiputra A., S.E., Ak., S.H., M.Ak., M.Ec.Dev., M.H., Mkn., notary in Jakarta.

BCA Finance Continuous Bonds II - Phase II was fully repaid on 1 July 2017.

As of 31 December 2017, BCA Finance Continuous Bonds II - Phase II was rated at ^{id}AAA by Pefindo and AAA(idn) by Fitch (2016: ^{id}AAA by Pefindo and AAA(idn) by Fitch).

All bonds issued by the Subsidiary are collateralised by the fiduciary transfer of consumer financing receivables amounted to Rp 338,078 and Rp 1,146,672 as of 31 December 2017 and 2016, respectively (see Note 13). Prior to the repayment of the bonds payable, The Subsidiary is not allowed to, among other, transfer, pledge and/or mortgage any of the present or future assets of the Subsidiary, merge and/or dilute the business, take over business, make changes in the articles of association regarding the changes of the purpose and objective in the Subsidiary, and grant any loan or make investment in other parties other than in the ordinary course of the business.

Total principal and interest of bonds have been paid in accordance with the respective bonds’ maturity date.

As of 31 December 2017, the Subsidiary was in compliance with covenants in relation to the bonds payable agreements and complied with all the requirements mentioned in Trusteeship Agreement.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

18. DEBT SECURITIES ISSUED (continued)

b. Medium-Term Notes

As of 31 December 2017, the outstanding balance of Medium-Term Notes issued by PT BCA Finance, Subsidiary, has matured.

As of 31 December 2016, the outstanding balance of Medium-Term Notes issued by PT BCA Finance, Subsidiary, was as follows:

	<u>2016</u>
Nominal value:	
Medium-Term Notes IV BCA Finance	120,000
Less:	
Deferred Medium-Term Notes issuance costs - net	<u>(209)</u>
Total - net	<u>119,791</u>

Medium-Term Notes IV BCA Finance (“MTN IV”) Year 2014

In March 2014, the Subsidiary issued “MTN IV Year 2014 with Fixed Interest Rates” with a nominal value of Rp 120,000, interest rate per annum at 7.94% and the maturity date on 18 March 2017. Interest will be paid on a semi-annual basis based on interest payment due date. The first interest payment was made on 18 September 2014 and the final interest payment will be with the repayment of the principal of MTN IV.

The Subsidiary assigned PT Nikko Securities Indonesia as monitoring, custodian and payment agent for the MTN IV, as stated in the Notarial Deed No. 51, 52, 53 and 63, dated 14 March 2014 of Satria Amiputra A., S.E., Ak., S.H., M.Ak., M.H., M.Kn. The notarial deed provides several negative covenants to the Subsidiary, among other, collaterals with fiduciary transfer of consumer financing receivables amounting to Rp 60,134 as of 31 December 2016 (see Note 13).

During the year that the MTN principals are still outstanding, the Subsidiary is not allowed to, among others, transfer, pledge and/or mortgage any of the present or future assets of the Subsidiary, merge and/or consolidate business, take over business, make changes in the Articles of Association regarding the changes of the purpose and objective of the business and grant any credits to or make investments in other parties other than in the ordinary courses of the business.

Total principal and interest of MTN have been paid in accordance with the respective MTN’s maturity date.

As of 31 December 2017 and 2016, the Subsidiary was in compliance with covenants in relation to the MTN agreements and complied with all the requirements mentioned in Trusteeship Agreement.

Information on the classification and fair value of debt securities issued is disclosed in Note 32. Information on the maturity of debt securities issued is disclosed in Note 37.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

19. BORROWINGS

Borrowings received by the Bank and Subsidiaries were as follows:

	2017	2016
(1) Liquidity loans from Bank Indonesia, Rupiah:		
Agriculture loans (<i>Kredit Usaha Tani</i> /"KUT"), due date between 13 March 2000 up to 22 September 2000, in the process of closing the agreement	577	577
(2) Borrowings from other banks:		
Rupiah:		
PT Bank DKI	630,000	500,000
PT Bank Pan Indonesia Tbk	432,095	264,866
PT Bank Sumitomo Mitsui Indonesia	365,000	60,000
PT Bank Nationalnobu Tbk	120,000	139,998
PT Bank Dinar Indonesia Tbk	72,500	72,500
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	70,000	125,000
PT Bank Ina Perdana Tbk	70,000	-
PT Bank KEB Hana Indonesia (previously PT Bank Hana)	37,594	37,040
PT Bank Victoria International Tbk	-	450,000
PT Bank UOB Indonesia	-	224,991
Currencies:		
PT Bank UOB Indonesia	568,411	-
The Bank of Tokyo Mitsubishi UFJ, Ltd - Jakarta Branch	381,586	-
United Overseas Bank - Hong Kong	67,872	-
Citibank, N.A. - Indonesia	159,418	-
	2,974,476	1,874,395
(3) Others:		
Rupiah	-	37,500
Foreign currencies	65,549	876,080
	65,549	913,580
Total borrowings	3,040,602	2,788,552

The weighted average effective interest rates per annum for borrowings were as follows:

	2017	2016
Rupiah	8.42%	8.37%
Foreign currencies	2.57%	0.80%

(1) Rupiah liquidity loans from Bank Indonesia

Rupiah liquidity loans from Bank Indonesia represent credit facility obtained by the Bank as a national private bank in Indonesia, to be distributed to qualified Indonesian debtors under the loan facility program.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

19. BORROWINGS (continued)

(2) Borrowings from other banks

Represent working capital loans of Subsidiaries. The details of borrowing facilities received as of 31 December 2017 and 2016 were as follows:

Bank	Total facility		Maturity date of facility	
	2017	2016	2017	2016
Rupiah:				
PT Bank Sumitomo Mitsui Indonesia	800,000	800,000	31-May-18	31-May-17
PT Bank UOB Indonesia	650,000	250,000	21-Jul-18	08-Sep-17
PT Bank Victoria International Tbk	300,000	300,000	09-Jun-18	09-Jun-17
	200,000	200,000	27-Jun-18	27-Jun-17
PT Bank Pan Indonesia Tbk	300,000	600,000	31-Jan-18	30-Oct-17
	300,000	300,000	31-Oct-18	31-Oct-18
	300,000	300,000	28-Feb-20	28-Feb-20
	400,000	-	26-Oct-20	-
PT Bank KEB Hana Indonesia (previously PT Bank Hana)	200,000	200,000	28-Jan-21	30-Jul-17
	-	100,000	-	15-Dec-17
PT Bank DBS Indonesia	100,000	100,000	10-Mar-18	10-Mar-17
PT Bank Tabungan Pensiunan Nasional Tbk	-	300,000	-	15-Jun-17
PT Bank Nationalnobu Tbk	100,000	100,000	24-Feb-18	24-Feb-17
	40,000	40,000	31-Mar-18	31-Mar-17
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	200,000	200,000	11-Dec-18	11-Dec-18
PT Bank DKI	100,000	-	16-Jun-18	-
	100,000	-	08-Sep-18	-
	500,000	500,000	28-Sep-18	28-Sep-17
PT Bank Dinar Indonesia Tbk	72,500	72,500	30-Mar-18	30-Mar-17
The Hongkong and Shanghai Banking Corporation Ltd. Indonesia Branch	-	400,000	-	31-Jul-16
PT Bank Ina Perdana Tbk	70,000	-	20-Dec-18	-
PT Bank J TRUST Indonesia Tbk	125,000	-	29-Dec-18	-
Foreign currencies (full amount):				
Standard Chartered Bank				
- Indonesia Branch	USD 20,000,000	USD 20,000,000	30-Sep-17 ^{a)}	30-Sep-17
The Bank of Tokyo Mitsubishi UFJ, Ltd - - Jakarta Branch	USD 60,000,000	USD 50,000,000	14-Sep-18	14-Sep-17
Citibank, N.A. - Indonesia	USD 20,000,000	-	20-Mar-18	-

^{a)} in renewal process

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

19. BORROWINGS (continued)

(2) Borrowings from other banks (continued)

As of 31 December 2017 and 2016, these bank loans were secured by consumer financing receivables amounting to Rp 2,545,004 and Rp 2,246,585 (see Note 13).

All loan agreements include certain covenants which are normally required for such credit facilities, such as limitations to initiate merger or consolidation with other parties, obtain loans from other parties except loans obtained in the normal course of business, or changes its capital structure and/or Articles of Association without notification to/prior written approval from the creditors and maintenance of certain agreed financial ratios.

The range of contractual interest rates for borrowings from other banks was as follows:

	<u>2017</u>	<u>2016</u>
Rupiah	4.85% - 11.25%	5.88% - 11.25%
Foreign currencies	1.27% - 2.52%	-

(3) Others

As of 31 December 2017 and 2016, PT BCA Sekuritas, Subsidiary, obtained loan from related party amounting to Rp nil and Rp 37,500, respectively.

As of 31 December 2017 and 2016, BCA Finance Limited, Subsidiary, received a Banker's Acceptance Funding amounting to Rp 65,157 (USD 4,800,000 in full amount) from Wells Fargo Bank, Miami, which will mature on 8 March 2018 and Rp 67,374 (USD 5,000,000 in full amount) from Wells Fargo Bank, Miami, which has matured on 22 May 2017. This loan is collateralised by export and import transaction documents and bears interest rate at 2.14% and 1.89%, respectively.

Information on the classification and fair value of borrowings is disclosed in Note 32. Information on the maturity of borrowings is disclosed in Note 37.

20. SHARE CAPITAL

The composition of the Bank's share capital as of 31 December 2017 and 2016 (after stock split, see Note 1c) was as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Number of shares</u>	<u>Total par value</u>	<u>Number of shares</u>	<u>Total par value</u>
Authorised capital at par value Rp 62.50 (full amount) per share	88,000,000,000	5,500,000	88,000,000,000	5,500,000
Unissued	<u>(63,344,990,000)</u>	<u>(3,959,062)</u>	<u>(63,344,990,000)</u>	<u>(3,959,062)</u>
Outstanding shares (issued and fully paid)	<u>24,655,010,000</u>	<u>1,540,938</u>	<u>24,655,010,000</u>	<u>1,540,938</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

20. SHARE CAPITAL (continued)

The composition of shareholders as of 31 December 2017 and 2016 was as follows:

	2017		
	Number of shares	Total par value	%
PT Dwimuria Investama Andalan ¹⁾	13,545,990,000	846,624	54.94
Anthoni Salim	434,079,976	27,130	1.76
Commissioners:			
Djohan Emir Setijoso	23,199,582	1,450	0.09
Tony Kusnadi	1,097,183	69	0.01
Directors:			
Jahja Setiaatmadja	8,180,380	511	0.03
Eugene Keith Galbraith	1,435,365	90	0.01
Armand W. Hartono	851,213	53	0.00
Suwignyo Budiman	7,332,825	458	0.03
Subur Tan	2,606,100	163	0.01
Henry Koenafi	835,257	52	0.00
Erwan Yuris Ang	1,526,500	95	0.01
Rudy Susanto	345,500	22	0.00
Lianawaty Suwono	110,000	7	0.00
Santoso	120,580	7	0.00
Inawati Handoyo	58,100	4	0.00
Public shareholders**)	10,627,241,439	664,203	43.11
	<u>24,655,010,000</u>	<u>1,540,938</u>	<u>100.00</u>

*) The shareholders of PT Dwimuria Investama Andalan are Mr. Robert Budi Hartono and Mr. Bambang Hartono, therefore, the ultimate shareholders of PT Bank Central Asia Tbk are Mr. Robert Budi Hartono and Mr. Bambang Hartono.

***) In the public shareholders composition, there was 2.49% shares owned by parties affiliated with PT Dwimuria Investama Andalan.

	2016		
	Number of shares	Total par value	%
PT Dwimuria Investama Andalan ^{****)}	11,625,990,000	726,624	47.15
Anthoni Salim	434,079,976	27,130	1.76
Commissioners:			
Djohan Emir Setijoso	25,003,464	1,563	0.10
Tony Kusnadi	1,020,236	64	0.01
Directors:			
Jahja Setiaatmadja	8,380,119	524	0.03
Eugene Keith Galbraith	1,207,053	75	0.01
Armand W. Hartono	851,213	53	0.00
Suwignyo Budiman	7,191,143	449	0.03
Subur Tan	3,129,561	196	0.01
Henry Koenafi	783,575	49	0.00
Erwan Yuris Ang	1,402,205	88	0.01
Rudy Susanto	377,234	24	0.00
Lianawaty Suwono	47,740	3	0.00
Santoso	69,045	4	0.00
Public shareholders****)	12,545,477,436	784,092	50.89
	<u>24,655,010,000</u>	<u>1,540,938</u>	<u>100.00</u>

****) The shareholders of PT Dwimuria Investama Andalan are Mr. Robert Budi Hartono and Mr. Bambang Hartono, therefore, the ultimate shareholders of PT Bank Central Asia Tbk are Mr. Robert Budi Hartono and Mr. Bambang Hartono.

