

**ANNUAL REPORT  
OF THE INTEGRATED  
GOVERNANCE IMPLEMENTATION**



**FINANCIAL CONGLOMERATE  
PT BANK CENTRAL ASIA Tbk**

**FINANCIAL YEAR 2022**



**ANNUAL REPORT  
OF INTEGRATED GOVERNANCE IMPLEMENTATION  
OF THE FINANCIAL CONGLOMERATE PT BANK CENTRAL ASIA Tbk YEAR 2022**

Annual Report of The Integrated Governance Implementation of The Financial Conglomerate PT Bank Central Asia Tbk (“BCA”) year 2022 was prepared in accordance with:

1. Financial Services Authority Regulation Number 18/POJK.03/2014 dated 18 November 2014 regarding Implementation of Integrated Governance for Financial Conglomerates;
2. Financial Services Authority Regulation Number 55/POJK.03/2016 dated 7 December 2016 on Implementation of Governance for Commercial Banks.
3. Financial Services Authority Circular Letter Number 15/SEOJK.03/2015 dated 25 May 2015 on Implementation of Integrated Governance for Financial Conglomerates;
4. Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 1 March 2017 on Implementation of Governance for Commercial Banks.

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1. Transparency of Good Corporate Governance Implementation as referred by point IX Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017;		
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3. Improvement in the quality of governance that has been carried out by BCA throughout 2022.		

## I. SELF ASSESSMENT REPORT ON THE INTEGRATED GOVERNANCE IMPLEMENTATION FOR 1 (ONE) FINANCIAL YEAR

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

Throughout 2021, BCA as the Main Entity conducted the assessment on the Integrated Governance implementation in the first semester and second semester. The assessment covers 3 (three) integrated governance aspects: Structure, Process, and Results of Integrated Governance.

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

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

Main Entity : PT Bank Central Asia Tbk  
Position of Report : December 31, 2022

### The Result of Self-Assessment of the Implementation of Integrated Corporate Governance for Semester I and Semester 2 Year 2022

	Rating	Rating Definition
Semester I	1	BCA management has generally implemented <b>very good</b> governance. This result is reflected in the adequate fulfillment of the Governance principles. If there are weaknesses in the application of the principles of Governance, in general, these weaknesses are not significant and can be resolved by normal actions by BCA management.
Semester II	1	BCA management has generally implemented <b>very good</b> governance. This result is reflected in the adequate fulfillment of the Governance principles. If there are weaknesses in the application of the principles of Governance, in general, these weaknesses are not significant and can be resolved by normal actions by BCA management.

#### Analysis:

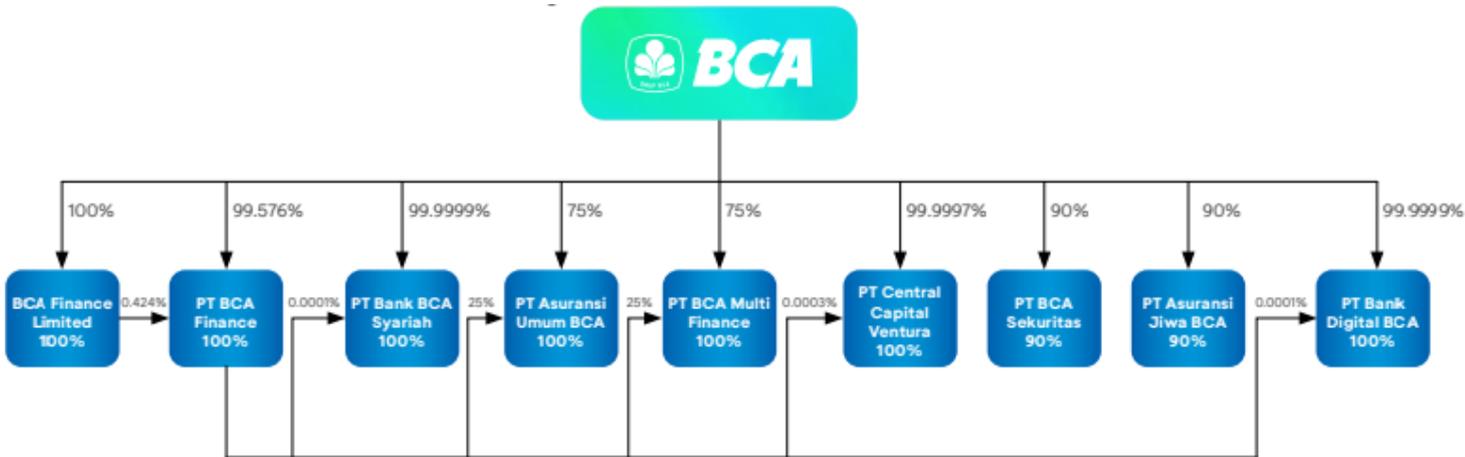
Based on the self assessment analysis to the Integrated Governance structure, Integrated Governance process, and Integrated Governance result on each assessment factor for Integrated Governance implementation, can be concluded as follows:

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

effective and supported by a complete structure.

## II. FINANCIAL CONGLOMERATE STRUCTURE OF BCA AS OF 31 DECEMBER 2022

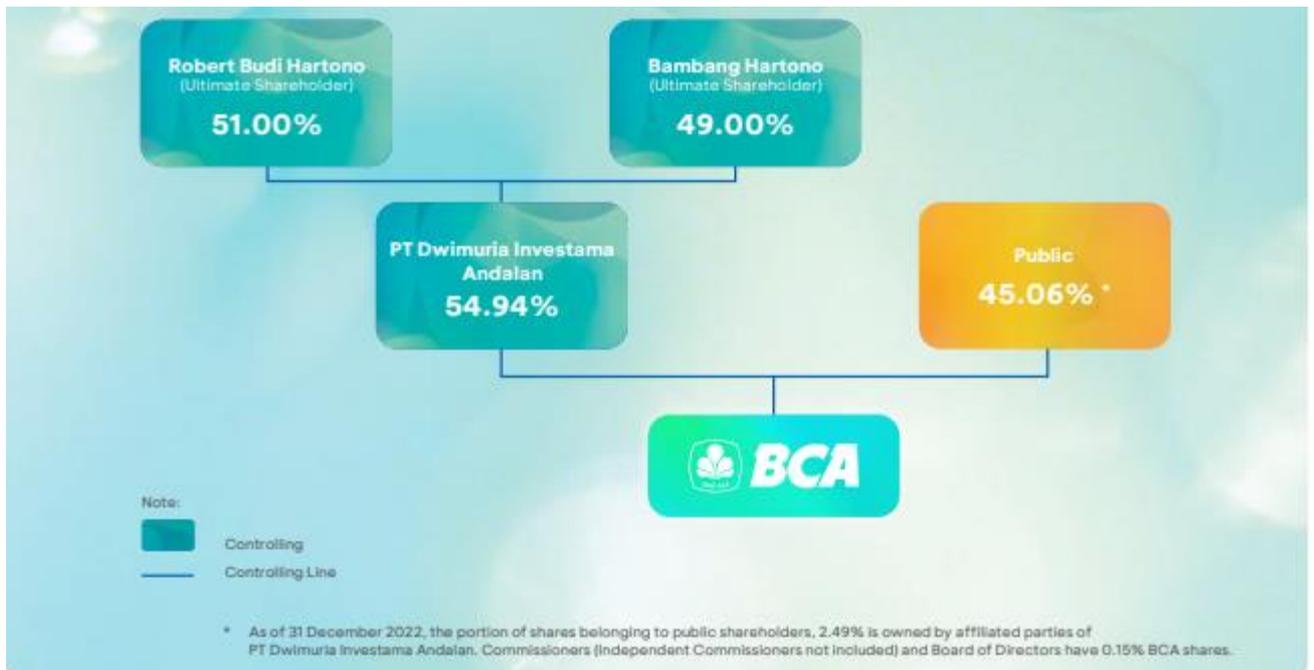
Financial conglomerate structure of BCA as of 31 December 2022 as follows:



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

As of 31 December 2022, share ownership structure of PT Bank Central Asia Tbk in the Financial Conglomerate, as follows:

