

On the other side, the loan portfolio reached Rp574.6 trillion, a decrease of 2.1% YoY, reaching 98.4% of the target set of Rp583.9 trillion. Corporate lending is still the major part of the credit pillar, and this grew by 7.6% to Rp256.6 trillion. However, commercial lending and small and medium enterprises (SMEs) lending decreased 7.6% to Rp197.9 trillion. Housing Loans (KPR) decreased by 4.3% to Rp78.6 trillion. Vehicle Loans (KKB) decreased by 22.2% to Rp28.4 trillion.

An explanation of the overall loan portfolio divided by business sector and segment (corporate, commercial & SME, and consumer) can be found in the 2020 Annual Report. [\[FN-CB-410a.1\]](#) [\[FN-CB-000.B\]](#)

In the face of the conditions in 2020, BCA continued to respond positively to the dynamic business environment with its global and sustainability issues, including the environmental and social issues. We maintained a healthy capital liquidity enabling us to survive during the pandemic conditions.

#### Climate Change-Related Disclosures [\[102-11\]](#)

As a financial services provider, climate change presents both risks and opportunities for BCA. We follow to the international standards and the guidelines laid down by the Task Force on Climate-related Financial Disclosures (TCFD) when we analyze and carry out our activities as our responsibility to participate in reducing global warming and protecting our business continuity from the negative impacts of climate change.

*BCA has adjusted its lending policies, particularly for environmental, social and governance (ESG) oriented financing. Loan requirements at BCA contain a checklist pertaining to the ESG aspects as part of the sustainable finance governance implementation that listed in the Approval Letter of Credit (SPPK).*

#### Financial Implications of Climate Change [\[201-2\]](#)

The current climate change has resulted in shifting seasons, with higher rainfall and drastically increasing temperatures. The extreme weather in early 2020 caused flooding throughout Indonesia and resulted in the closure of several BCA branch offices. These closures disrupted banking operations, although most were resolved through digital banking. As a result of the flooding, 25 BCA main branch offices in Jabodetabek were closed for 1 day. The flooding also caused damage to a number of BCA ATMs and resulted in a potential loss of around Rp5.2 billion.

The negative impact of climate change also affected our debtors whose business is in clove plantations. They experiences a disruption of operational activities due to high rainfall and pest attacks from changing temperature in Dompu, Nusa Tenggara. As a result, there is a potential loss due to crop failure, which may result in delays to loan repayments for their business loans from BCA.

#### ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value generated comes from interest income, other operating income and other comprehensive income. The total economic value generated in 2020, was Rp90.3 trillion, an increase of 3.1% from last year. Meanwhile, the economic value distributed related to operational expenses and to stakeholders, such as paying taxes to the Government, paying employee remuneration, and carrying out social and environmental responsibility activities. [\[201-4\]](#)

During the current year, the sources of funds that we used were derived from BCA assets and liabilities, and we did not receive any financial assistance from the Government. However, during the pandemic, BCA supported the Government policies and utilized Government facilities to assist its debtors. BCA participates in a credit guarantee program for debtors whose businesses are affected by COVID-19. In addition, BCA supported many other debtors affected by COVID-19, through loan restructuring and interest subsidies. [\[201-4\]](#)