*****) In the public shareholders composition, there was 11.02% shares owned by parties affiliated with PT Dwimuria Investama Andalan.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

21. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital as of 31 December 2017 and 2016 consists of:

	2017	2016
Additional paid-in capital from share capital payments	29,453,007	29,453,007
Elimination of accumulated loss through quasi-reorganisation on 31 October 2000 ^{*)}	(25,853,162)	(25,853,162)
Additional paid-in capital from the exercise of stock options	296,088	296,088
Additional paid-in capital from treasury stock transactions (Note 1c)	1,815,435	1,815,435
Difference in values from business combination transaction of entities under common control (Note 2g)	(162,391)	(146,816)
	<u>5,548,977</u>	<u>5,564,552</u>

*) On 31 October 2000, the Bank adopted SFAS No. 51, "Accounting for Quasi-Reorganisation" to achieve a "fresh start" reporting. Fresh start reporting requires the revaluation of all its assets and liabilities recorded by using the fair value and elimination of its accumulated deficit. Pursuant to the implementation of quasi-reorganisation, the Bank's accumulated losses as of 31 October 2000 amounted to Rp 25,853,162 had been eliminated against the additional paid-in capital. The implementation of quasi-reorganisation had been approved by Bank Indonesia through its Letter No. 3/165/DPwB2/IDWB2 dated 21 February 2001 and by the shareholders in their Extraordinary General Meeting of Shareholders on 12 April 2001 (the minutes of meeting prepared by Notary Hendra Karyadi, S.H., in Notary Deed No. 25).

22. COMMITMENTS AND CONTINGENCIES

As of 31 December 2017 and 2016, the Bank and Subsidiaries' commitments and contingencies were as follows:

	Type of Currencies	2017		2016	
		Amount in foreign currencies ^{*)}	Rupiah equivalent	Amount in foreign currencies ^{*)}	Rupiah equivalent
Commitments					
<u>Committed receivables:</u>					
Borrowing facilities received and unused	Rupiah	-	1,902,204	-	2,140,009
	USD	69,607,219	<u>944,396</u>	99,690,109	<u>1,343,075</u>
			<u>2,846,600</u>		<u>3,483,084</u>
<u>Committed liabilities:</u>					
Unused credit facilities to customers - committed	Rupiah	-	127,514,721	-	110,663,647
	USD	678,899,948	9,210,975	597,097,061	8,044,390
	Others, USD equivalent	6,306,435	<u>85,563</u>	9,395,984	<u>126,588</u>
			<u>136,811,259</u>		<u>118,834,625</u>

^{*)} Total in full amount.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

22. COMMITMENTS AND CONTINGENCIES (continued)

	Type of Currencies	2017		2016	
		Amount in foreign currencies*)	Rupiah equivalent	Amount in foreign currencies*)	Rupiah equivalent
Commitments (continued)					
<u>Committed liabilities:</u> (continued)					
Unused credit facilities to other banks - committed					
	Rupiah	-	2,533,547	-	1,285,435
	USD	11,207,407	152,057	-	-
			<u>2,685,604</u>		<u>1,285,435</u>
Irrevocable Letters of Credit facilities to customers					
	Rupiah	-	1,888,365	-	1,242,588
	USD	374,498,840	5,081,013	304,122,370	4,097,288
	Others, USD equivalent	57,822,163	784,502	32,585,879	439,013
			<u>7,753,880</u>		<u>5,778,889</u>
			<u>147,250,743</u>		<u>125,898,949</u>
Contingencies					
<u>Contingent receivables:</u>					
Bank guarantees received					
	Rupiah	-	459,555	-	458,212
	USD	20,779,882	281,931	389,941	5,253
	Others, USD equivalent	-	-	811,036	10,927
			<u>741,486</u>		<u>474,392</u>
Interest receivables on non-performing assets					
	Rupiah	-	302,779	-	212,230
	USD	1,242,961	16,864	957,358	12,898
	Others, USD equivalent	808	11	52,011	700
			<u>319,654</u>		<u>225,828</u>
			<u>1,061,140</u>		<u>700,220</u>
<u>Contingent liabilities:</u>					
Bank guarantee issued to customers					
	Rupiah	-	11,302,659	-	9,145,355
	USD	176,221,708	2,390,888	153,417,078	2,066,911
	Others, USD equivalent	8,913,301	120,931	9,870,672	132,983
			<u>13,814,478</u>		<u>11,345,249</u>

*) Total in full amount.

Additional information

As of 31 December 2017 and 2016, the Bank had unused credit facilities to customers - uncommitted amounting to Rp 42,222,154 and Rp 39,126,575, respectively.

As of 31 December 2017 and 2016, the Bank had unused credit facilities to other Banks - uncommitted amounting to Rp 2,039 and Rp nil, respectively.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

22. COMMITMENTS AND CONTINGENCIES (continued)Additional information (continued)

The Bank is a party to various unresolved legal actions, administrative proceedings, and claims in the ordinary course of its business. It is not possible to predict with certainty whether or not the Bank will be successful in any of these legal matters or, if not, what the impact might be. However, the Bank's management does not expect that the results in any of these proceedings will have a material adverse effect on the Bank's results of operations, financial position, or liquidity.

Commitments and contingencies from related parties are disclosed in Note 41.

23. INTEREST AND SHARIA INCOME

Interest and sharia income consist of:

	<u>2017</u>	<u>2016</u>
Loans receivable	40,014,457	38,882,040
Placements with Bank Indonesia and other banks	873,775	814,906
Investment securities	7,083,517	5,963,625
Securities purchased under agreements to resell	1,519,233	851,646
Consumer financing and investment in finance leases	3,077,396	2,903,433
Sharia revenue sharing	497,154	428,830
Others	702,407	581,346
	<u>53,767,939</u>	<u>50,425,826</u>

Included in interest income from loans receivable and investment securities were interest from the effect of discounting (unwinding interest) of impaired financial assets for the year ended 31 December 2017 amounting to Rp 36,215 and Rp 7,427, respectively (2016: Rp 43,238 and Rp nil).

Interest income from loans receivable to related parties is disclosed in Note 41.

24. INTEREST AND SHARIA EXPENSES

Interest and sharia expenses consist of:

	<u>2017</u>	<u>2016</u>
Deposits from customers	10,252,581	8,741,060
Deposits from other banks	37,944	14,851
Government guarantee premium	1,140,804	983,142
Debt securities issued	109,600	208,659
Securities sold under agreements to repurchase	5,308	28,218
Borrowings	155,976	151,785
Sharia	239,252	219,021
	<u>11,941,465</u>	<u>10,346,736</u>

Interest and sharia expenses for deposits from related parties are disclosed in Note 41.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

25. FEE AND COMMISSION INCOME - NET

Represent fee and commission income related to:

	<u>2017</u>	<u>2016</u>
Deposits from customers	3,584,346	3,296,614
Loans receivable	1,354,397	1,298,111
Payment settlement	1,471,436	1,420,775
Credit cards	2,772,191	2,418,056
Remittance, clearing and collections	299,676	287,198
Others	905,954	683,787
Total	<u>10,388,000</u>	<u>9,404,541</u>
Fee and commission expenses	<u>(2,162)</u>	<u>(3,842)</u>
Fee and commission income - net	<u>10,385,838</u>	<u>9,400,699</u>

Fee and commission income from loans receivable were fee and commission income related to disbursement of loan facilities which were not an integral part of effective interest rates.

26. NET TRADING INCOME

Net trading income consists of:

	<u>2017</u>	<u>2016</u>
Interest income from financial assets held for trading	31,255	135,866
Unrealised (losses) gains from fair value of financial assets held for trading - net	305,663	(161,149)
Gain on spot and derivative transactions - net	769,037	1,853,559
Gain on sale of financial assets held for trading-net	697,586	517,699
	<u>1,803,541</u>	<u>2,345,975</u>

27. IMPAIRMENT LOSSES ON ASSETS

	<u>2017</u>	<u>2016</u>
Acceptance receivables (Note 10c)	237,245	(251,353)
Loans receivable (Note 12f)	1,831,813	4,493,740
Consumer financing receivables (Note 13)	335,827	266,340
Sharia financing	23,506	28,039
Investment securities (Note 14)	197,108	18,820
Others	7,120	5,688
	<u>2,632,619</u>	<u>4,561,274</u>

28. PERSONNEL EXPENSES

	<u>2017</u>	<u>2016</u>
Salaries and wages	5,596,199	5,140,436
Employees' benefits and compensations	4,201,380	3,899,595
Post-employment benefits (Note 33)	984,750	1,115,375
Training	297,826	242,987
Pension plan contribution	255,000	231,491
	<u>11,335,155</u>	<u>10,629,884</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

29. GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016
Office supplies	4,014,943	3,590,019
Depreciation of fixed assets and amortisation of intangible assets	1,821,003	1,641,630
Repair and maintenance	1,427,273	1,269,540
Rental	1,349,278	1,332,656
Communication	1,229,870	980,446
Promotion	997,910	1,015,200
Professional fees	544,981	504,201
Water, electricity and fuel	281,049	275,267
Computer and software	160,107	140,291
Tax	112,103	108,789
Transportation	41,203	52,989
Insurance	38,444	35,014
Research and development	27,897	25,216
Security	18,838	18,184
Others	240,751	239,121
	<u>12,305,650</u>	<u>11,228,563</u>

30. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated based on the weighted average number of shares outstanding during the year, as follows:

	2017	2016
Net income attributable to equity holder of the parent entity	23,309,994	20,605,736
Weighted average number of outstanding shares (full amount)	24,655,010,000	24,655,010,000
Basic and diluted earnings per share attributable to equity holder of the parent entity (full amount of Rupiah)	945	836

As of 31 December 2017 and 2016, there were no instruments which can potentially be converted into common shares. Therefore, diluted earnings per share is equivalent to basic earnings per share.

31. APPROPRIATION OF NET INCOME

The Bank's Annual General Meeting of Shareholders on 6 April 2017 (the minutes was prepared by Notary Dr. Irawan Soerodjo, S.H., MSi. with Notary Deed No. 19) resolved the appropriation of 2016 net income, as follows:

- a. Allocate 1% (one percent) of 2016 net income for general reserve amounting to Rp 206,057.
- b. Distribute cash dividends amounting to Rp 4,931,002 (Rp 200 (full amount) per share) to shareholders who have the right to receive cash dividends. The actual cash dividends paid was Rp 3,205,152 (interim dividend for year 2016 amounting to Rp 1,725,850 had been paid on 22 December 2016).
- c. Determine the tantiem for the members of Board of Commissioners and Board of Directors on duty in 2016 with a maximum amount of Rp 309,086 from the 2016 net income. The actual amount of tantiem paid was Rp 308,114.
- d. Determine the remaining 2016 net income after dividends as unappropriated retained earnings.

The Bank's Annual General Meeting of Shareholders on 6 April 2017 also resolved to grant the power and authority to the Bank's Board of Directors (with approval from Board of Commissioners) to pay interim dividend for the year 2017, where possible, by considering the financial condition of the Bank.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/101****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

31. APPROPRIATION OF NET INCOME (continued)

In accordance with the Board of Directors' Decision Letter dated 21 November 2017 No. 159/SK/DIR/2017 regarding the Distribution of Interim Dividends for year 2017, the Board of Directors resolved that the Bank will pay interim dividends to shareholders from the 2017 net income amounting to Rp 80 (full amount) per share. The actual interim dividends paid amounting to Rp 1,972,401.

The Bank's Annual General Meeting of Shareholders on 7 April 2016 (the minutes was prepared by Notary Dr. Irawan Soerodjo, S.H., MSi., with Notary Deed No. 119) resolved the appropriation of 2015 net income, as follows:

- a. Allocate 1% (one percent) of 2015 net income for general reserve amounting to Rp 180,187.
- b. Distribute cash dividends amounting to Rp 3,944,802 (Rp 160 (full amount) per share) to shareholders who have the right to receive cash dividends. The actual cash dividends paid was Rp 2,588,776 (interim dividend for year 2015 amounting to Rp 1,356,026 had been paid on 8 December 2015).
- c. Determine the tantiem for the members of Board of Commissioners and Board of Directors on duty in 2015 with a maximum amount of Rp 270,280 from the 2015 net income. The actual amount of tantiem paid was Rp 269,600.
- d. Determine the remaining 2015 net income after dividends as unappropriated retained earnings.