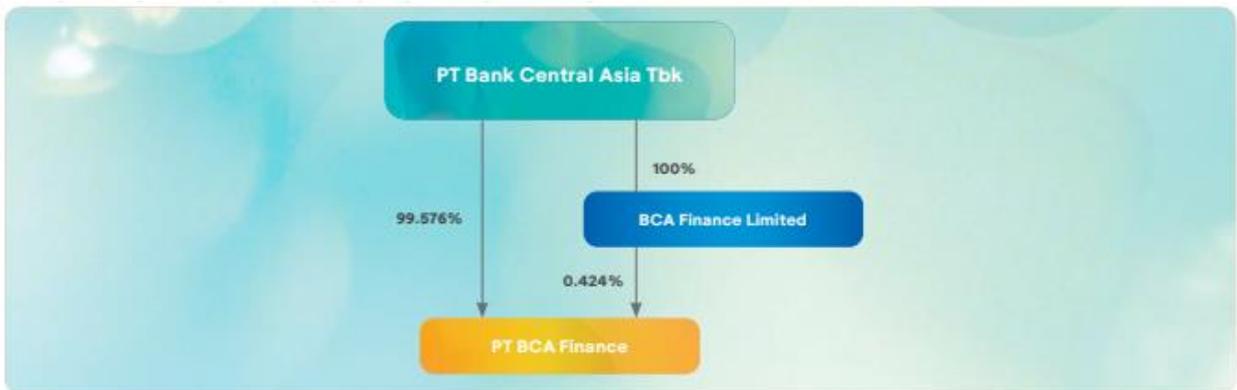
- **SHARE OWNERSHIP STRUCTURE OF PT BANK CENTRAL ASIA TBK AS THE MAIN ENTITY**



- **SHARE OWNERSHIP STRUCTURE OF BCA FINANCE LIMITED**



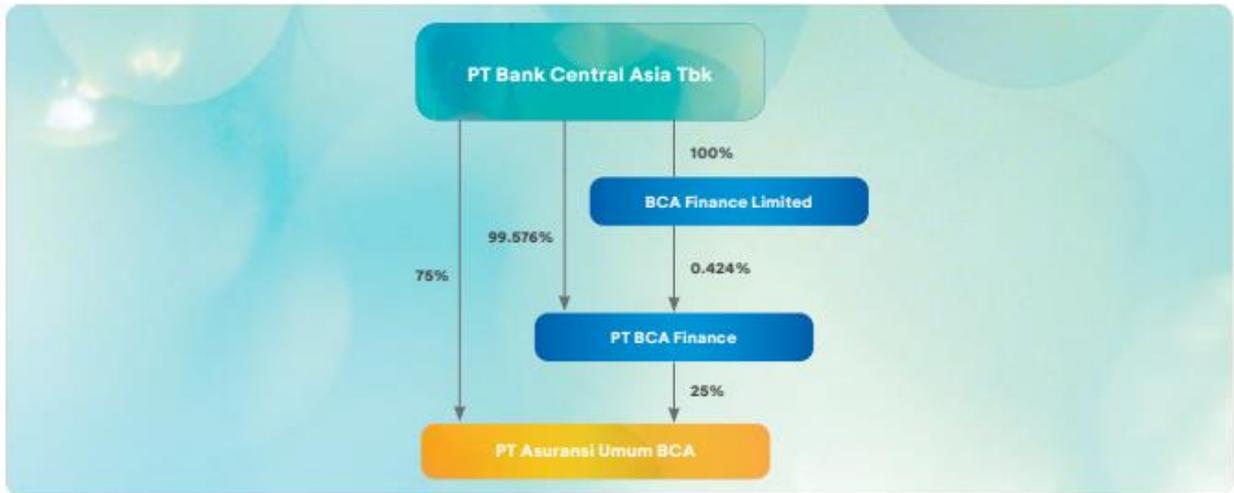
- **SHARE OWNERSHIP STRUCTURE OF PT BCA FINANCE**



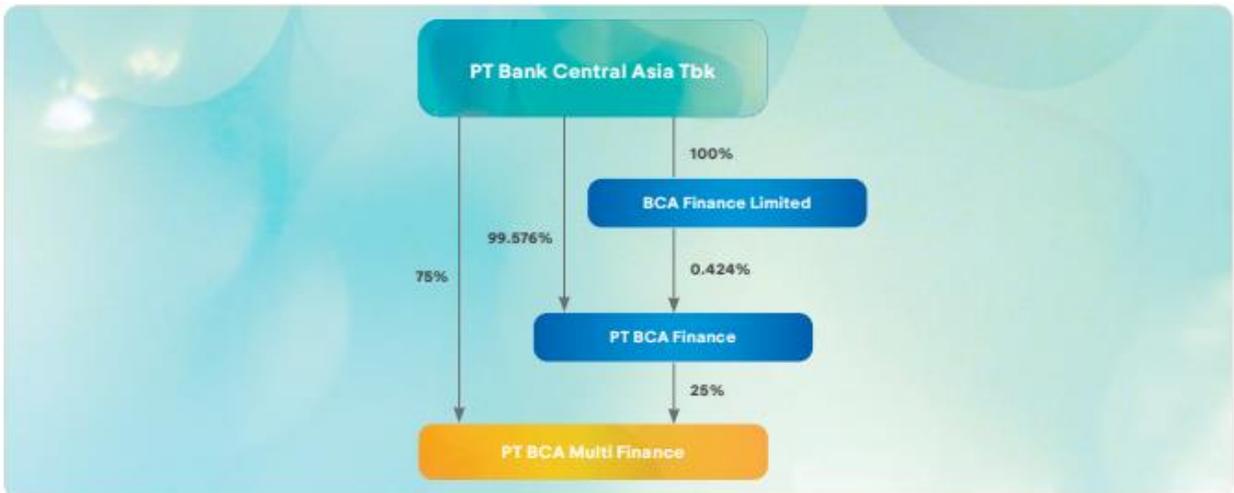
- **SHARE OWNERSHIP STRUCTURE OF PT BANK BCA SYARIAH**



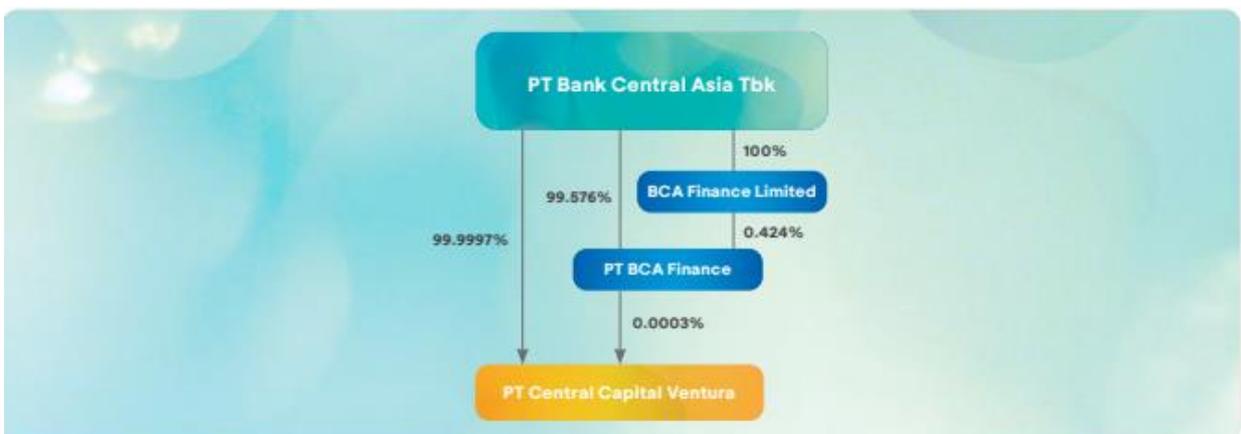
- SHARE OWNERSHIP STRUCTURE OF PT ASURANSI UMUM BCA



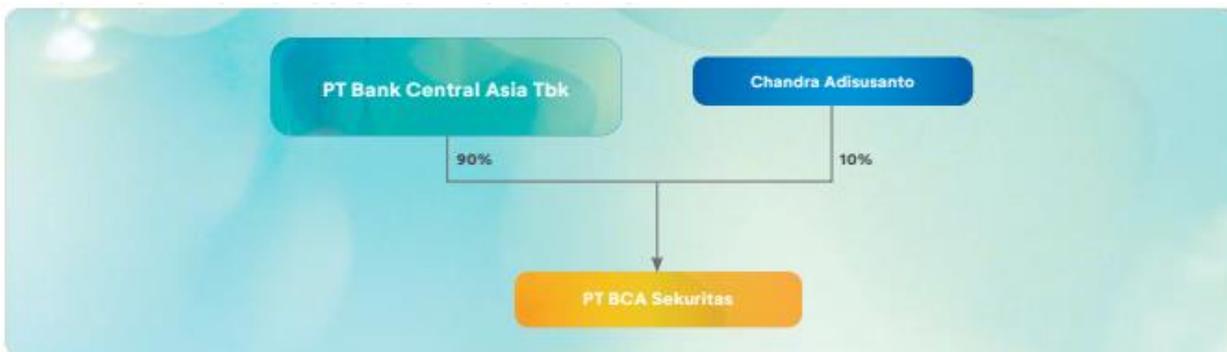
- SHARE OWNERSHIP STRUCTURE OF PT BCA MULTI FINANCE



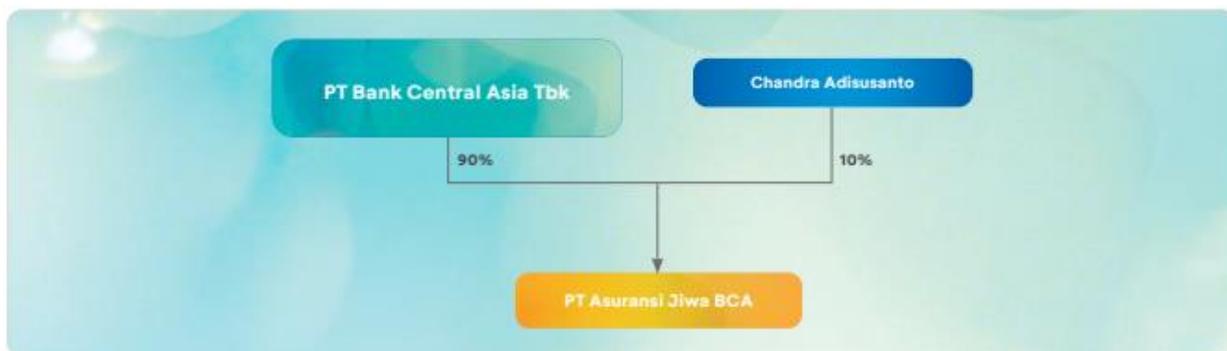
- SHARE OWNERSHIP STRUCTURE OF PT CENTRAL CAPITAL VENTURA



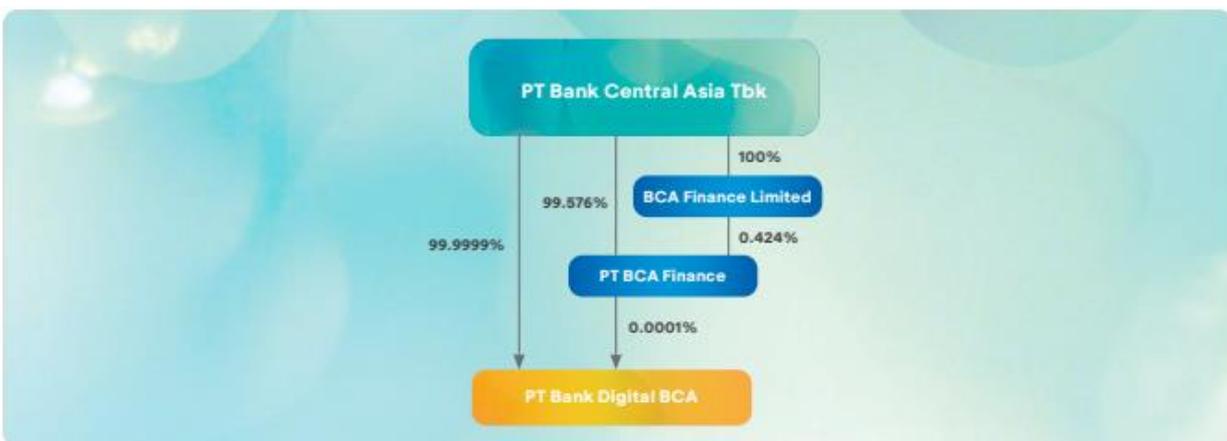
- SHARE OWNERSHIP STRUCTURE OF PT BCA SEKURITAS



- SHARE OWNERSHIP STRUCTURE OF PT ASURANSI JIWA BCA



- SHARE OWNERSHIP STRUCTURE OF PT BANK DIGITAL BCA



#### IV. MANAGEMENT STRUCTURE OF BCA’S FINANCIAL CONGLOMERATE

##### Management Structure of PT BANK CENTRAL ASIA Tbk (Main Entity)

###### Board of Commissioners

Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrrillus Harinowo
Independent Commissioner	Raden Pardede
Independent Commissioner	Sumantri Slamet

## Board of Directors

Position	Name
President Director	Jahja Setiaatmadja
Deputy President Director 1	Suwignyo Budiman*
Deputy President Director 1	Armand Wahyudi Hartono
Deputy President Director 2	Gregory Hendra Lembong**
Director	Tan Ho Hien/Subur or Subur Tan
Director	Rudy Susanto
Director (concurrently serving as Director in charge of the Compliance function)	Lianawaty Suwono***
Director	Santoso
Director	Vera Eve Lim
Director	Haryanto T. Budiman
Director	Frengky Chandra Kusuma
Director	John Kosasih
Director	Antonius Widodo Mulyono****

**Description:**

\* Mr. Suwignyo Budiman's term of office ended at the AGMS on April 30, 2022.

\*\* Mr. Gregory Hendra Lembong serves as Deputy President Director based on OJK Letter No. 10/KDK.03/2022 dated April 22, 2022.

\*\*\* Ms. Lianawaty Suwono serves as the Director in charge of the Compliance function based on OJK Letter No. 8/KDK.03/2022 dated April 22, 2022.

\*\*\*\* Mr. Antonius Widodo Mulyono serves as Director based on OJK Letter No. No. 9/KDK.03/2022 dated April 22, 2022, and effective May 9, 2022.

## Main Entity Board of Commissioners and Board of Directors Duties and Responsibilities

1. Duties and responsibilities of the Main Entity's Board of Commissioners:
  - a. Supervise the implementation of Integrated Governance.
  - b. In order to supervise the implementation of Integrated Governance as mentioned above, at least:
    - 1) Supervise the implementation of governance in each Subsidiary so that it is in accordance with the Integrated Governance Guidelines;
    - 2) Supervise the implementation of duties and responsibilities of the Main Entity's Board of Directors, as well as provide directions or advice to the Main Entity Board of Directors on the implementation of the Integrated Governance Guidelines; and
    - 3) Evaluate the Integrated Governance Guidelines and direct their implementation for improvement.
  - c. Hold regular meetings at least 1 (one) time every semester. Meetings can be held via video conference.