The Bank's Annual General Meeting of Shareholders on 7 April 2016 also resolved to grant the power and authority to the Bank's Board of Directors (with approval from Board of Commissioners) to pay interim dividend for the year 2016, where possible, by considering the financial condition of the Bank.

In accordance with the Board of Directors' Decision Letter dated 23 November 2016 No. 173/SK/DIR/2016 regarding the Distribution of Interim Dividends for year 2016, the Board of Directors resolved that the Bank will pay interim dividends to shareholders from the 2016 net income amounting to Rp 70 (full amount) per share. The actual interim dividends paid amounting to Rp 1,725,850

32. FINANCIAL INSTRUMENTS**Classification of financial assets and financial liabilities**

Financial instruments have been classified based on their respective classifications. The significant accounting policies in Note 2i.2 describe how the categories of the financial assets and liabilities are measured and how income and expenses, including fair value gains and losses (changes in fair value of financial instruments) are recognised.

Valuation models of financial instruments

The Bank and Subsidiaries measure fair values using the following hierarchy of methods:

- Level 1: inputs that are quoted prices (unadjusted) in active markets for identical instruments that the Bank and Subsidiaries can access at the measurement date.
- Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (continued)**Valuation models of financial instruments (continued)**

- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active market are based on quoted market prices. For all other financial instruments, the Bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, benchmark interest rate, credit spreads and other variables used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank and Subsidiaries use widely recognised valuation models for determining the fair values of common and more simple financial instruments, such as interest rate and currency swaps that used only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt securities and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the needs for management judgement and estimation and also reduces the uncertainty associated with determining the fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Management judgement and estimation are usually required for selection of the appropriate valuation models to be used, determination of expected future cash flows on the financial instruments being valued, determination of the probability of counterparty default, prepayments and selection of appropriate discount rates.

Valuation Framework

Valuation of financial assets and financial liabilities are subject to an independent review from the business by Finance and Planning Division ("DKP") and Risk Management Work Unit ("SKMR"). DKP is primarily responsible for ensuring that valuation adjustments have been properly accounted for. SKMR performs an independent price validation to ensure that the Bank use reliable market data from independent sources, e.g., traded prices and broker quotes.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (continued)

Valuation framework (continued)

Valuation model is proposed by SKMR and approved by the management. SKMR performs a periodic review of the feasibility of the market data sources used for valuation. The market data used for price validation may include those sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and pricing providers. The market data used should be representative of the market as much as possible, which can evolve over time as markets and financial instruments develop. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing providers are taken into consideration.

Valuation of financial instruments

Financial instruments measured at fair value

The following table sets out the carrying amounts and fair values of financial instruments of the Bank and Subsidiaries, measured at fair values, and their analysis by the level in the fair value hierarchy.

	2017			Fair value Level 2
	Carrying amount			
	Held for trading	Available-for-sale	Total	
Financial assets				
Placements with Bank Indonesia and other banks	-	4,036,521	4,036,521	4,036,521
Financial assets held for trading	6,015,302	-	6,015,302	6,015,302
Investment securities	-	107,047,769	107,047,769	107,047,769
	6,015,302	111,084,290	117,099,592	117,099,592
Financial liabilities				
Financial liabilities held for trading	53,843	-	53,843	53,843
	53,843	-	53,843	53,843
	2016			Fair value Level 2
	Carrying amount			
	Held for trading	Available-for-sale	Total	
Financial assets				
Placements with Bank Indonesia and other banks	-	3,785,174	3,785,174	3,785,174
Financial assets held for trading	5,127,264	-	5,127,264	5,127,264
Investment securities	-	81,591,017	81,591,017	81,591,017
	5,127,264	85,376,191	90,503,455	90,503,455
Financial liabilities				
Financial liabilities held for trading	122,130	-	122,130	122,130
	122,130	-	122,130	122,130

Fair value of available-for-sale placements with Bank Indonesia and other banks was calculated using valuation techniques based on the Bank's internal model, which is a discounted cash flow method. Input used in the valuation techniques is market interest rate for money market instruments which have similar credit characteristics, maturity and yield.

As of 31 December 2017 and 2016, the fair value of held for trading securities was based on market price issued by pricing provider (Indonesian Bond Pricing Agency/"IBPA"). If the information is not available, the fair value is estimated using the quoted market prices of securities which have similar credit characteristics, maturity and yield.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (continued)

Valuation of financial instruments (continued)

Financial instruments measured at fair value (continued)

As of 31 December 2017 and 2016, the fair value of available-for-sale investment securities was based on market price issued by pricing provider (Indonesian Bond Pricing Agency/“IBPA”). If the information is not available, the fair value was estimated using the quoted market prices of securities which have similar credit characteristics, maturity and yield.

As of 31 December 2017 and 2016, the fair value of available-for-sale investment securities did not include the fair value of investments in shares amounting to Rp 258,005 and Rp 163,711, respectively, which were valued at cost, since the fair value cannot be measured reliably.

The Bank and Subsidiaries did not have financial assets and financial liabilities measured at fair value which the measurements fall under level 1 and level 3 hierarchy.

Financial instruments not measured at fair value

The following table sets out the carrying amounts and fair values of financial instruments of the Bank and Subsidiaries, which are not measured at fair values and their analysis by the level in the fair value hierarchy.

	2017				Fair value		
	Carrying amount			Total	Level 2	Level 3	Total
	Held-to-maturity	Loans and receivables	Other amortised cost				
Financial assets							
Loans receivable	-	454,264,956	-	454,264,956	13,030,912	441,180,718	454,211,630
Consumer financing receivables	-	8,506,984	-	8,506,984	-	8,218,786	8,218,786
Investment in finance leases	-	181,426	-	181,426	-	172,867	172,867
Investment securities	23,785,389	-	-	23,785,389	24,353,403	-	24,353,403
	<u>23,785,389</u>	<u>462,953,366</u>	<u>-</u>	<u>486,738,755</u>	<u>37,384,315</u>	<u>449,572,371</u>	<u>486,956,686</u>
Financial liabilities							
Deposits from customers	-	-	581,115,442	581,115,442	581,115,442	-	581,115,442
Deposits from other banks	-	-	5,758,414	5,758,414	5,758,414	-	5,758,414
Debt securities issued	-	-	610,499	610,499	616,781	-	616,781
Borrowings	-	-	3,040,602	3,040,602	-	3,048,138	3,048,138
	<u>-</u>	<u>-</u>	<u>590,524,957</u>	<u>590,524,957</u>	<u>587,490,637</u>	<u>3,048,138</u>	<u>590,538,775</u>
	2016			Fair value			
	Carrying amount			Total	Level 2	Level 3	Total
	Held-to-maturity	Loans and receivables	Other amortised cost				
Financial assets							
Loans receivable	-	403,391,221	-	403,391,221	7,470,894	398,046,286	405,517,180
Consumer financing receivables	-	8,207,469	-	8,207,469	-	7,960,964	7,960,964
Investment in finance leases	-	161,978	-	161,978	-	168,311	168,311
Investment securities	26,954,433	-	-	26,954,433	26,910,292	-	26,910,292
	<u>26,954,433</u>	<u>411,760,668</u>	<u>-</u>	<u>438,715,101</u>	<u>34,381,186</u>	<u>406,175,561</u>	<u>440,556,747</u>
Financial liabilities							
Deposits from customers	-	-	530,133,625	530,133,625	530,133,625	-	530,133,625
Deposits from other banks	-	-	4,900,942	4,900,942	4,900,942	-	4,900,942
Debt securities issued	-	-	2,332,171	2,332,171	2,333,795	-	2,333,795
Borrowings	-	-	2,788,552	2,788,552	-	2,825,327	2,825,327
	<u>-</u>	<u>-</u>	<u>540,155,290</u>	<u>540,155,290</u>	<u>537,368,362</u>	<u>2,825,327</u>	<u>540,193,689</u>

Majority of the financial instruments not measured at fair value are measured at amortised cost.

The following financial instruments are short-term financial instruments or financial instruments which are re-priced periodically to current market rates, therefore, the fair values of financial instruments are reasonable approximation of carrying value.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/105****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (continued)**Valuation of financial instruments (continued)****Financial assets:**

- Cash
- Current accounts with Bank Indonesia
- Current accounts with other banks
- Placements with Bank Indonesia and other banks
- Acceptance receivables
- Bills receivables
- Securities purchased under agreements to resell

Financial liabilities:

- Securities sold under agreements to repurchase
- Acceptance payables

As of 31 December 2017 and 2016, the fair values of loans receivable, consumer financing receivables, investment in finance leases and borrowings were determined using discounted cash flows based on internal interest rate.

As of 31 December 2017 and 2016, the fair values of held-to-maturity securities and debt securities issued based on market prices issued by pricing provider (Indonesian Bond Pricing Agency/"IBPA"). If the information is not available, the fair values were estimated using quoted market prices of securities which have similar credit characteristics, maturity and yield.

As of 31 December 2017 and 2016, the fair values of deposits from customers and deposits from other banks are the same with the carrying amount because they are payable on demand in nature.

The fair values calculated are for disclosure purposes only and do not have any impact on the Bank and Subsidiaries' reported financial performance or position. The fair values calculated by the Bank Subsidiaries may be different from the actual amount that will be received/paid on the settlement or maturity of the financial instrument. As certain categories of financial instruments are not traded, there is management judgment involved in calculating their fair values.

33. POST-EMPLOYMENT BENEFITS OBLIGATION

In accordance with Law of the Republic of Indonesia No. 13/2003 concerning Manpower, the Bank is required to provide post-employment benefits to its employees when their employments are terminated or when they retire. These benefits are primarily based on years of services and the employees' compensation at termination or retirement. These post-employment benefits are defined benefits program.

The Bank also had a defined contribution pension plan that covers all permanent employees who fulfilled the criteria determined by the Bank. This defined contribution pension plan is managed and administered by Dana Pensiun BCA which was established by the Bank to manage the assets, generate investment income and pay the post-employment benefits to the employees. The establishment of Dana Pensiun BCA had been ratified by the Minister of Finance of Republic of Indonesia in its Decision Letter No. KEP-020/KM.17/1995 dated 25 January 1995. The contribution to the pension plan is computed based on certain percentage of employees' basic salary, for which the contribution from employees and the Bank are 3% (three percent) and 5% (five percent), respectively. Three percent of accumulated contribution from the Bank to the pension fund is used as a deduction against the post-employment benefits obligation in accordance with the manpower law.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/106

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

33. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

During the year ended 31 December 2017 and 2016, the Bank provided some funds to support the fulfillment of its post-employment benefit obligations amounting to Rp 1,360,448 and Rp 1,403,200, respectively. These funds were placed in several insurance companies in the form of saving plan program and *Dana Pensiun Lembaga Keuangan* ("DPLK") in the form of *Program Pensiun Untuk Kompensasi Pesangon* ("PPUKP") for the year ended 31 December 2017 and 2016, which meet the criteria to be recorded as plan assets.

The defined benefit pension plan provides actuarial risk exposures to the Bank, e.g., investment risk, interest rate risk and inflation risk.

Post-employment benefits provided by the Bank consist of pension, other long-term compensations in the form of service award, and post-employment healthcare benefits. The post-employment benefits obligation as of 31 December 2017 and 2016 was calculated by PT Towers Watson Purbajaga (Biro Pusat Aktuaria), as the Bank's independent actuary, using the projected-unit-credit method. The main assumptions used by independent actuary were as follows:

	2017	2016
Economic assumptions:		
Annual discount rate	6.50%	8.00%
Annual basic salary growth rate	9.00%	9.00%
Healthcare cost rate	10.00%	10.00%

The discount rate is used in determining the present value of the post-employment benefits obligation at valuation date. In general, the discount rate correlates with the yield on high quality government bonds that are traded in active capital markets at the reporting date.

The future basic salary growth assumption projects the post-employment benefits obligations starting from the valuation date through the normal retirement age. The basic salary growth rate is generally determined by applying inflation adjustment to payment scales and by taking into account of the years of service.