  - d. The minutes of meeting are written down and properly documented, as well as clearly stating the dissenting opinion that occurred at the meeting in the minutes of meeting along with the reasons for the difference of opinion.
  - e. Form Integrated Governance Committee.
2. Duties and responsibilities of the Main Entity Board of Directors:
  - a. Ensure the implementation of Integrated Governance in the Financial Conglomeration.
  - b. In order to ensure Integrated Governance implementation as mentioned above, at least:
    - 1) Formulate Integrated Governance Guidelines;
    - 2) Direct, monitor, and evaluate the implementation of Integrated Governance Guidelines; and



- 3) Follow up on the directions or advice of the Main Entity's Board of Commissioners in order to improve TKT Guidelines.
- c. Ensure that audit findings and recommendations from the Integrated Internal Audit Work Unit, external auditors, and results of OJK supervision and/or monitoring results from other authorities have been followed-up by Subsidiaries.

## MANAGEMENT STRUCTURE OF FSI IN THE FINANCIAL CONGLOMERATE OF BCA

### MANAGEMENT STRUCTURE OF BCA FINANCE LIMITED

#### DIRECTOR

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

### MANAGEMENT STRUCTURE OF PT BCA FINANCE

#### BOARD OF COMMISSIONERS

Position	Name
President Commissioner	Henry Koenafi*
President Commissioner	Suwignyo Budiman**
Commissioner	David Hamdan
Independent Commissioner	Sulistiyowati

Description:

\* Served until February 25, 2022

\*\* Serving since September 1, 2022

#### BOARD OF DIRECTORS

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

Description:

\* Term of office ended on November 7, 2022

## MANAGEMENT STRUCTURE OF PT BANK BCA SYARIAH

### BOARD OF COMMISSIONER

Position	Name
President Independent Commissioner*	Tantri Indrawati
Independent Commissioner	Ratna Yanti
Commissioner	Ina Widjaja**
Independent Commissioner	Joni Handrijanto***

Description:

\* Service since March 11, 2022, Previous position changed from President Commissioner into President Independent Commissioner

\*\* Served since March 11, 2022

\*\*\* Serving until March 11, 2022

### BOARD OF DIRECTORS

Position	Name
President Director	Yuli Melati Suryaningrum
Director	Houda Muljanti*
Director	Rickyadi Widjaja
Director	Pranata
Director	Lukman Hadiwijaya**

Description:

\* Director in charge of the Compliance Function

\*\* Serving since March 11, 2022

### SHARIA SUPERVISORY BOARD

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

## MANAGEMENT STRUCTURE OF PT ASURANSI UMUM BCA

### BOARD OF COMMISSIONERS

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

Description:

\* Serving since May 1, 2022

### BOARD OF DIRECTORS

Position	Name
President Director	Harlyanto*
President Director	Hendro Hadinoto Wenan**
Director	Antonius
Director	Sri Angraini
Director of Compliance	Arif Singgih Halim Wijaya

Description:

\* Served until April 1, 2022

\*\* Serving since April 1, 2022

## MANAGEMENT STRUCTURE OF PT BCA MULTI FINANCE

### BOARD OF COMMISSIONERS

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

### BOARD OF DIRECTORS

Position	Name
President Director	Herwandi Kuswanto
Director	Senjaya Komala*
Director	Adhi Purnama
Director	Liston Nainggolan
Director	Sulman Agung
Director	Rudy Setiawan**