The Bank's obligation for post-employment benefits for the years ended 31 December 2017 and 2016 was in accordance with the independent actuary reports dated 23 January 2018 and 24 January 2017, respectively.

a. Post-employment benefits obligation

The post-employment benefits obligation as of 31 December 2017 and 2016 was as follows:

	Defined benefit pension plan and other long-term compensations		Post-employment healthcare benefits	
	2017	2016	2017	2016
Present value of obligation for post-employment benefits	10,801,602	9,056,905	249,861	254,195
Fair value of plan assets	(4,688,075)	(3,218,848)	-	-
Net obligation for post-employment benefits - Bank	6,113,527	5,838,057	249,861	254,195

The Subsidiaries' obligation for post-employment benefits as of 31 December 2017 and 2016 which were recorded in the consolidated statements of financial position amounting to Rp 142,895 and Rp 77,894, respectively.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/107

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

33. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

b. Movement of post-employment benefits obligation

	Defined benefit pension plan and other long-term compensations		Post-employment healthcare benefits	
	2017	2016	2017	2016
Movement in the defined benefit obligation				
Defined benefit obligation, beginning of the year - Bank	5,838,057	6,567,380	254,195	235,958
Included in profit or loss				
Current service cost	495,104	466,602	3,819	13,121
Interest cost	404,063	569,137	20,034	20,366
Termination cost	13,692	14,907	-	-
Included in other comprehensive income				
Actuarial gains (losses) arising from:				
Changes in financial assumptions	1,048,069	(224,904)	26,048	15,051
Changes in demographic assumptions	(5,684)	-	(17,765)	-
Experience adjustment	4,479	6,803	(33,147)	(23,948)
Return on plan assets excluding interest income	(211,993)	(69,840)	-	-
Others				
Fund placements in insurance companies (plan assets)	(1,360,448)	(1,403,200)	-	-
Benefits paid directly by the Bank	(111,812)	(88,828)	(3,323)	(6,353)
Post-employment benefits obligation, end of the year - Bank	<u>6,113,527</u>	<u>5,838,057</u>	<u>249,861</u>	<u>254,195</u>

The Subsidiaries' post-employment benefits expenses for the years ended 31 December 2017 and 2016 recorded in the profit or loss amounting to Rp 37,666 and Rp 31,242, respectively, while total payment of employees' benefits by Subsidiaries for the years ended 31 December 2017 and 2016 amounting to Rp 13,147 and Rp 12,235, respectively.

c. Changes in fair value of plan assets for post-employment program

	2017	2016
Fair value of plan assets, beginning of the year - Bank	3,218,848	1,886,693
Fund placements in insurance companies	1,360,448	1,403,200
Return on plan assets excluding interest income	211,993	69,840
Interest income on plan assets	301,009	155,407
Post-employment benefits paid	(404,223)	(296,292)
Fair value of plan assets, end of the year - Bank	<u>4,688,075</u>	<u>3,218,848</u>

d. Historical information - Bank:

	31 December				
	2017	2016	2015	2014	2013
Defined benefits pension plan and other long-term compensation					
Present value of post-employment benefits obligation	10,801,602	9,056,905	8,454,073	7,261,955	5,545,079
Fair value of plan assets	(4,688,075)	(3,218,848)	(1,886,693)	(805,074)	-
Deficit	6,113,527	5,838,057	6,567,380	6,456,881	5,545,079
Experience adjustment on plan liabilities	4,479	6,803	865,028	201,031	(307,635)
Experience adjustment on plan assets	(211,993)	(69,840)	70,863	(5,074)	-
Post-employment healthcare benefits					
Present value of post-employment benefits obligation	249,861	254,195	235,958	211,003	138,092
Experience adjustment on plan liabilities	(50,912)	(23,948)	(15,214)	(34,239)	15,348

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

33. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

e. Sensitivity analysis

Changes in 1 (one) percentage of actuarial assumptions will have the following impacts:

	2017					
	Defined benefit pension plan		Other long-term compensations		Post-employment healthcare benefits	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(480,906)	541,703	(235,399)	265,928	(17,842)	19,989
Basic salary rate (1% movement)	598,607	(541,107)	254,284	(229,839)	-	-
Healthcare cost rate (1% movement)	-	-	-	-	19,123	(17,445)
	2016					
	Defined benefit pension plan		Other long-term compensations		Post-employment healthcare benefits	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(401,128)	447,875	(195,969)	219,509	(19,766)	22,419
Basic salary rate (1% movement)	504,442	(458,945)	213,427	(194,153)	-	-
Healthcare cost rate (1% movement)	-	-	-	-	21,761	(19,583)

f. Expected maturity analysis of undiscounted pension benefits and post-employment healthcare benefits is as follows:

	Up to 10 years	10 - 20 years	20 - 30 years	30 - 40 years
Pension benefit	8,703,487	7,097,258	8,982,301	1,803,894
Other long-term compensations	4,070,817	3,359,794	4,421,901	936,737
Post-employment healthcare benefits	301,364	402,855	152,767	-

g. The Bank expects to pay Rp 1,500 in contribution to its defined contribution pension plan in 2018.

h. The weighted-average duration of the defined benefits obligation was 7.36 years and 7.42 years as of 31 December 2017 and 2016, respectively.

34. CUSTODIAL SERVICES

The Bank's Custodial Services Bureau obtained its license to provide custodial services from the Capital Market Supervisory Agency (Bapepam, currently Financial Services Authority or "OJK") under its Decision Letter No. KEP-148/PM/1991 dated 13 November 1991.

The services offered by the Bank's Custodian Services Bureau include safekeeping, settlement and transaction handling, income collection, proxy, corporate action, cash management, investment recording/reporting and tax reclamation.

As of 31 December 2017 and 2016, assets administered by the Bank's Custodian Services Bureau consist of shares, bonds, time deposits, certificate of deposits, commercial papers and other money market instruments amounting to Rp 69,157,770 and Rp 47,702,192, respectively.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/109

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

35. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Balances of monetary assets and liabilities in foreign currencies were as follows:

	2017		2016	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary assets				
Cash				
US Dollar (USD)	34,372	466,344	47,451	639,289
Australian Dollar (AUD)	3,784	40,088	3,802	36,970
Singapore Dollar (SGD)	20,580	208,984	19,159	178,411
Hong Kong Dollar (HKD)	11,543	20,040	5,095	8,853
GB Poundsterling (GBP)	664	12,165	636	10,527
Japanese Yen (JPY)	110,980	13,375	99,692	11,472
Euro (EUR)	5,381	87,372	2,696	38,225
Others, USD equivalent	2,796	37,936	1,636	22,042
		886,304		945,789
Current accounts with Bank Indonesia				
US Dollar (USD)	348,659	4,730,425	375,356	5,056,982
Current accounts with other banks				
US Dollar (USD)	425,410	5,771,745	712,800	9,603,200
Australian Dollar (AUD)	19,669	208,376	30,351	295,106
Singapore Dollar (SGD)	123,660	1,255,714	145,410	1,354,043
Hong Kong Dollar (HKD)	34,665	60,185	28,276	49,125
GB Poundsterling (GBP)	2,448	44,858	4,453	73,713
Japanese Yen (JPY)	2,941,874	354,555	2,181,271	250,999
Euro (EUR)	60,826	987,584	39,085	554,066
Others, USD equivalent	19,341	262,404	15,895	214,151
		8,945,421		12,394,403
Placements with Bank Indonesia and other banks				
US Dollar (USD)	500,198	6,786,430	500,909	6,748,502
Australian Dollar (AUD)	36,000	381,391	34,500	335,447
Hong Kong Dollar (HKD)	34,878	60,555	27,389	47,584
		7,228,376		7,131,533
Financial assets held for trading				
US Dollar (USD)	31,906	432,887	50,120	675,236
Singapore Dollar (SGD)	13	136	8	76
Hong Kong Dollar (HKD)	8	14	-	-
Japanese Yen (JPY)	1,546	186	1,134	130
Others, USD equivalent	30	410	23	309
		433,633		675,751
Acceptance receivables - net				
US Dollar (USD)	498,973	6,769,812	368,736	4,967,801
Australian Dollar (AUD)	25	270	-	-
Singapore Dollar (SGD)	408	4,144	229	2,134
Japanese Yen (JPY)	1,604,854	193,417	639,062	73,537
Euro (EUR)	19,488	316,404	5,136	72,810
Others, USD equivalent	398	5,397	381	5,133
		7,289,444		5,121,415

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/110

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

35. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2017		2016	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary assets (continued)				
Bills receivable - net				
US Dollar (USD)	196,125	2,660,923	69,073	930,589
Hong Kong Dollar (HKD)	47,116	81,803	38,182	66,335
Japanese Yen (JPY)	2,051	247	1,206	139
Euro (EUR)	850	13,806	233	3,308
Others, USD equivalent	259	3,510	5,478	73,808
		<u>2,760,289</u>		<u>1,074,179</u>
Loans receivable - net				
US Dollar (USD)	1,985,219	26,934,457	1,860,331	25,063,305
Singapore Dollar (SGD)	48,946	497,022	50,070	466,251
Hong Kong Dollar (HKD)	142,997	248,273	131,560	228,565
Euro (EUR)	889	14,429	1,119	15,867
		<u>27,694,181</u>		<u>25,773,988</u>
Investment securities - net				
US Dollar (USD)	1,253,974	17,013,288	1,092,612	14,720,221
Hong Kong Dollar (HKD)	184,639	320,572	184,064	319,782
		<u>17,333,860</u>		<u>15,040,003</u>
Monetary liabilities				
Deposits from customers				
US Dollar (USD)	2,967,724	40,264,596	3,369,382	45,393,995
Australian Dollar (AUD)	56,882	602,615	66,353	645,154
Singapore Dollar (SGD)	204,212	2,073,678	228,321	2,126,110
Hong Kong Dollar (HKD)	6,421	11,148	13,606	23,638
GB Poundsterling (GBP)	1,917	35,127	5,103	84,488
Japanese Yen (JPY)	2,328,094	280,582	2,222,586	255,753
Euro (EUR)	56,789	922,041	44,147	625,811
Others, USD equivalent	17,383	235,841	21,487	289,484
		<u>44,425,628</u>		<u>49,444,433</u>
Deposits from other banks				
US Dollar (USD)	104,617	1,419,391	145,903	1,965,673
Australian Dollar (AUD)	27	285	79	767
Singapore Dollar (SGD)	32	326	101	944
		<u>1,420,002</u>		<u>1,967,384</u>
Financial liabilities held for trading				
US Dollar (USD)	102	1,383	5	72
Singapore Dollar (SGD)	20	201	4	40
Hong Kong Dollar (HKD)	10	17	6	10
Japanese Yen (JPY)	1,831	221	588	67
Others, USD equivalent	55	747	6	77
		<u>2,569</u>		<u>266</u>

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

35. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2017		2016	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary liabilities (continued)				
Acceptance payables				
US Dollar (USD)	341,523	4,633,607	227,802	3,069,065
Australian Dollar (AUD)	25	270	-	-
Singapore Dollar (SGD)	436	4,424	196	1,825
Japanese Yen (JPY)	1,533,104	184,770	628,969	72,375
Euro (EUR)	19,232	312,254	5,196	73,657
Others, USD equivalent	327	4,440	383	5,165
		<u>5,139,765</u>		<u>3,222,087</u>
Securities sold under agreement to repurchase				
Hong Kong Dollar (HKD)	55,423	96,225	77,560	134,748
Borrowings				
US Dollar (USD)	81,774	1,109,469	60,004	808,403
Hong Kong Dollar (HKD)	76,620	133,029	38,780	67,374
Others, USD equivalent	25	338	22	303
		<u>1,242,836</u>		<u>876,080</u>

36. OPERATING SEGMENTS

The Bank and Subsidiaries disclosed the financial information based on the products were as follows:

	2017			
	Loans	Treasury	Others	Total
Assets	454,264,956	224,515,593	71,539,122	750,319,671
Loans receivable - net	454,264,956	-	-	454,264,956
Interest and sharia income	40,014,457	10,045,938	3,707,544	53,767,939
Fee-based income	3,591,374	69,652	9,692,804	13,353,830
	2016			
	Loans	Treasury	Others	Total
Assets	403,391,221	208,636,440	64,711,092	676,738,753
Loans receivable - net	403,391,221	-	-	403,391,221
Interest and sharia income	38,882,040	8,073,629	3,470,157	50,425,826
Fee-based income	3,330,271	58,174	7,969,752	11,358,197

Bank and Subsidiaries main operations are managed in Indonesian territory. Bank's business segment is classified into 5 (five) main geographic areas, which are Sumatera, Java, Kalimantan, East Indonesia and Overseas operation.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/112

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

36. OPERATING SEGMENTS (continued)

Information regarding segment based on geographic of the Bank and Subsidiaries is presented in table below:

	2017					Total
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	
Interest and sharia income	3,128,486	47,735,358	926,843	1,949,365	27,887	53,767,939
Interest and sharia expense	(795,759)	(10,411,147)	(240,303)	(490,435)	(3,821)	(11,941,465)
Net interest and sharia income - net	2,332,727	37,324,211	686,540	1,458,930	24,066	41,826,474
Net fee and commission income - net	641,338	9,138,822	195,494	405,025	5,159	10,385,838
Net trading income - net	56,458	1,685,713	16,001	31,788	13,581	1,803,541
Other operating income	21,219	2,902,724	8,233	31,691	1,963	2,965,830
Total segment income	3,051,742	51,051,470	906,268	1,927,434	44,769	56,981,683
Depreciation and amortisation	(30,140)	(1,759,823)	(10,116)	(20,766)	(158)	(1,821,003)
Other material non-cash elements:						
Addition of impairment on financial assets	(214,207)	(2,275,537)	31,870	(174,745)	-	(2,632,619)
Other operating expenses	(1,151,395)	(21,145,058)	(369,593)	(675,373)	(27,899)	(23,369,318)
Operating income	1,656,000	25,871,052	558,429	1,056,550	16,712	29,158,743
Income tax expense	-	-	-	-	-	(5,837,593)
Net income for the year	1,656,000	25,871,052	558,429	1,056,550	16,712	23,321,150

	2017					Total
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	
Assets	50,966,130	657,642,348	15,197,805	25,754,893	758,495	750,319,671
Liabilities	50,966,130	522,780,295	15,197,805	25,754,893	241,139	614,940,262
Loans receivable - net	22,853,296	407,728,902	6,624,657	16,809,828	248,273	454,264,956
Deposits from customers	50,111,534	491,374,504	15,128,492	24,500,912	-	581,115,442
Sharia deposits	-	478,698	-	-	-	478,698
Temporary <i>syirkah</i> deposits	-	3,977,715	-	-	-	3,977,715

	2016					Total
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	
Interest and sharia income	2,923,392	44,743,848	900,191	1,831,510	26,885	50,425,826
Interest and sharia expense	(697,519)	(8,976,167)	(225,240)	(444,638)	(3,172)	(10,346,736)
Net interest and sharia income - net	2,225,873	35,767,681	674,951	1,386,872	23,713	40,079,090
Net fee and commission income - net	595,758	8,244,865	181,254	374,541	4,281	9,400,699
Net trading income - net	41,772	2,256,023	14,675	29,640	3,865	2,345,975
Other operating income	19,557	1,904,217	7,652	21,138	1,092	1,953,656
Total segment income	2,882,960	48,172,786	878,532	1,812,191	32,951	53,779,420
Depreciation and amortisation	(26,218)	(1,585,067)	(11,753)	(18,161)	(431)	(1,641,630)
Other material non-cash elements:						
Addition of impairment on financial assets	(247,119)	(4,140,325)	(89,535)	(84,295)	-	(4,561,274)
Other operating income	(1,056,232)	(19,693,273)	(336,933)	(625,521)	(25,357)	(21,737,316)
Operating income	1,553,391	22,754,121	440,311	1,084,214	7,163	25,839,200
Income tax expense	-	-	-	-	-	(5,206,919)
Net income for the year	1,553,391	22,754,121	440,311	1,084,214	7,163	20,632,281

	2016					Total
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	
Assets	45,060,345	593,734,694	13,578,588	23,665,530	699,596	676,738,753
Liabilities	45,060,345	478,042,225	13,578,588	23,665,530	209,999	560,556,687
Loans receivable - net	20,971,611	361,307,835	5,626,255	15,256,956	228,564	403,391,221
Deposits from customers	43,903,516	450,253,668	13,488,763	22,487,678	-	530,133,625
Sharia deposits	-	364,755	-	-	-	364,755
Temporary <i>syirkah</i> deposits	-	3,467,007	-	-	-	3,467,007

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/113

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

37. MATURITY GAP OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the maturity gap profile of the Bank and Subsidiaries' financial assets and liabilities based on the remaining period until the contractual maturity date as of 31 December 2017 and 2016:

	2017						Total
	Up to 1 month	> 1 - 3 months	> 3 months - 1 years	> 1 - 5 years	More than 5 years	No contractual maturity	
Financial assets							
Cash	-	-	-	-	-	16,754,289	16,754,289
Current accounts with Bank Indonesia	8,202,996	-	-	-	-	35,269,756	43,472,752
Current accounts with other banks	9,093,572	-	-	-	-	-	9,093,572
Placements with Bank Indonesia and other banks	8,638,794	6,280,911	3,005,461	1,044,516	-	-	18,969,682
Financial assets held for trading	814,893	1,929,041	3,068,272	68,517	134,579	-	6,015,302
Acceptance receivables - net	2,804,232	3,576,473	3,338,409	180,312	-	-	9,899,426
Bills receivable - net	1,701,992	2,879,088	2,033,275	-	-	-	6,614,355
Securities purchased under agreements to resell - net	7,145,567	1,485,798	627,402	-	-	-	9,258,767
Loans receivable	26,963,560	42,729,891	133,435,902	154,088,078	110,977,474	-	468,194,905
Less: Allowance for impairment losses and deferred provision and commission income	-	-	-	-	-	-	(13,929,949)
Consumer financing receivable - net	175,278	161,396	1,116,395	6,909,776	144,138	-	8,506,983
Investment in finance leases - net	3,213	742	16,994	156,466	4,012	-	181,427
Investment securities - net	24,172,754	10,604,117	38,700,926	54,581,260	2,774,101	258,005	131,091,163
	89,716,851	69,647,457	185,343,036	217,028,925	114,034,304	52,282,050	714,122,674
Financial liabilities							
Deposits from customers	(546,112,224)	(28,572,508)	(6,430,710)	-	-	-	(581,115,442)
Deposits from other banks	(5,721,814)	(36,500)	(100)	-	-	-	(5,758,414)
Financial liabilities held for trading	(14,277)	(24,791)	(14,775)	-	-	-	(53,843)
Acceptance payables	(2,108,238)	(2,435,249)	(1,074,989)	(182,001)	-	-	(5,800,477)
Securities sold under agreement to repurchase	(96,225)	-	-	-	-	-	(96,225)
Debt securities issued	-	(421,541)	-	(188,958)	-	-	(610,499)
Borrowings	(969)	(417,075)	(2,219,180)	(403,378)	-	-	(3,040,602)
	(554,053,747)	(31,907,664)	(9,739,754)	(774,337)	-	-	(596,475,502)
Net position	(464,336,896)	37,739,793	175,603,282	216,254,588	114,034,304	52,282,050	117,647,172
	2016						
	Up to 1 month	> 1 - 3 months	> 3 months - 1 years	> 1 - 5 years	More than 5 years	No contractual maturity	Total
Financial assets							
Cash	-	-	-	-	-	15,943,854	15,943,854
Current accounts with Bank Indonesia	7,312,724	-	-	-	-	33,284,006	40,596,730
Current accounts with other banks	12,466,153	-	-	-	-	-	12,466,153
Placements with Bank Indonesia and other banks	31,645,429	899,782	776,719	2,041,960	-	-	35,363,890
Financial assets held for trading	38,297	985,878	3,953,581	146,289	3,219	-	5,127,264
Acceptance receivables - net	2,124,983	3,138,075	1,882,363	21,971	-	-	7,167,392
Bills receivable - net	1,068,984	1,581,679	1,175,481	-	-	-	3,826,144
Securities purchased under agreements to resell - net	2,468,932	-	78,166	-	-	-	2,547,098
Loans receivable	24,890,584	32,837,736	131,686,831	129,913,397	97,110,447	-	416,438,995
Less: Allowance for impairment losses and deferred provision and commission income	-	-	-	-	-	-	(13,047,774)
Consumer financing receivable - net	141,071	177,429	1,196,501	6,461,706	230,762	-	8,207,469
Investment in finance leases - net	7,436	372	10,157	144,013	-	-	161,978
Investment securities - net	14,775,763	8,786,666	19,507,368	64,153,335	1,322,318	163,711	108,709,161
	96,940,356	48,407,617	160,267,167	202,882,671	98,666,746	49,391,571	643,508,354
Financial liabilities							
Deposits from customers	(507,190,887)	(18,494,889)	(4,447,849)	-	-	-	(530,133,625)
Deposits from other banks	(4,864,342)	(36,500)	(100)	-	-	-	(4,900,942)
Financial liabilities held for trading	(46,439)	(72,586)	(3,105)	-	-	-	(122,130)
Acceptance payables	(1,482,051)	(1,906,308)	(776,637)	(22,152)	-	-	(4,187,148)
Securities sold under agreement to repurchase	(134,748)	-	-	-	-	-	(134,748)
Debt securities issued	-	(524,481)	(1,198,300)	(609,390)	-	-	(2,332,171)
Borrowings	(933)	(896,679)	(1,501,074)	(389,866)	-	-	(2,788,552)
	(513,719,400)	(21,931,443)	(7,927,065)	(1,021,408)	-	-	(544,599,316)
Net position	(416,779,044)	26,476,174	152,340,102	201,861,263	98,666,746	49,391,571	98,909,038

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

38. NET OPEN POSITION

The Bank's net foreign exchange positions (Net Open Position or "NOP") as of 31 December 2017 and 2016 were calculated based on prevailing Bank Indonesia Regulations. Based on those regulations, banks are required to maintain the NOP (including all domestic and overseas branches) at the maximum of 20% (twenty percent) of capital.

The aggregate NOP represents the sum of the absolute values of (i) the net difference between assets and liabilities denominated in each foreign currency and (ii) the net difference of receivables and liabilities of both commitments and contingencies recorded in the administrative account (administrative account transactions) denominated in each foreign currency, which are all stated in Rupiah. The NOP for statement of financial position represents the sum of the net differences of assets and liabilities on the statement of financial position for each foreign currency, which are all stated in Rupiah.

The Bank's NOP as of 31 December 2017 and 2016 was as follows:

	2017		
	NOP for statement of financial position (net difference between assets and liabilities)	Net difference between receivables and liabilities in administrative accounts	Overall NOP (absolute amount)
USD	24,833,944	(25,342,395)	508,451
SGD	(173,606)	42,425	131,181
AUD	6,563	(5,297)	1,266
HKD	54,246	(53,565)	681
GBP	15,589	(12,828)	2,761
EUR	170,427	(170,760)	333
JPY	87,208	(86,174)	1,034
CAD	27,229	(27,228)	1
CHF	24,743	(23,256)	1,487
DKK	1,451	-	1,451
MYR	(338)	-	338
SAR	6,988	(6,785)	203
SEK	1,402	(1,009)	393
CNY	(51,448)	52,325	877
Others	21,800	(19,301)	2,499
Total			652,956
Total capital (Note 39)			127,964,059
Percentage of NOP to capital			0.51%

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/115

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

38. NET OPEN POSITION (continued)

The Bank's NOP as of 31 December 2017 and 2016 was as follows: (continued)

	2016		
	NOP for statement of financial position (net difference between assets and liabilities)	Net difference between receivables and liabilities in administrative accounts	Overall NOP (absolute amount)
USD	16,853,322	(16,869,960)	16,638
SGD	(153,586)	20,277	133,309
AUD	10,073	(8,751)	1,322
HKD	481	5	486
GBP	(3,461)	4,967	1,506
EUR	(31,181)	32,006	825
JPY	(5,247)	6,302	1,055
CAD	7,181	(6,626)	555
CHF	9,565	(6,705)	2,860
DKK	1,206	-	1,206
MYR	(303)	-	303
SAR	2,068	-	2,068
SEK	999	-	999
CNY	(27,932)	31,126	3,194
Others	5,731	(4,681)	1,050
Total			<u>167,376</u>
Total capital (Note 39)			<u>110,190,013</u>
Percentage of NOP to capital			<u>0.15%</u>

39. CAPITAL MANAGEMENT

The primary objective of the Bank's capital management policy is to ensure that the Bank has a strong capital to support the Bank's current business expansion strategy and to sustain future development of the business, to meet regulatory capital adequacy requirements and also to ensure the efficiency of the Bank's capital structure.

The Bank prepares the Capital Plan based on assessment of and review over the capital situation in terms of the legal capital adequacy requirement, combined with current economic outlook assesment and the result of stress testing method. The Bank will continue to link financial goals and capital adequacy to risk appetite through the capital planning process and stress testing and assess the businesses based on Bank's capital and liquidity requirements.

The Bank's capital needs are also planned and discussed on a routine basis, supported by data analysis.