Description:

\* Served until March 23, 2022

\*\* Serving since December 5, 2022

## MANAGEMENT STRUCTURE OF PT CENTRAL CAPITAL VENTURA

### BOARD OF COMMISSIONERS

Position	Name
Commissioner	Jan Hendra

### BOARD OF DIRECTORS

Position	Name
President director	Armand Widjaja
Director	Michelle Suteja

## MANAGEMENT STRUCTURE OF PT BCA SEKURITAS

### BOARD OF COMMISSIONERS

Position	Name
President Commissioner	Dharwin Yuwono
Independent Commissioner	Hendra Iskandar Lubis

### BOARD OF DIRECTORS

Position	Name
President Director	Mardi Henko Sutanto
Director	Imelda Arismunandar

## MANAGEMENT STRUCTURE OF PT ASURANSI JIWA BCA

### BOARD OF COMMISSIONERS

Position	Name
President Commissioner	Christina Wahjuni Setyabudhi*
President Commissioner	Hariyanto**
Commissioner	Ugahary Yovvy Chandra
Independent Commissioner	Pudjianto
Independent Commissioner	Hardjono

Description:

\* Served as President Commissioner until February 25, 2022

\*\* Serving as President Commissioner since April 1, 2022

### BOARD OF DIRECTORS

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

Description:

\* Served as President director until February 25, 2022

\*\* Serving as President Director since April 1, 2022

\*\*\* Serving as Director until April 1, 2022

## MANAGEMENT STRUCTURE OF PT BANK DIGITAL BCA

### BOARD OF COMMISSIONERS

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

### BOARD OF DIRECTORS

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

### Duties and responsibilities of the Board of Commissioners, the Board of Directors, and the Sharia Supervisory Board of FSI in Financial Conglomerate of BCA

- The duties and responsibilities of the Board of Commissioners of FSI in BCA's Financial Conglomerate include at least the following:
  - Supervise the implementation of the governance, duties, and responsibilities of the Board of Directors and follow up on audit results from internal and external parties;
  - Form committees or appoint parties to carry out functions that support the Board of Commissioners' duties and responsibilities, at least audit monitoring committees or functions and compliance monitoring committees or functions;
  - Hold Board of Commissioners meetings that include at least the frequency, attendance, and decisionmaking procedures; and
  - Set out work rules for the Board of Commissioners.
- The duties and responsibilities of the FSI's Board of Directors in BCA's Financial Conglomerate include at least the following:

- a. Implement the principles of Subsidiary Governance;
  - b. Follow up on audit results by internal and external parties;
  - c. Set out work rules; and
  - d. Organize meetings of the Board of Directors that at least include procedures for making decisions and meeting documentation.
3. The duties and responsibilities of the FSI's Sharia Supervisory Board in BCA's Financial Conglomerate, include at least the following:
    - a. Provide advice and suggestions to the Board of Directors and supervise the activities of Bank BCA Syariah so that they comply with Sharia Principles; and
    - b. Draw up work rules for the Sharia Supervisory Board.

### Integrated Governance Structure in the BCA Financial Conglomerate

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

\* The IGC is only required to be formed in the Main Entity with members including representatives of Independent Commissioners and/or members of the Sharia Supervisory Board from each FSI in the BCA Financial Conglomerate.

### Integrated Governance Committee

Based on the Decree of the Board of Commissioners No. 037/SK/KOM/2015 concerning the Establishment of the Integrated Governance Committee dated February 26, 2015, BCA has formed Integrated Governance Committee consisting of representatives of BCA Independent Commissioners, Independent Parties, and all representatives of Independent Commissioners and/or Members of the Sharia Supervisory Board of Subsidiaries. The Integrated Governance Committee is tasked with assisting the Board of Commissioners of BCA as the Main Entity in supervising the implementation of Integrated Governance in BCA's Financial Conglomeration.

In 2022, adjustments have been made to the Integrated Governance Committee members due to:

- a. Changes in the composition of the Subsidiary's Board of Commissioners;
- b. Chairman of Integrated Governance Committee change;
- c. Addition of Subsidiaries in the form of Financial Services Institutions.

### Integrated Compliance Work Unit

BCA, as the Main Entity in BCA's Financial Conglomerate, has added an integrated compliance function within the Compliance Work Unit organization to monitor and evaluate the implementation of the compliance function at each FSI within the BCA

Financial Conglomerate through coordination with the compliance function in each Subsidiary Company.

Integrated Compliance Work Unit has the following duties and responsibilities:

- a. Monitor and evaluate the implementation of the compliance function of each Subsidiaries.
- b. Develop the methods and processes required for the implementation of integrated compliance risk management.
- c. Assess and compile integrated compliance risk profiles as part of the implementation of integrated risk management.
- d. Prepare and submit reports on the implementation of integrated compliance duties and responsibilities to the Compliance Director of the Main Entity. Furthermore, Compliance Director prepares and submits a report on implementation of integrated compliance duties and responsibilities to the Board of Directors and Board of Commissioners of the Main Entity.

#### **Integrated Internal Audit Work Unit**

BCA, as the Main Entity in BCA's Financial Conglomerate, has added an integrated internal audit function within the DAI organization to monitor the implementation of the internal audit function at each FSI within the Financial Conglomerate of BCA and provide recommendations that increase added value.

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

- a. Assess the adequacy and effectiveness of risk management processes, internal control, and governance of Subsidiaries, and provide recommendations for improvement.
- b. Monitor the implementation of internal audits at each Subsidiary.
- c. Monitor and evaluate the adequacy of corrective follow-up on the audit results of Subsidiaries, and report them to the Board of Directors, Board of Commissioners and Main Entity Audit Committee Main Entity.
- d. Submit an integrated internal audit report to the Director appointed to carry out the oversight function of Subsidiaries, the Board of Commissioners of the Main Entity, and the Director in charge of the compliance function of the Main Entity.
- e. Provide support to Subsidiaries in developing the internal audit function.

#### **Implementation of Integrated Risk Management**

In accordance with OJK Regulation No. 17/ POJK.03/2014 dated November 18, 2014 concerning the implementation of Integrated Risk Management for Financial Conglomerates, BCA and Subsidiaries in the Financial Conglomerate of BCA have implemented integrated risk management in a comprehensive and effective manner in accordance with the characteristics and complexity of the Financial Conglomerate business.

In order to implement integrated risk management, BCA, as the Main Entity, has formed an Integrated Risk Management Committee (IRMC) and added an integrated risk management function to the Risk Management Work Unit so that it also has a role as the Integrated Risk Management Work Unit.

- The IRMC consists of the Director of BCA, who is in charge of the integrated risk management function, all members of the Board of Directors of BCA, several other relevant BCA senior managements, as well as the Director of Subsidiaries as a representative of FSI in the BCA Financial Conglomerate.

- In carrying out its functions, IRMC is also supported by Risk Management Work Unit, which also acts as Integrated Risk Management Work Unit to ensure that the risks faced by the Main Entity and Subsidiaries in an integrated manner can be identified, measured, monitored, controlled, and reported correctly through the application of an appropriate risk management framework. The duties and responsibilities of the Integrated Risk Management Work Unit include:
  - a. Provide input to the Board of Directors of the Main Entity and Integrated Risk Management Work Unit, among others, in the context of preparing and perfecting Integrated Risk Management policies.
  - b. Monitor the implementation of the Integrated Risk Management policies, which include developing and carrying out periodic reviews of procedures and tools for identification, measurement, monitoring, and risk control.
  - c. Perform risk monitoring at the BCA Financial Conglomerate.
  - d. Perform stress testing.
  - e. Reviewing new business line proposals that are strategic and have a significant impact on the risk exposure of the Financial Conglomerate.
  - f. Provide information to the IRMC on matters that need to be followed up in relation to the results of the evaluation of the implementation of integrated risk management.
  - g. Prepare and submit the Integrated Risk Profile Report periodically.

#### **V. Intra-Group Transaction Policy**

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

##### **Definition of Intra-Group Transaction Risk**

Intergroup transaction risk is the risk resulting from the dependence of an entity, either directly or indirectly, on other entities in a Financial Conglomerate in order to fulfill written and unwritten agreement obligations followed by a transfer of funds and/or not followed by a transfer of funds.

##### **Objectives of Intra-Group Transaction Risk Management**

The main objectives of intergroup transaction risk management are:

- a. Regulate and supervise intergroup transactions of the Financial Conglomerate based on the principle of prudence.
- b. Ensure that the risk management process can be minimize the possibility of negative impacts resulting from the dependence of an FSI, either directly or indirectly, on other FSIs in a Financial Conglomerate.

##### **Intra-Group Transaction Risk**

Intra-group transaction risks may arise from:

- a. Cross-ownership among FSI in the Financial Conglomerate.
- b. Centralized short-term liquidity management.
- c. Guarantees, loans, and commitments given or obtained by an FSI from another FSI in the Financial Conglomerate.
- d. Exposures to controlling shareholders, including loan and off-balance sheet exposures such as guarantees and commitments.
- e. Purchase or sale of assets to other FSI in a Financial Conglomerate.
- f. Transfer of risk through reinsurance.

- g. Transactions to divert third party risk exposure among FSI in the Financial Conglomerate.

### **Scope of Intra-Group Transaction Risk Management Policy**

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

#### **1. Oversight of the Board of Commissioners and the Board of Directors**

Oversight by the Board of Commissioners and the Board of Directors is required to ensure the effectiveness of intra-group transaction risk management implementation and compliance with applicable regulations.

##### **The Board of Commissioners' authorities and responsibilities**

The Board of Commissioners' authorities and responsibilities in implementing intra-group transaction risk management include:

- a. Approve the intra-group transaction risk management policy.
- b. Evaluate the Board of Directors' accountability and provide guidance for improving the implementation of intra-group transaction risk management policies.

##### **The Board of Directors' authorities and responsibilities**

The authorities and responsibilities of the Board of Directors in managing intra-group transaction risk include the following:

- a. Understand the risks of intra-group transactions inherent in the Financial Conglomerate.
- b. Develop and establish intra-group transaction risk management policies.
- c. Accountable for implementing intragroup transaction risk management.
- d. Ensure that each entity in the Financial Conglomerate implements intragroup transaction risk management.
- e. Monitor the risk of intra-group transactions on a regular basis.
- f. Developing a risk culture as part of implementing intra-group transaction risk management.
- g. Ensuring that the implementation of intra-group transaction risk management is free from conflicts of interest between the Financial Conglomerate and individual FSI.

#### **2. Adequacy of Policies, Procedures and Determination of Intra-Group Transaction Risk Limits**

Stipulation of intra-group transaction policies, procedures, and risk limits, taking into consideration the following factors:

- a. The Financial Conglomerate must ensure that the arm's length principle (transaction fairness) is followed when conducting intra-group transactions.
- b. The level of risk to be taken (risk appetite) and the level of risk tolerance must be in line with the Financial Conglomerate's business strategy, risk profile, and capital plan.
- c. Intra-group transaction policies and limits are in accordance with applicable regulatory requirements.
- d. The intra-group transaction risk management procedures must include at least the following:



- 1) Accountability and clear levels of delegation of authority in intragroup transaction risk management implementation.
- 2) Review of procedures in a regular basis.
- 3) Adequate procedure documentation, namely written documentation that is complete and allows for an easy audit trail.

### **3. Adequacy of Risk Identification, Measurement, Monitoring and Control Processes, as well as Intra-Group Transaction Risk Management Information Systems**

BCA, as the Main Entity, is required to carry out an integrated process of identifying, measuring, monitoring, and controlling risks for all significant risk factors, supported by an adequate intragroup transaction risk management information system, taking into consideration the following factors:

- a. The Financial Conglomerate's intra-group transaction composition.
- b. Transaction documentation and fairness
- c. Comply with legal and regulatory requirements.
- d. Other significant information

The implementation is also supported by an intra-group transaction risk management information system, which includes an intragroup transaction risk profile report as part of the Integrated Risk Profile Report.

#### **Review Result of Intra-Group Transaction Risk Profile**

Based on self-assessment results, BCA's risk profile, both individually and integrated with Subsidiaries in 2022, was "low to moderate".

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

### **4. Comprehensive Internal Control System for Intra-Group Transaction Risk Management Implementation**

A comprehensive internal control system is required to supplement the process of implementing effective intergroup transaction risk management. The intergroup transaction risk internal control system refers to the internal controls outlined in the Basic Integrated Risk Management Policy

BCA is required to implement an effective internal control system for intra-group transaction risk that includes the following provisions:

- a. BCA is required to implement an effective intergroup transaction risk internal control system with reference to established policies and procedures.
- b. The internal control system is designed to ensure:
  - 1) Compliance with internal policies or provisions as well as laws and regulations.
  - 2) The effectiveness of the risk culture in the Financial Conglomerate organization as a whole in identifying weaknesses and deviations earlier and continuously reassessing the fairness of existing policies and procedures in the Financial Conglomerate.
- c. Review of the measurement of intergroup transaction risk, at least covering:

- 1) Conformity of policies, organizational structure, allocation of resources, design of intergroup transaction risk management processes, information systems, and risk reporting according to the business needs of the Financial Conglomeration, as well as the development of regulations and best practices related to intergroup transaction risk management.
- 2) Complete and adequate documentation of coverage, operational procedures, audit findings, and the Financial Conglomerate management responses based on audit results.

## **VI. IMPLEMENTATION CORPORATE GOVERNANCE REPORT OF BCA**

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

### **A. GCG Implementation Disclosures**

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

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

##### **Number and Composition of Members of the Board of Directors**

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

As of December 31, 2022, the number of members of the Board of Directors of BCA is 12 (twelve) consisting of:

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

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

Based on the AGMS decision on the Third Agenda in 2022, BCA changed the composition of its Board of Directors in 2022. Changes in the composition of the Board of Directors can be found in the section of this Annual Report devoted to the General Meeting of Shareholders. The composition of BCA's Board of Directors in 2022 is contained in the Deed of Statement of Meeting Resolutions of PT Bank Central Asia Tbk No. 33, made in the presence of Christina Dwi Utami, S.H., M.Hum., M.Kn., Notary in Jakarta on May 10, 2022.

#### **Composition of BCA Board of Directors members for the January-March 2022 period**

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

### Composition of BCA Board of Directors members for the April-December 2022 period

Name	Position	Approval Letter No.	Terms of office based on the AGMS
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011	2021-2026
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016	2021 - 2026
Gregory Hendra Lembong	Deputy President Director	10/KDK.03/2022 dated April 22, 2022	2021-2026
Tan Ho Hien/ Subur/ Subur Tan	Director	4/69/DpG/DPIP/Rahasia dated August 13, 2002	2021-2026
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014	2021-2026
Lianawaty Suwono	Director (concurrently serving as Director in charge of the Compliance function)	SR-137/D.03/2016 dated July 27, 2016	2021-2026

Name	Position	Approval Letter No.	Terms of office based on the AGMS
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016	2021-2026
Vera Eve Lim	Director	SR-79/PB.12/2018 dated April 23, 2018	2021-2026
Haryanto T. Budiman	Director	14/KDK.03/2020 dated May 14, 2020	2021 - 2026
Frengky Chandra Kusuma	Director	39/KDK.03/2021 dated April 26, 2021	2021 - 2026
John Kosasih	Director	40/KDK.03/2021 dated April 26, 2021	2021 - 2026
Antonius Widodo Mulyono	Director	9/KDK.03/2022 dated April 22, 2022	2022 - 2026

Before carrying out their duties and functions in their positions, all members of BCA's Board of Directors have obtained approval from Bank Indonesia and/ or OJK and passed the fit and proper test from Bank Indonesia and/or OJK. This is in accordance with BI Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test and BI Circular Letter No. 13/8/ DPNP concerning Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011 and OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test

for Main Parties of Financial Services Institutions. As additional information, since supervision in the banking sector shifted from Bank Indonesia to OJK on December 31, 2013, the fit and proper test process for the Board of Directors after that date was carried out by OJK.

### **Terms of Office of the Board of Directors**

Terms of office for BCA Board of Directors will expire when the 5<sup>th</sup> (fifth) of AGMS is closed since the enforcement of GMS appointed relevant members of the Board of Directors, without reducing the authority of GMS to dismiss one or more members of the Board of Directors any time before the position ends. BCA Article of Association state that members of the Board of Directors whose terms of office has ended can be reappointed.

### **Criteria for Members of the Board of Directors**

Members of the Board of Directors of BCA are individuals who meet the criteria and requirements in accordance with OJK Regulation No. 33/ POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies, Article 6 of OJK Regulation No. 55/ POJK.03/ 2016 concerning the implementation of governance for commercial banks, and OJK Regulation No. 27/POJK.03/2016 concerning fit and proper test for the main parties of financial services Institutions.