The Capital Plan is prepared by the Board of Directors as part of the Bank's Business Plan and approved by the Board of Commissioners. This plan is expected to ensure an adequate level of capital optimum capital structure.

The Bank is required to provide minimum capital in accordance with risk profile as of 31 December 2017 and 2016 based on Financial Services Authority Regulation No. 11/POJK.03/2016 dated 2 February 2016.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

39. CAPITAL MANAGEMENT (continued)

BI Circular Letter No. 11/3/DPNP dated 27 January 2009 requires all banks in Indonesia with certain qualification to take into account operational risk in the CAR calculation.

BI Regulation No. 8/6/PBI/2006 dated 30 January 2006 and BI Circular Letter No. 8/27/DPNP dated 27 November 2006 requires all banks to meet CAR requirements for the bank on an individual and consolidated basis. The calculation of minimum CAR on consolidated basis is performed by calculating capital and Risk-Weighted Assets ("RWA") based on risks from consolidated financial statements as provided in the prevailing Bank Indonesia Regulations.

The Bank calculates its capital requirements based on the prevailing OJK Regulations, where the regulatory capital consisted of two tiers:

- Core Capital (Tier 1), which includes:
 1. Common Equity (CET 1), which includes issued and fully paid-up capital (after deduction of treasury stock), additional paid-up capital, allowable non-controlling interest and deductions from Common Equity.
 2. Additional Core Capital
- Supplementary Capital (Tier 2), which includes capital instrument in form of shares or other allowable instruments, agio or disagio from supplementary capital issuance, required general allowance for productive assets (maximum of 1.25% RWA credit risk), specific reserve and deductions from tier 2 capital.

The CAR as of 31 December 2017 and 2016, calculated in accordance with the prevailing regulations, taking into account the credit risk, market risk and operational risk, were as follows:

	2017		2016	
	Bank	Consolidated	Bank	Consolidated
I. Core Capital (Tier 1)	122,730,121	129,239,881	105,541,676	110,246,294
II. Supplementary Capital (Tier 2)	5,233,938	5,367,880	4,648,337	4,772,769
Total Capital	127,964,059	134,607,761	110,190,013	115,019,063
Risk-Weighted Assets based on risk				
RWAs Considering Credit Risk	468,654,528	480,180,570	428,659,048	438,953,804
RWAs Considering Market Risk	3,063,943	2,728,225	1,810,509	2,488,638
RWAs Considering Operational Risk	83,104,965	87,544,008	72,767,308	76,347,337
Total Risk-Weighted Assets	554,823,436	570,452,803	503,236,865	517,789,779
Min. Capital Requirement	9.99%	9.99%	9.99%	9.99%
CAR ratio				
CET 1 ratio	22.12%	22.66%	20.97%	21.29%
Tier 1 ratio	22.12%	22.66%	20.97%	21.29%
Tier 2 ratio	0.94%	0.94%	0.92%	0.92%
CAR ratio	23.06%	23.60%	21.90%	22.21%
CET 1 for Buffer	13.07%	13.61%	11.91%	12.22%
Regulatory Minimum Capital Requirement				
From CET 1	9.05%	9.05%	9.07%	9.07%
From WA 1	0.00%	0.00%	0.00%	0.00%
From Tier 2	0.94%	0.94%	0.92%	0.92%
Regulatory Buffer percentage required by Bank				
Capital Conservation Buffer	1.250%	1.250%	0.625%	0.625%
Countercyclical Buffer	0.000%	0.000%	0.000%	0.000%
Capital Surcharge for Systemic Bank	1.000%	1.000%	0.500%	0.500%

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

40. NON-CONTROLLING INTEREST

The movement of non-controlling interest in net assets of Subsidiaries was as follows:

	2017	2016
Balance, beginning of year	281,982	255,519
Increase in non-controlling interest from additional capital injection to Subsidiaries during the year (Note 1d)	30,000	-
Changes in non-controlling interest due to acquisition of Subsidiaries during the year	(225,978)	-
Non-controlling interest portion of Subsidiaries net profit during the year	11,156	26,545
Increase (decrease) of non-controlling interest from other comprehensive income of Subsidiaries during the year	979	(82)
Balance, end of year	<u>98,139</u>	<u>281,982</u>

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties	Nature of relationship	Nature of transaction
PT Dwimuria Investama Andalan	Shareholder	Deposits from customers
Dana Pensiun BCA	Employer pension fund	Loans receivable, pension fund contribution, deposits from customers
PT Adiwisesa Mandiri Building Product Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Agra Bareksa Energi	Owned by the same ultimate shareholder	Deposits from customers
PT Agra Bareksa Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Agra Primera Plantation	Owned by the same ultimate shareholder	Deposits from customers
PT Alpha Merah Kreasi	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Andil Bangunsekawan	Owned by the same ultimate shareholder	Deposits from customers
PT Angkasa Komunikasi Global Utama	Owned by the same ultimate shareholder	Deposits from customers
PT Ansvia	Owned by the same ultimate shareholder	Deposits from customers
PT Arta Karya Adhiguna	Owned by the same ultimate shareholder	Deposits from customers
PT Bhumi Mahardika Jaya	Owned by the same ultimate shareholder	Deposits from customers
PT Bukit Muria Jaya Estate	Owned by the same ultimate shareholder	Deposits from customers
PT Bukit Muria Jaya	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Bukit Muria Jaya Karton	Owned by the same ultimate shareholder	Loans receivable

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Caturguwiratna Sumapala	Owned by the same ultimate shareholder	Deposits from customers
PT Cipta Karya Bumi Indah	Owned by the same ultimate shareholder	Deposits from customers
PT Ciptakreasi Buana Persada	Owned by the same ultimate shareholder	Deposits from customers
PT Dart Media Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Daya Cipta Makmur	Owned by the same ultimate shareholder	Deposits from customers
PT Daya Maju Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Digital Otomotif Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Digital Startup Nusantara	Owned by the same ultimate shareholder	Deposits from customers
PT Djarum	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Ecogreen Oleochemicals	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued, letter of credit
PT Energi Batu Hitam	Owned by the same ultimate shareholder	Deposits from customers
PT Fajar Surya Perkasa	Owned by the same ultimate shareholder	Deposits from customers
PT Fajar Surya Swadaya	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Farindo Investama Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Fira Makmur Sejahtera	Owned by the same ultimate shareholder	Deposits from customers
PT General Buditekindo	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Global Dairi Alami	Owned by the same ultimate shareholder	Deposits from customers
PT Global Digital Niaga	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Global Distribusi Nusantara	Owned by the same ultimate shareholder	Deposits from customers
PT Global Distribusi Pusaka	Owned by the same ultimate shareholder	Deposits from customers
PT Global Tiket Network	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Global Visi Media	Owned by the same ultimate shareholder	Deposits from customers
PT Globalnet Sejahtera	Owned by the same ultimate shareholder	Deposits from customers
PT Graha Padma Internusa	Owned by the same ultimate shareholder	Deposits from customers

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Grand Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued, office rental transaction
PT Hartono Istana Teknologi	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Iforte Global Internet	Owned by the same ultimate shareholder	Deposits from customers
PT Iforte Solusi Infotek	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Indo Paramita Sarana	Owned by the same ultimate shareholder	Deposits from customers
PT Intershop Prima Centre	Owned by the same ultimate shareholder	Deposits from customers
PT Kalimusada Motor	Owned by the same ultimate shareholder	Deposits from customers
PT Kudus Istana Furniture	Owned by the same ultimate shareholder	Deposits from customers
PT Kumparan Kencana Electrindo	Owned by the same ultimate shareholder	Deposits from customers
PT Lingkarmulia Indah	Owned by the same ultimate shareholder	Deposits from customers
PT Lintas Cipta Media	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Marga Sadhya Swasti	Owned by the same ultimate shareholder	Deposits from customers
PT Margo Hotel Development	Owned by the same ultimate shareholder	Deposits from customers
PT Margo Property Development	Owned by the same ultimate shareholder	Deposits from customers
PT Mediapura Digital Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Merah Cipta Media	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Multigraha Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Nagaraja Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Natura Perisa Aroma d/h PT Neka Boga Perisa	Owned by the same ultimate shareholder	Deposits from customers
PT Orbit Abadi Sakti	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Poly Kapitalindo	Owned by the same ultimate shareholder	Deposits from customers
PT Polyvisi Rama Optik	Owned by the same ultimate shareholder	Deposits from customers
PT Pradipta Mustika Cipta	Owned by the same ultimate shareholder	Deposits from customers
PT Profesional Telekomunikasi Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/120

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Puri Dibya Property	Owned by the same ultimate shareholder	Deposits from customers
PT Puri Zuqni	Owned by the same ultimate shareholder	Deposits from customers
PT Resinda Prima Entertama	Owned by the same ultimate shareholder	Deposits from customers
PT Sapta Adhikari Investama	Owned by the same ultimate shareholder	Deposits from customers
PT Sarana Kencana Mulya	Owned by the same ultimate shareholder	Deposits from customers
PT Sarana Menara Nusantara	Owned by the same ultimate shareholder	Deposits from customers
PT Savoria Kreasi Rasa	Owned by the same ultimate shareholder	Deposits from customers
PT Silva Rimba Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Sineira Rimba Belantara	Owned by the same ultimate shareholder	Deposits from customers
PT Suarniaga Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Supravis Rama Optik Manufacturing	Owned by the same ultimate shareholder	Deposits from customers
PT Swarnadwipa Serdangjaya	Owned by the same ultimate shareholder	Deposits from customers
PT Tricipta Mandhala Gumilang	Owned by the same ultimate shareholder	Deposits from customers
PT Trigana Putra Mandiri	Owned by the same ultimate shareholder	Deposits from customers
PT Verve Persona Estetika	Owned by the same ultimate shareholder	Deposits from customers
PT Wana Hijau Pesaguan	Owned by the same ultimate shareholder	Deposits from customers
Key management personnel	Bank's Board of Commissioners and Board of Directors	Loans receivable, deposits from customers, employee benefits
The Bank's controlling individuals and their family members	Shareholder	Deposits from customers

In the normal course of business, the Bank has transactions with related parties due to their common ownership and/or management. All transactions with related parties are conducted with agreed terms and conditions.

The details of significant balances and transactions with related parties that were not consolidated as of 31 December 2017 and 2016, and for the years then ended were as follows:

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 5/121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

	2017		2016	
	Amount	Percentage to total	Amount	Percentage to total
Loans receivable*) (Note 12)	3,572,442	0.76%	2,873,606	0.69%
Other assets**)	245,389	2.05%	258,733	2.79%
Deposits from customers (Note 16)	3,290,867	0.57%	8,099,416	1.53%
Borrowings (Note 19)	-	-	37,500	1.34%
Unused credit facilities				
to customers (Note 22)	146,704	0.11%	452,867	0.29%
Letter of credit facilities				
to customers (Note 22)	11,565	0.15%	-	0.00%
Bank guarantee issued				
to customers (Note 22)	73,864	0.53%	75,546	0.67%
Interest and sharia income (Note 23)	52,332	0.40%	20,524	0.04%
Interest and sharia expenses (Note 24)	166,809	1.40%	47,160	0.46%
Rental expenses (Note 29)	13,398	0.99%	13,398	1.01%
Contribution to pension plan (Note 28)	202,549	79.43%	183,780	79.39%

*) Before allowance for impairment losses.

**) Represent prepaid rental and security deposits to PT Grand Indonesia.

Compensations for key management personnel of the Bank (see Note 1g) were as follows:

	2017	2016
Short-term employee benefits (including tantiem)	472,258	379,278
Long-term employee benefits	36,408	35,311
Total	508,666	414,589

Rental Agreement with PT Grand Indonesia

On 11 April 2006, the Bank signed a rental agreement with PT Grand Indonesia (a related party), in which the Bank agreed to lease, on a long-term basis, the office space from PT Grand Indonesia with a total area of 28,166.88 sqm at an amount of USD 35,631,103.20, including Value Added Tax ("VAT"), with an option to lease for long-term additional space of 3,264.80 sqm at an amount of USD 4,129,972, including VAT. This rental transaction was approved by the Board of Directors and Shareholders in the Bank's Extraordinary General Meeting of Shareholders on 25 November 2005 (the minutes of meeting was prepared by Notary Hendra Karyadi, S.H., with Deed No. 11). This rental agreement started on 1 July 2007 and will end on 30 June 2035.

The Bank was required to pay an advance of USD 3,244,092.50 on 5 December 2005, including VAT and 10 (ten) installments of USD 3,238,701.07, including VAT, for the period of 15 April 2006 to 31 December 2006.