Criteria for members of the Board of Directors are as follows:

- 1) Good ethics, morals, and integrity.
- 2) Be able to perform legal actions.
- 3) Within 5 (five) years before appointment and during the term of office:
  - a. Has not been punished for committing a crime detrimental to the state finances or relating to the financial sector; and
  - b. Has not been a member of the Board of Directors and/or Board of Commissioners in which during his/her terms of office:
    - Did not hold an Annual GMS;
    - His/Her accountability as members of the Board of Directors and/or members of the Board of Commissioners has never been accepted by the GMS or has failed to provide accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
    - Have caused a company that has obtained a license, approval, or registration from OJK to fail to fulfill its obligation to submit annual reports and/or financial reports to OJK;
- 4) Has a commitment to comply with laws and regulations.
- 5) Has knowledge and/or expertise in the fields required by BCA.
- 6) Meet the integrity requirements, which includes:
  - a. Capable of performing legal actions, the definition of being able to perform legal actions refers to the Civil Code;
  - b. Has good characters and morals, for at least could be shown by the attitudes that comply with prevailing provisions, including have never been convicted to criminal offense in a certain period before being nominated; What is meant by “criminal acts” as referred above are:
    - Criminal acts in the financial services sector whose crimes were completed within the last 20 (twenty) years before being nominated;

- Criminal offenses, namely crimes listed in the Criminal Code (KUHP) and/or similar Criminal Code abroad, with the threat of imprisonment for 1 (one) year or more, whose sentence was completed within the last 10 (ten) years before being nominated; and/or
  - Other criminal acts punishable by imprisonment for one (one) year or more, including corruption, money laundering, narcotics/psychotropics, smuggling, customs, excise, human trafficking, illegal weapons trade, terrorism, counterfeiting money, in the field of taxation, forestry, environment, maritime affairs, and fisheries, whose sentence was completed within the last 20 (twenty) years prior to nomination;
- c. Has a commitment to comply with laws and regulations and support the Financial Service Authority policies;
  - d. Has a commitment to the development of a healthy Bank;
  - e. Not included as a party barred from becoming a main party, among others, is a candidate not listed on the Disqualified List (DTL) for the fit and proper test. In accordance with regulations related to the fit and proper test, the main parties include Controlling Shareholders, members of the Board of Directors and members of the Board of Commissioners;
  - f. Has a commitment not to commit and/or repeat actions and/or deeds that would disqualify the person from becoming the main party.
- 7) Meet the competency requirements, which include:
- a. Adequate and relevant banking knowledge for the position. What is meant by knowledge in the banking sector, among others, knowledge of bank regulations and operations, including an understanding of risk management;
  - b. Knowledge of the main business activities and risks of Financial Services Institutions in a Financial Conglomerate, as well as knowledge of the Main Entity's duties and responsibilities;
  - c. Experience in banking and/or finance, including experience in operations, marketing, accounting, auditing, funding, credit, money market, capital market, law, or experience in supervision of Financial Services Institutions;
  - d. The ability to carry out strategic management in the context of developing a healthy bank;
  - e. Has experience of at least 5 (five) years in the field of operations and at the minimum level as a Bank Executive Officer.
- 8) Meet the financial reputation requirements, which include:
- a. Does not have bad credit and/or bad financing; and
  - b. Has never been declared bankrupt or have never been a shareholder, an Insurance Company Controller who is not a shareholder, a member of the Board of Directors or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated.

## Independence of Board of Directors

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

## Number and Composition of the Members of the Board of Commissioners

As of December 31, 2022, BCA has 5 (five) members of the Board of Commissioners, consisting of 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of BCA Board of Commissioners members does not exceed the number of BCA Board of Directors members. The number of BCA Independent Commissioners is 60% (sixty percent) of the total members of BCA Board of Commissioners. All members of the BCA Board of Commissioners are domiciled in Indonesia.

Since there were no changes to the Board of Commissioners' composition throughout 2022, BCA does not present reasons for changes to the Board of Commissioners' composition in this Annual Report. The composition of member of BCA Board of Commissioners in 2022 is contained in the Statement of Meeting Resolutions Deed of PT Bank Central Asia Tbk No. 33 dated May 10, 2022, made in the presence of Christina Dwi Utami, S.H. M.Hum., M.Kn., Notary in Jakarta.

## The Composition of BCA Board of Commissioners as of December 31, 2022

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

All members of the Board of Commissioners of BCA have obtained approval from Bank Indonesia (currently the OJK) and have passed the fit and proper test from Bank Indonesia (currently the OJK) before carrying out their duties and functions. This is 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 concerning Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011.

## Term of Office of the Board of Commissioners

In accordance with BCA's Articles of Association, the term of office of members of the Board of Commissioners is 5 (five) years from the date specified in the GMS. The term of office of the members of the Board of Commissioners for this period will end when BCA Annual GMS is closed in 2026. The GMS still has the authority to dismiss one or more members of the Board of Commissioners at any time before its term ends.

The Independent Commissioner's term of office follows the general term of the Board of Commissioners. Independent Commissioners who have served for 2 (two) consecutive terms of office may be reappointed as Independent Commissioners in the following period if:

- The Board of Commissioners meeting believes that Independent Commissioners can still act independently; and
- Independent Commissioner declares his independence at the GMS

BCA has Independent Commissioners who have been appointed for more than 2 (two) periods, namely Cyrillus Harinowo and Raden Pardede. Based on the meeting of the members of the Board of Commissioners, both of them can still act independently, and each has made a Statement of Independence, which is declared at the appointment of members of the Independent Commissioners at the 2021 BCA Annual GMS.

### **Criteria for the Members of the Board of Commissioners**

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

The criteria for the Board of Commissioner members are as follows:

- 1) Have good character, morals and integrity.
- 2) Be competent in carrying out legal actions.
- 3) Within 5 (five) years before appointment and during their tenure:
  - a. Have never been convicted of a criminal offense that is detrimental to the state finances and/or related to the financial sector; and
  - b. Have never been a member of the Board of Directors and/or a member of the Board of Commissioners who during their tenure:
    - Not held an Annual GMS
    - Accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has been rejected by the GMS or does not provide accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
    - Had caused a company that has obtained permits, approvals, or registrations from OJK fail to comply its obligation to submit annual reports and/or financial reports to OJK.
- 4) Has a commitment to comply with laws and regulations.
- 5) Has knowledge and/or expertise in the fields required by BCA.
- 6) Meet the following requirements for integrity, competence and financial reputation:
  - a. Integrity requirements, including:
    - capable of carrying out legal actions;

- has good character and morals, at least shown by the attitude of complying with applicable provisions, including have never been convicted for a crime in a certain period before being nominated;
  - has a commitment to comply with laws and regulations and uphold OJK policies;
  - has a commitment towards the development of a healthy financial services institution;
  - not included as a party prohibited from being a main party;
  - have a commitment not to commit and/or repeat actions and/or activity that cause the person concerned to be included as a party prohibited from becoming a Main Party.
- b. Competency requirements, including:
- knowledge in banking which is adequate and relevant to the position;
  - experience and expertise in banking and/or financial sector
- c. Financial reputation requirements, at least evidenced by:
- not having bad credit and/or non performing loan; and
  - has never been declared bankrupt and/or has never been a shareholder, controller of an insurance company who is not a shareholder, a member of the Board of Directors, or a member of the Board of Commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.
- d. Has passed the Fit and Proper Test in accordance with OJK Regulations.

The criteria that need to be met by all Independent Commissioners of BCA include:

- 1) Not a person who is employed or has the authority and responsibility to plan, lead, control, or oversee BCA activities within the last 6 (six months), except for re-appointment as an Independent Commissioner of BCA in the following period;
- 2) Have no share in BCA, directly or indirectly;
- 3) Have no affiliation with BCA, other members of the Board of Commissioners, members of the Board of Directors, or the Majority Shareholders of BCA;
- 4) Have no direct or indirect business relationships related to BCA business activities;
- 5) Meet other requirements for Independent Commissioners in accordance with prevailing regulations;
- 6) Prospective Independent Commissioners who are former members of the Board of Directors or BCA executive officers or other parties having relationships with BCA must undergo a cooling off period of at least 1 (one) year before becoming an Independent Commissioners. This provision does not apply to former Directors or Executive Officers who only perform supervisory functions;
- 7) Non-Independent Commissioners who will shift to Independent Commissioners must undergo a cooling off period of at least 6 (six) months;

In addition to the criteria mentioned above, Independent Commissioners must also meet the general requirements for prospective members of the Board of Commissioners.



### **Independence of Board of Commissioners**

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

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

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

#### **Duties and Responsibilities of the Board of Directors**

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

- 1) The Board of Directors is fully responsible for managing the company for the interests and objectives of the company. The main duties of the Board of Directors are as follows:
  - a. Lead and manage BCA in accordance with the purposes and objectives of the BCA's Articles of Association.
  - b. Control, maintain, and manage BCA's assets for its interest.
  - c. Create internal control structure, ensure the implementation of internal audit function in every level of management, and follow up on Internal Audit Division (DAI) findings in accordance with policies or directions given by the board of commissioners.
- 2) Each member of the Board of Directors must carry out their duties in good faith and with full responsibility, while adhering to all applicable laws and regulations.
- 3) The Board of Directors represents the company inside and outside the court on all matters and in all events, binds the company to other parties and other parties to the company, and carries out all actions, both regarding management and ownership, with the limitation that the Board of Directors must obtain prior written approval from the Board of Commissioners for actions following those listed below.
  - a. Make a loan or provide credit or other banking facilities that resemble or result in a loan of money:
    - To related parties, as stipulated in Bank Indonesia Regulations concerning legal lending limits for commercial banks;
    - Exceeding a certain amount, as determined by the Board of Commissioners from time to time.
  - b. Providing guarantees or debt guarantees (borgtocht):

- To guarantee payment obligations of related parties to third parties as specified in BI, the OJK, or other authorized agencies' provisions concerning the legal lending limit for commercial banks;
  - To guarantee the obligations of other parties in excess of a certain amount, as determined by the Board of Commissioners from time to time;
- c. Purchase, or in other ways obtain, immovable property, except in the context of carrying out other activities commonly carried out by the company as long as it does not conflict with applicable laws and regulations, including, among others, actions in the context of credit restructuring or rescue, including buying collateral, whether all or part of it, through auction or in other ways, in the event that the debtor does not fulfill his obligations to the company, provided that the collateral purchased must be disbursed as soon as possible and exceeds a certain amount determined from time to time by the Board of Commissioners;
  - d. Establishing a new company, making or releasing or reducing equity participation, or increasing equity participation, is prohibited unless:
    - Additional capital participation originating from the company's stock dividends; or
    - Equity participation in the context of saving credit: with due observance of the applicable laws and regulations;
  - e. Borrow money that is not included in the activity of collecting funds from the public in the form of demand deposits, time deposits, certificates of deposit, savings, and/or other equivalent forms, the amount of which will be determined by the Board of Commissioners from time to time;
  - f. Transfer or relinquishing the company's written-off collection rights, either partially or completely, the amount of which will be determined by the Board of Commissioners from time to time;
  - g. Sell or transfer, release rights to, or pledge/ guarantee, the company's assets above a certain value determined from time to time by the Board of Commissioners, but whose value is less than or equal to 1/2 (one-half) of the total net worth of the company listed in the company's balance sheet, either in 1 (one) transaction or in several transactions that stand alone or are related to one another in 1 (one) fiscal year;
  - h. Carry out strategic legal actions or transactions that can have a significant impact on the company's business continuity; the types of legal actions or transactions will be determined from time to time by the Board of Commissioners;

The Board of Commissioners' approval for the actions of the Board of Directors can be given for 1 (one) action or more than 1 (one) action, and that can be reviewed from time to time, subject to applicable laws and regulations.

- 4) To carry out one of the following actions:
  - a. Transfer, relinquishing rights, and/or making debt guarantees totaling more than 1/2 (one-half) of the company's total net worth or constituting all of the company's assets, either in a single transaction or several

transactions that are independent or related to one another in a single fiscal year; or

- b. Apply to the competent authority regarding the bankruptcy of the company or a request for the company to be granted a suspension of debt payment obligations (*surseance van betaling*);

The Board of Directors must obtain prior approval from the GMS, which is attended by (the) shareholders of the company and/ or their legal proxies representing at least 3/4 (three-quarters) of the total number of shares of the company with valid voting rights that the company has issued, and the proposal submitted is approved by more than 3/4 (three-quarters) of the total number of votes legally cast at the meeting in question.

- 5) In terms of:
  - a. A member of the Board of Directors is not authorized to represent the company in matters or transactions in which the member of the Board of Directors concerned has a conflicting interest with the interests of the company, so the company must be represented by another member of the Board of Directors (subject to the provisions of BCA Articles of Association);
  - b. If all members of the Board of Directors have conflicting interest with the company, the Board of Commissioners of the company has the authority to act for, on behalf of, and represent the company in such issues or transactions.
  - c. The clauses in points 5.a and 5.b above do not affect BCA Articles of Association's prohibition on "Transactions Containing Conflicts of Interest."
- 6) Without reducing the Board of Directors' responsibilities, the Board of Directors has the authority to appoint one or more persons with the authority and conditions specified by the board of directors in a special power of attorney for certain actions.
- 7) In addition to the above-mentioned primary duties of the Board of Directors, the Board is required to:
  - a. Seek and ensure that the company's business and activities are carried out in accordance with the company's objectives and business field;
  - b. Prepare and submit to the Board of Commissioners the company's development plan, work plan, and annual budget, as well as other plans related to the company's business implementation;
  - c. Organize and maintain the company's bookkeeping and administration in accordance with company custom;
  - d. Create an accounting system based on internal control principles, particularly the separation of management, recording, storage, and supervision functions;
  - e. Provide accountability and all information regarding the condition and operation of the company in the form of reports on the company's activities, including financial reports, both in the form of annual reports and in the form of other periodic reports, in the manner and time specified in the company's Articles of Association, whenever requested

- by the Board of Commissioners;
  - f. Prepare the organizational structure of the company, complete with details of the duties;
  - g. Carry out other obligations in accordance with BCA Articles of Association or based on the instructions of the Board of Commissioners or GMS meeting.
- 8) Other Obligations:
- a. Carry out GCG Principles in every business activity of the company at all levels or phases of the company's organization;
  - b. Develop an internal control framework to identify, measure, monitor, and control all risks faced by the company;
  - c. Follow up on audit findings and recommendations from the company's DAI, an external auditor, monitoring results from BI, OJK, and/or monitoring results from other authorities;
  - d. Establish a DAI that is independent of operational work units and effectively implements the internal audit function in accordance with applicable regulations.
  - e. Establish a risk management work unit, as well as a risk management committee and a compliance work unit.
  - f. Submit the annual work plan, which also includes the company's annual budget, to the Board of Commissioners for approval prior to the start of the next fiscal year, taking into consideration the laws and regulations applicable in the capital market sector;
  - g. Submit the company's financial statements for audit to a PA;
  - h. Disclose to employees strategic company employment policies, including various employment policies in decrees and circulars that all employees can access, as well as the Collective Labor Agreement (PKB) book, the company's website, and policies concerning the recruitment system, promotion system, and remuneration system. Such disclosure must be made through medias that are known or easily accessed by employees;
  - i. Provide the Board of Commissioners with accurate, relevant, and timely data and information;
  - j. Appoint members of the Board of Directors' supporting committees based on the decision of the Board of Directors meeting;
  - k. Hold the annual GMS and/or other GMS/ EGMS in accordance with BCA's needs and applicable regulations;
  - l. Deliver accountability for the company's management for 1 (one) year to the GMS no later than 6 (six) months after the company's fiscal year ends;
  - m. Submit reports and disclosure of information to Bapepam-LK, the Indonesia Stock Exchange, and other authorized agencies in accordance with laws and regulations.

### **Duties and Responsibilities of the Board of Commissioners**

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

- 1) Supervise BCA management policies and the general management activities for the interest of BCA in accordance with BCA's purposes and objectives.
- 2) Directing, monitoring and evaluating the implementation of BCA's strategic policies and giving advice to the Board of Directors in accordance with the purposes and objectives of the BCA's Articles of Association.
- 3) Ensure the implementation of the principles of the Corporate Governance are carried out in every business activity at all levels of BCA organization, at least through monitoring of the following:
  - a. Implementation of the duties and responsibilities of the Board of Commissioners and the Board of Directors;
  - b. Completeness and implementation of the duties of the committees and work units that carry out the internal control function;
  - c. Implementation of remuneration policy and periodic evaluation of the remuneration policy;
  - d. Implementation of the compliance, internal auditor and external auditor functions;
  - e. Implementation of risk management, including internal control systems;
  - f. Provision of funds to related parties and provision of large funds;
  - g. BCA's strategic plan;
  - h. Transparency of the financial and nonfinancial conditions;
  - i. Approve and periodically review the BCA's vision, mission and core values.
- 4) Supervise the implementation of Integrated Governance.
- 5) Ensure that the Board of Directors has followed up on audit findings and recommendations from the Internal Audit Division, external auditors, the results of supervision by the OJK, Bank Indonesia, and/or other authorities.
- 6) Provide approval on the merger, consolidation, and/or integration plan, which contains summary information from the independent appraiser's report.
- 7) Notifying the OJK/Bank Indonesia no later than 7 (seven) working days since the finding of violation of laws and regulations in the financial and banking sector and/or circumstances or predicted condition that may endanger the business continuity of BCA.
- 8) Establish:
  - a. Audit Committee;
  - b. Risk Oversight Committee;
  - c. Remuneration and Nomination Committee; and
  - d. Integrated Governance Committee.

The Board of Commissioners must ensure that the committees established perform their duties effectively and evaluate the performance of the committees at the end of the fiscal year.
- 9) Hold meetings and prepare minutes of meeting in carrying out the following:
  - a. Regular meetings of the Board of Commissioners at least once every 2 (two) months or 6 (six) times per year in accordance with applicable laws and regulation.
  - b. Regular meetings of the Board of Commissioners with the Board of Directors at least once every 4 (four) months.

- 10) Under certain conditions, holding the Annual GMS and other GMS in accordance with respective authorities as stipulated in the applicable laws and regulations, and BCA's Articles of Association.
- 11) Create and submit reports to the Annual GMS, the OJK or other parties.
- 12) Approved the Bank's Business Plan and Sustainable Financial Action Plan prepared by the Board of Directors.