As of 31 December 2006, the Bank had paid USD 32,392,402.13, including VAT and it was recorded as other assets. On 2 January 2007, the Bank settled the payments (paid the tenth installment) amounting to USD 3,238,701.07, including VAT.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/122****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)**Rental Agreement with PT Grand Indonesia (continued)**

On 29 June 2007, the Bank paid the lease for additional space in the 28th and 29th floors of 3,264.80 sqm at an amount of USD 4,129,972, including VAT.

This agreement was notarised by Notary Hendra Karyadi, S.H., under Deed No. 14 dated 11 April 2006.

Starting May 2008, the Bank has calculated the amortisation for those prepaid rental expenses. As of 31 December 2017 and 2016, amortisation of prepaid rental expenses was Rp 126,607 and Rp 113,210, respectively, such that the remaining prepaid rental payment to PT Grand Indonesia as of 31 December 2017 and 2016 was Rp 237,807 and Rp 251,205, respectively, which was recorded as other assets.

On 24 October 2008, the Bank paid security deposits for additional space on the 30th (thirtieth) and 31st (thirty first) floor of 3,854.92 sqm at an amount of USD 208,165.68. This agreement was notarised in Deed No. 110 dated 22 May 2008 of Notary Dr. Irawan Soerodjo, S.H., Msi.

Rental payment for the 30th (thirtieth) and 31st (thirty first) floor started on 1 August 2009, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 August 2009), the Bank will make the rental payments on a quarterly basis until the lease expires.

On 19 July 2011, the Bank paid security deposits for additional space on the 32nd (thirty second) floor of 1,932.04 sqm at an amount of USD 118,801.46. This agreement was notarised in Deed No. 32 dated 12 September 2011 of Notary Lim Robbyson Halim, S.H., M.H., replacement of Notary Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

Rental payment for the 32nd floor started on 1 September 2011, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 September 2011), the Bank will make the rental payments on a quarterly basis until the lease expires.

On 22 June 2015, the Bank paid security deposits for additional space on the 33rd (thirty third) floor of 1,932.04 sqm at an amount of USD 231,844.80. This agreement was notarised in Deed No. 413 dated 30 June 2015 of Notary Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

Rental payment for the 33rd floor started on 1 September 2015, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 September 2015), the Bank will make the rental payments on a quarterly basis until the lease expires.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES**Schedule 5/123****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

42. GOVERNMENT GUARANTEE SCHEME ON THE OBLIGATIONS OF DOMESTIC BANKS

Based on the Law No. 24 regarding Indonesia Deposit Insurance Corporation (*Lembaga Penjaminan Simpanan* or "LPS") dated 22 September 2004, effective 22 September 2005, the LPS was established to provide guarantee on certain obligations of commercial banks based on the prevailing guarantee schemes, in which the guarantee amount could be changed if certain prevailing criteria are met. The law was changed with the Government Regulation as the Replacement of Law No. 3 Year 2008, which was then changed to a law since 13 January 2009 i.e. the Law of Republic of Indonesia No. 7 Year 2009.

Based on Government of Republic of Indonesia Regulation No. 66/2008 dated 13 October 2008 regarding the deposit amount guaranteed by LPS, on 31 December 2017 and 2016, the deposit amount guaranteed by LPS for every customer in a bank is at a maximum of Rp 2,000.

As of 31 December 2017 and 2016, the Bank was the participant of this guarantee scheme.

43. ADDITIONAL INFORMATION

Information presented in schedule 6/1 - 6/8 are additional financial informations of PT Bank Central Asia Tbk, (Parent Entity), which presented investment in Subsidiaries according to cost method and are an integral part of the consolidated financial statements of PT Bank Central Asia Tbk and Subsidiaries.

PT BANK CENTRAL ASIA Tbk

Schedule 6/1

ADDITIONAL INFORMATION
STATEMENTS OF FINANCIAL POSITION (PARENT ENTITY ONLY)
31 DECEMBER 2017 AND 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	16,726,199	15,925,338
Current accounts with Bank Indonesia	43,229,819	40,401,814
Current accounts with other banks	8,919,113	12,372,442
Placements with Bank Indonesia and other banks	17,368,879	33,877,454
Financial assets held for trading	6,009,467	5,124,193
Acceptance receivables - net of allowance for impairment losses of Rp 416,642 as of 31 December 2017 (31 December 2016: Rp 178,528)	9,899,426	7,167,392
Bills receivable - net of allowance for impairment losses of Rp 4,822 as of 31 December 2017 (31 December 2016: Rp 3,019)	6,532,552	3,759,809
Securities purchased under agreements to resell	8,729,981	2,196,231
Loans receivable - net of allowance for impairment losses of Rp 13,243,452 as of 31 December 2017 (31 December 2016: Rp 12,504,607)		
Related parties	3,928,052	3,481,625
Third parties	450,448,054	400,292,704
Investment securities - net of allowance for impairment losses of Rp 416,702 as of 31 December 2017 (31 December 2016: Rp 741,066)	129,173,572	107,489,692
Fixed assets - net of accumulated depreciation of Rp 8,868,882 as of 31 December 2017 (31 December 2016: Rp 8,070,163)	16,462,593	16,666,747
Deferred tax assets - net	2,967,032	3,349,886
Investment in shares - net of allowance for impairment losses of Rp 34,414 as of 31 December 2017 (31 December 2016: Rp 23,335)	3,346,595	2,249,825
Other assets - net of allowance for impairment losses of Rp 1,439 as of 31 December 2017 (31 December 2016: Rp 4,937)	10,964,274	8,239,434
TOTAL ASSETS	<u>734,705,608</u>	<u>662,594,586</u>

PT BANK CENTRAL ASIA Tbk**Schedule 6/2**

ADDITIONAL INFORMATION
STATEMENTS OF FINANCIAL POSITION (PARENT ENTITY ONLY)
31 DECEMBER 2017 AND 2016
 (Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from customers		
Related parties	3,358,922	8,131,108
Third parties	577,824,574	522,034,209
Deposits from other banks	5,762,982	4,903,061
Financial liabilities held for trading	51,389	121,067
Acceptance payables	5,800,477	4,187,148
Income tax liabilities	4,990	110,897
Borrowings	969	809,283
Post-employment benefits obligation	6,363,388	6,092,252
Accruals and other liabilities	8,701,661	7,131,118
TOTAL LIABILITIES	<u>607,869,352</u>	<u>553,520,143</u>
EQUITY		
Share capital - par value per share of Rp 62.50 (full amount)		
Authorised capital: 88,000,000,000 shares		
Issued and fully paid: 24,655,010,000 shares	1,540,938	1,540,938
Additional paid-in capital	5,711,368	5,711,368
Revaluation surplus of fixed assets	6,587,497	6,591,827
Unrealised gains (losses) on available-for-sale financial assets - net	1,259,805	(127,616)
Retained earnings		
Appropriated	1,463,952	1,257,895
Unappropriated	110,272,696	94,100,031
TOTAL EQUITY	<u>126,836,256</u>	<u>109,074,443</u>
TOTAL LIABILITIES AND EQUITY	<u><u>734,705,608</u></u>	<u><u>662,594,586</u></u>

PT BANK CENTRAL ASIA Tbk

Schedule 6/3

ADDITIONAL INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016
 (Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>
OPERATING INCOME AND EXPENSES		
Interest income	50,024,086	46,940,946
Interest expenses	(11,439,382)	(9,762,726)
Net interest income	<u>38,584,704</u>	<u>37,178,220</u>
Fee and commission income	10,260,158	9,237,996
Fee and commission expenses	-	(27)
Net fee and commission income	<u>10,260,158</u>	<u>9,237,969</u>
Net trading income	1,766,519	2,330,481
Other operating income	1,656,060	1,017,460
Total operating income	<u>52,267,441</u>	<u>49,764,130</u>
Impairment losses on financial assets	(2,261,854)	(4,253,232)
Other operating expenses		
Personnel expenses	(10,271,812)	(9,570,581)
General and administrative expenses	(11,427,835)	(10,407,896)
Others	(831,278)	(985,066)
	<u>(22,530,925)</u>	<u>(20,963,543)</u>
Total operating expenses	<u>(24,792,779)</u>	<u>(25,216,775)</u>
INCOME BEFORE TAX	<u>27,474,662</u>	<u>24,547,355</u>
INCOME TAX EXPENSE		
Current	(5,188,000)	(5,129,551)
Deferred	(122,882)	335,580
	<u>(5,310,882)</u>	<u>(4,793,971)</u>
NET INCOME (Carried forward)	<u>22,163,780</u>	<u>19,753,384</u>

PT BANK CENTRAL ASIA Tbk**Schedule 6/4****ADDITIONAL INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(PARENT ENTITY ONLY)****FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>
NET INCOME (Brought forward)	22,163,780	19,753,384
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit liability	(810,007)	296,837
Income tax	202,502	(74,209)
	(607,505)	222,628
Revaluation surplus of fixed assets	(4,330)	6,591,827
	(611,835)	6,814,455
Items that will be reclassified to profit or loss:		
Unrealised losses on available-for-sale financial assets	1,849,895	(44,487)
Income tax	(462,474)	11,122
	1,387,421	(33,365)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	775,586	6,781,090
TOTAL COMPREHENSIVE INCOME	<u>22,939,366</u>	<u>26,534,474</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount of Rupiah)	<u>899</u>	<u>801</u>

ADDITIONAL INFORMATION
STATEMENTS OF CHANGES IN EQUITY (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	2017						
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Unrealised gains (losses) on available-for-sale financial assets-net	Retained earnings		Total equity
					Appropriated	Unappropriated	
Balance, 31 December 2016	1,540,938	5,711,368	6,591,827	(127,616)	1,257,895	94,100,031	109,074,443
Net income for the year	-	-	-	-	-	22,163,780	22,163,780
Revaluation surplus of fixed assets	-	-	(4,330)	-	-	-	(4,330)
Unrealised gains on available-for-sale financial assets - net	-	-	-	1,387,421	-	-	1,387,421
Remeasurement of defined benefit liability - net	-	-	-	-	-	(607,505)	(607,505)
Total comprehensive income for the year	-	-	(4,330)	1,387,421	-	21,556,275	22,939,366
General reserve	-	-	-	-	206,057	(206,057)	-
Cash dividends	-	-	-	-	-	(5,177,553)	(5,177,553)
Balance, 31 December 2017	1,540,938	5,711,368	6,587,497	1,259,805	1,463,952	110,272,696	126,836,256

PT BANK CENTRAL ASIA Tbk

Schedule 6/6

ADDITIONAL INFORMATION
STATEMENTS OF CHANGES IN EQUITY (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	2016						
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Unrealised gains (losses) on available-for-sale financial assets-net	Retained earnings		Total equity
					Appropriated	Unappropriated	
Balance, 31 December 2015	1,540,938	5,711,368	-	(94,251)	1,077,708	78,618,832	86,854,595
Net income for the year	-	-	-	-	-	19,753,384	19,753,384
Revaluation surplus of fixed assets	-	-	6,591,827	-	-	-	6,591,827
Unrealised losses on available-for-sale financial assets - net	-	-	-	(33,365)	-	-	(33,365)
Remeasurement of defined benefit liability - net	-	-	-	-	-	222,628	222,628
Total comprehensive income for the year	-	-	6,591,827	(33,365)	-	19,976,012	26,534,474
General reserve	-	-	-	-	180,187	(180,187)	-
Cash dividends	-	-	-	-	-	(4,314,626)	(4,314,626)
Balance, 31 December 2016	1,540,938	5,711,368	6,591,827	(127,616)	1,257,895	94,100,031	109,074,443

PT BANK CENTRAL ASIA Tbk

Schedule 6/7

ADDITIONAL INFORMATION
STATEMENTS OF CASH FLOWS (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of interest, fees and commissions	59,026,255	53,590,957
Other operating income	684,506	587,612
Payments of interest, fees and commissions	(11,396,042)	(9,726,707)
Payments of post-employment benefits	(1,475,583)	(1,498,381)
Gains from foreign exchange transactions - net	193,678	1,755,978
Other operating expenses	(19,890,190)	(18,340,093)
Payment of tantiem to Board of Commissioners and Board of Directors	(308,114)	(269,600)
Other increases/decreases affecting cash:		
Placements with Bank Indonesia and other banks - mature more than 3 (three) months from the date of acquisition	(541,858)	(2,234,434)
Financial assets held for trading	(525,166)	(3,342,234)
Acceptance receivables	(2,970,148)	454,808
Bills receivable	(2,745,075)	(1,285,192)
Securities purchased under agreements to resell	(6,533,750)	(1,681,132)
Loans receivable	(52,582,504)	(29,306,575)
Other assets	(2,543,219)	1,012,242
Deposits from customers	51,018,180	56,466,841
Deposits from other banks	859,921	742,960
Acceptance payables	1,613,329	(187,791)
Accruals and other liabilities	1,747,822	1,163,745
Net cash provided by operating activities before payment of income tax	13,632,042	47,903,004
Payment of income tax	(5,293,907)	(5,210,488)
Net cash provided by operating activities	8,338,135	42,692,516
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(89,261,381)	(137,457,500)
Proceeds from investment securities that matured during the year	70,725,054	82,320,239
Cash dividends received from investment in shares	454,073	419,351
Additional share capital payment to a subsidiary	(199,999)	-
Acquisition of Subsidiaries from non-controlling	(822,713)	-
Acquisition of fixed assets	(1,607,076)	(2,660,230)
Proceeds from sale of fixed assets	501,317	74,996
Net cash used in investing activities	(20,210,725)	(57,303,144)

PT BANK CENTRAL ASIA Tbk**Schedule 6/8**

ADDITIONAL INFORMATION
STATEMENTS OF CASH FLOWS (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016
 (Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in borrowings - net	(808,314)	808,382
Payment of cash dividends	(5,177,553)	(4,314,626)
Net cash used in financing activities	(5,985,867)	(3,506,244)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,858,457)	(18,116,872)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	98,751,874	116,614,613
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	674,072	254,133
CASH AND CASH EQUIVALENTS, END OF YEAR	81,567,489	98,751,874
Cash and cash equivalents consist of:		
Cash	16,726,199	15,925,338
Current accounts with Bank Indonesia	43,229,819	40,401,814
Current accounts with other banks	8,919,113	12,372,442
Placements with Bank Indonesia and other banks - mature within 3 (three) months or less from the date of acquisition	12,692,358	30,052,280
Total cash and cash equivalents	81,567,489	98,751,874

PT Dwimuria Investama Andalan and Subsidiary

Subsidiary Financial Statements

PT Dwimuria Investama Andalan and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2017 and 2016

(in millions of Rupiah)

No.	ACCOUNTS	Audited Dec 31, 2017	Audited Dec 31, 2016
ASSETS			
1.	Cash	16,754,289	15,943,854
2.	Current accounts with Bank Indonesia	43,472,752	40,596,730
3.	Current accounts with other banks	9,099,018	12,466,153
4.	Placements with Bank Indonesia and other banks	19,969,682	35,363,890
5.	Financial assets held for trading	6,015,302	5,127,264
6.	Acceptance receivables - net of allowance	9,899,426	7,167,392
7.	Bills receivable - net of allowance	6,614,355	3,826,144
8.	Securities purchased under agreements to resell - net of allowance	9,258,767	2,547,098
9.	Loans receivable - net of allowance	454,264,956	403,391,221
10.	Consumer financing receivables - net of allowance	8,506,983	8,207,469
11.	Investment in finance leases - net of allowance	181,427	161,978
12.	Assets related to sharia transactions - net of allowance	4,126,329	3,418,405
13.	Investment securities - net of allowance	133,127,000	108,709,161
14.	Fixed assets	16,868,949	16,990,835
15.	Deferred tax assets - net	3,219,241	3,548,734
16.	Other assets - net of allowance	136,559,153	133,849,100
TOTAL ASSETS		877,937,629	801,315,428
LIABILITIES AND EQUITY			
LIABILITIES			
1.	Deposits from customers	580,413,000	529,277,161
2.	Sharia deposits	478,698	364,755
3.	Deposits from other banks	5,758,414	4,900,942
4.	Financial liabilities held for trading	53,843	122,130
5.	Acceptance payables	5,800,477	4,187,148
6.	Securities sold under agreements to repurchase	96,225	134,748
7.	Debt securities issued	610,499	2,332,171
8.	Income tax liabilities	147,398	163,682
9.	Borrowings	3,040,602	2,788,552
10.	Post-employment benefits obligation	6,506,283	6,170,146
11.	Accruals and other liabilities	11,333,831	9,259,190
TOTAL LIABILITIES		614,239,270	559,700,625
EQUITY			
12.	Temporary <i>syirkah</i> deposits	3,977,715	3,467,007
13.	Share capital	210,619,700	177,115,700
14.	Additional paid in capital	(24,766,946)	-
15.	Revaluation surplus of fixed assets	53,203	55,582
16.	Foreign exchange differences arising from translation of financial statements in foreign currency	880	1,883
17.	Unrealized gains/(losses) on available-for-sale financial assets - net	488,142	(284,508)
18.	Retained earnings	13,612,003	1,556,346
19.	Other equity components	(5,073)	-
Total equity attributable to equity holders of the parent entity		200,001,909	178,445,003
20.	Non-controlling interest	59,718,735	59,702,793
TOTAL EQUITY		259,720,644	238,147,796
TOTAL LIABILITIES AND EQUITY		877,937,629	801,315,428

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER

COMPREHENSIVE INCOME

For The Years Ended December 31, 2017 and Two Months Period Ended December 31, 2016

(in millions of Rupiah, unless earnings per share)

No.	ACCOUNTS	Audited Dec 31, 2017	Audited Nov - Dec 31, 2016
OPERATING INCOME AND EXPENSES			
1.	Interest and sharia income	53,798,512	8,601,418
2.	Interest and sharia expenses	(11,887,372)	(1,766,812)
Net interest and sharia income		41,911,140	6,834,606
3.	Fee and commission income	10,379,624	1,739,904
4.	Fee and commission expenses	(2,162)	(358)
Net fee and commission income		10,377,462	1,739,546
5.	Net trading income	1,803,541	504,071
6.	Other operating income	2,961,298	579,285
Total operating income		57,053,441	9,657,488
7.	Impairment losses on financial assets	(2,632,619)	(1,109,467)
Other operating expenses		(11,337,405)	(1,486,256)
8.	Personnel expenses	(12,306,174)	(2,368,237)
9.	General and administrative expenses	(1,564,550)	(579,275)
10.	Others	(25,208,129)	(4,433,768)
Total other operating expenses		(29,212,693)	(4,114,253)
INCOME BEFORE TAX		27,840,748	(5,543,235)
INCOME TAX EXPENSE			
11.	Current	(5,763,741)	(968,071)
12.	Deferred	(75,190)	126,793
INCOME TAX EXPENSE		(5,838,931)	(841,278)
NET INCOME		23,373,762	3,272,975
OTHER COMPREHENSIVE INCOME:			
13. Items that will not be reclassified to profit or loss:			
a. Remeasurements of defined benefit liability		(850,232)	75,728
b. Income tax		212,936	(18,932)
c. Revaluation surplus of fixed assets		(637,296)	56,796
		(4,330)	117,883
		(641,626)	174,679
14. Items that will be reclassified to profit or loss:			
a. Unrealized gains (losses) on available-for-sale financial assets		1,874,674	(803,759)
b. Income tax		(467,401)	199,989
Unrealized gains (losses) on available-for-sale financial assets - net of tax		1,407,273	(603,770)
c. Foreign exchange differences arising from translation of financial statement in foreign currency		(1,823)	3,993
d. Others		(9,233)	-
		1,396,217	(599,777)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		754,591	(425,098)
TOTAL COMPREHENSIVE INCOME		24,128,353	2,847,877
NET INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		12,405,803	1,529,655
Non-controlling interest		10,967,959	1,743,320
		23,373,762	3,272,975
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		12,819,852	1,329,303
Non-controlling interest		11,308,501	1,518,574
		24,128,353	2,847,877
EARNINGS PER SHARE		58,901	8,636

PT Dwimuria Investama Andalan and Subsidiary Financial Statements - Continued

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2017 and Two Months Period Ended December 31, 2016
(in millions of Rupiah)

	For The Years Ended December 31, 2017 and Two Months Period Ended December 31, 2016 (Audited)									
	Attributable to equity holders of parent entity								Non-controlling interest	Total equity
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Foreign exchange differences arising from translation of financial statements in foreign currency	Unrealized gain (losses) on available-for-sale financial assets - net	Retained earnings	Other equity components	Total equity attributable to equity holders of parent entity		
Balance, 10 November 2016	-	-	-	-	-	-	-	-	-	-
Changes in equity as of Nov - Dec 2016										
Share capital payment	177,115,700	-	-	-	-	-	-	177,115,700	-	177,115,700
Non-controlling interest due to acquisition of subsidiaries	-	-	-	-	-	-	-	-	58,184,219	58,184,219
Net Income	-	-	-	-	-	1,529,655	-	1,529,655	1,743,320	3,272,975
Revaluation surplus of fixed assets	-	-	55,582	-	-	-	-	55,582	62,301	117,883
Foreign exchange differences arising from translation of financial statements in foreign currency	-	-	-	1,883	-	-	-	1,883	2,110	3,993
Unrealized losses on available-for-sale financial assets - net	-	-	-	-	(284,508)	-	-	(284,508)	(319,262)	(603,770)
Remeasurements of defined benefit liability - net	-	-	-	-	-	26,691	-	26,691	30,195	56,796
Total comprehensive income for the period	-	-	55,582	1,883	(284,508)	1,556,346	-	1,329,303	1,518,574	2,847,877
Balance, 31 December 2016	177,115,700	-	55,582	1,883	(284,508)	1,556,346	-	178,445,003	59,702,793	238,147,796
Changes in equity as of 2017										
Net Income	-	-	-	-	-	12,405,803	-	12,405,803	10,967,959	23,373,762
Revaluation surplus of fixed assets	-	-	(2,379)	-	-	-	-	(2,379)	(1,951)	(4,330)
Foreign exchange differences arising from translation of financial statements in foreign currency	-	-	-	(1,003)	-	-	-	(1,003)	(820)	(1,823)
Unrealized gains (losses) on available-for-sale financial assets - net	-	-	-	-	772,650	-	-	772,650	634,623	1,407,273
Remeasurements of defined benefit liability - net	-	-	-	-	-	(350,146)	-	(350,146)	(287,150)	(637,296)
Other equity components	-	-	-	-	-	-	(5,073)	(5,073)	(4,160)	(9,233)
Total comprehensive income for the period	-	-	(2,379)	(1,003)	772,650	12,055,657	(5,073)	12,819,852	11,308,501	24,128,353
Cash dividends	-	-	-	-	-	-	-	-	(2,332,895)	(2,332,895)
Share capital payment	33,504,000	-	-	-	-	-	-	33,504,000	-	33,504,000
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	(8,756,668)	(8,756,668)
Difference on transaction amount from business combination of entity under common control	-	(24,766,946)	-	-	-	-	-	(24,766,946)	(7,018)	(24,773,964)
Increase in non-controlling interest due to additional share capital payment	-	-	-	-	-	-	-	-	30,000	30,000
Changes in non-controlling interest due to acquisition of subsidiaries	-	-	-	-	-	-	-	-	(225,978)	(225,978)
Balance, 31 December 2017	210,619,700	(24,766,946)	53,203	880	488,142	13,612,003	(5,073)	200,001,909	59,718,735	259,720,644

Consolidated Commitments and Contingencies

As of December 31, 2017 and 2016
(in millions of Rupiah)

No.	ACCOUNTS	Audited Dec 31, 2017	Audited Dec 31, 2016
COMMITMENTS			
<u>Committed receivables:</u>			
1.	Borrowing facilities received and unused	2,846,600	3,483,084
2.	Derivatives purchase position	12,469,690	5,086,074
		15,316,290	8,569,158
<u>Committed liabilities:</u>			
1.	Unused credit facilities to customers		
	- Committed	136,811,259	118,834,625
	- Uncommitted	49,222,154	39,126,575
2.	Unused credit facilities to other banks		
	- Committed	2,685,604	1,285,435
	- Uncommitted	2,039	-
3.	Irrevocable Letters of Credit facilities to customers	7,753,880	5,778,889
4.	Derivatives selling position	37,010,566	21,663,124
		233,485,502	186,688,648
CONTINGENCIES			
<u>Contingent receivables:</u>			
1.	Bank guarantees received	741,486	474,392
2.	Interest receivables on non-performing loans	319,654	225,828
		1,061,140	700,220
<u>Contingent liabilities:</u>			
1.	Bank guarantees issued to customers	13,814,478	11,345,249
		13,814,478	11,345,249

Kudus, March 12, 2018

Honky Harjo
President Director

Imron Hendrata
Director

2017 Annual Report



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