#### **Duties and Responsibilities of President Commissioner**

The President Commissioner carries out the same duties and responsibilities as the Board of Commissioners above, added with other duties and responsibilities, as follows:

- 1) Summon for meetings of the Board of Commissioners.
- 2) Lead the Board of Commissioners meetings.
- 3) Lead the General Meeting of Shareholders.
- 4) Coordinate the implementation of the duties and responsibilities of the Board of Commissioners.

In accordance with their duties and responsibilities, the Board of Commissioners of BCA was not involved in making decisions about BCA's operational activities throughout 2022.

#### **Pelaksanaan Tugas Dewan Komisaris**

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

The Board of Commissioners provides advice about the bank's policies and strategies through memos and meetings with the Board of Directors. Throughout 2022, BCA has held 43 (forty-three) Board of Commissioners meetings and also held 5 (five) joint meetings with the Board of Directors . Meetings are held in a hybrid manner, physically or virtually teleconference media, video conferences, or other forms of electronic media.

The following table summarizes the main areas of focus where the Board of Commissioners provided advice to the Board of Directors in 2022:

Topic	Summary
<b>Strategies and Business Management</b>	<ul style="list-style-type: none"> <li>Observed BCA's performance and competitive landscape in the banking industry.</li> <li>Advised the management to review potential impacts on the Bank's business performance in relation to external uncertainties.</li> <li>Discussed business prospects, challenges faced by the banking industry and risk mitigants with external consultants.</li> <li>Supervised good corporate governance in lending, credit settlement, appointment of the Bank's Public Accountant Firm, and other operational activities.</li> <li>Advised the management to review relevant factors, particularly business sectors that provide significant contribution to the Bank's loan portfolio, customer demography, and branch business &amp; operating model in several cities that may affect the Bank's future business development.</li> <li>Monitored the impact of digital and technological advancements, from the point of view of the branch operating model, operational cost structure, process efficiency, and segregation of duties of the Board of Directors.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Observed risk profile trends, risk parameters, implementation of integrated risk management, and the Bank's capital adequacy level.</li> <li>Monitored profile, parameters, and boundaries of strategic risks, including potential higher concentration risk due to changes in the business environment.</li> <li>Advised the relevant work unit to review the provision of credit limits to related and non-related parties, and to industries that are sensitive to changes of external environment.</li> </ul>
<b>Audit and Compliance</b>	<ul style="list-style-type: none"> <li>Assessed the performance of the Bank's internal audit and advised the internal audit team to review the current internal control measures due to the Bank's evolving business model.</li> <li>Evaluated the Charter of Committees under the Board of Commissioners.</li> <li>Advised and provided recommendations to the relevant work unit to ensure that related party loan disbursement is compliant with the Bank's policy.</li> <li>Advised the Internal Audit Division to review various work policies and procedures.</li> <li>Pertaining to integrated internal audits, recommended conducting regular audits on the Bank's subsidiaries based on prudent risk management, and provided advice to ensure proper integrated internal audit control and reporting.</li> </ul>

## 2) Completeness and Implementation of Committee Duties

### a. Committees of Board of Commissioners

#### Structure, Membership, and Independence of Audit Committee Member

The BCA Audit Committee composition meets the requirements of prevailing regulations in accordance with OJK Regulation No. 55/ POJK.04/2015 concerning the Establishment and Guidelines for Work Implementation of Audit Committee as stipulated in the Audit Committee Charter. In 2022, BCA's Audit Committee consisted of 3 (three) members which appointed based on the Board of Directors' Decree No. 073/SK/DIR/2021 dated April 22, 2021 and the Minutes of Meeting of the Board of Commissioners No. 20/RR/KOM/2021 dated April 22, 2021

#### Composition of Audit Committee Members as of December 31, 2022

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

All members of the Audit Committee are independent parties who have no financial, management, share ownership, and/or family relationships with

members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders or business relationships with BCA that may affect their ability to act independently.

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

The composition of ROC BCA membership complied with the applicable provisions according to OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks and as stipulated in the ROC Charter. In 2022, ROC has 3 (three) members who have been appointed by the Board of Directors through the Board of Directors' Decree No. 079/SK/DIR/2021 dated April 29, 2021, and based on the decision in the Minutes of Meeting of the Board of Commissioners No. 21/RR/KOM/2021 dated April 28, 2021.

#### Composition of ROC Members as of December 31, 2022

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

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

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

The composition of the BCA RNC membership complies with the applicable provisions according to OJK Regulation No. 34/ POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies and as stipulated in the RNC Work Guidelines and Rules. In 2021, BCA RNC has 3 (three) members who have been appointed based on Directors Decree No. 064B/SK/ DIR/2021 dated April 7, 2022, and the decision in the Minutes of Meeting of the Board of Commissioners No. 03/RR/KOM/2021 dated January 20, 2021.



## Composition of RNC Members as of December 31, 2022

Name	Position in The Committee	Position at BCA	Term of Office based on the AGMS
Raden Pardede	Chairman	Independent Commissioner	2021 - 2026
D.E. Setijoso	Member	President Commissioner	2021 - 2026
Rudi Lim	Member	Head of Human Capital Management Division*	2021 - 2026

\* The Head of the Human Capital Management Division is an Executive Officer who has knowledge of the remuneration system and/or nomination and succession plan

All members of RNC have fulfilled the independence aspect, namely not having financial, management, share ownership, and/ or family relationships with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, as well as business relationships with BCA that could affect their ability to act independently.

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

The composition of the BCA IGC membership complied with the applicable provisions according to OJK Regulation No. 18/ POJK.03/2014 concerning Implementation of Integrated Governance for Financial Conglomerates and as stipulated in the IGC Charter. As of December 31, 2022, the IGC has 11 (eleven) members who have been appointed by the Board of Directors from the Main Entity through Board of Directors' Decree No. 088/ SK/DIR/2021 dated May 6, 2021 concerning the Appointment of the Chairman and Members of the Integrated Governance Committee based on the decision in the Minutes of Meeting of the Board of Commissioners from the Main Entity No. 22/RR/KOM/2021 dated May 5, 2022 and No. 052/SK/DIR/2022 dated March 31, 2022 concerning Appointment of Members of the Integrated Governance Committee based on decisions in the Minutes of Meeting of the Board of Commissioners from the Main Entity No. 15/RR/KOM/2022 dated March 30, 2022.

## Composition of IGC Members

Name	Position in the Committee <sup>*)</sup>	Position in the Financial Conglomerate	Term of Office
<b>Member of the Main Entity</b>			
Cyrellus Harinowo	Chairman (concurrently as member)	Main Entity's Independent Commissioner	May 6, 2021 – 2026 AGMS
Prabowo	Member	Main Entity's Independent Party <sup>**)</sup>	May 6, 2021 – 2026 AGMS
<b>Member of the Subsidiary <sup>***)</sup></b>			
Sulistiyowati	Member	Independent Commissioner PT BCA Finance	May 6, 2021 – 2026 AGMS
Gustiono Kustianto	Member	Independent Commissioner PT Asuransi Umum BCA	May 6, 2021 – 2026 AGMS
Pudjianto	Member	Independent Commissioner PT Asuransi Umum BCA	May 6, 2021 – 2026 AGMS
Mendari Handaya	Member	Independent Commissioner PT BCA Multi Finance	May 6, 2021 – 2026 AGMS
Joni Handrijanto <sup>*)</sup>	Member	Independent Commissioner PT Bank BCA Syariah	May 6, 2021 – March 31, 2022
Ratna Yanti	Member	Independent Commissioner PT Bank BCA Syariah	March 31, 2021 – 2026 AGMS
Sutedjo Prihatono	Member	Member of the Sharia Supervisory Board of PT Bank BCA Syariah	May 6, 2021 – 2026 AGMS
Hendra Iskandar Lubis	Member	Independent Commissioner PT BCA Sekuritas	May 6, 2021 – 2026 AGMS
Irianto Sutanto	Member	Independent Director of BCA Finance Limited, Hongkong	May 6, 2021 – 2026 AGMS
Sri Indrajanti Dewi	Member	Independent Commissioner PT Bank Digital BCA	May 6, 2021 – 2026 AGMS

Description:  
<sup>\*)</sup> Membership of Independent Commissioners, Independent Parties, and Members of the Sharia Supervisory Board in the Financial Conglomerate is not counted as concurrent positions.  
<sup>\*\*)</sup> Members of the IGC who are independent parties are appointed by the Main Entity's Board of Commissioners.  
<sup>\*\*\*)</sup> Appointment of IGC members who are Independent Commissioners and/or Members of the Sharia Supervisory Board who represent FSI in the BCA's Financial Conglomerate is based on the appointment of each FSI.

Members of the IGC must adhere to the independence and requirements of the Board of Directors and/or the Board of Commissioners from the Main Entity as well as the independence and requirements of the Board of Directors and/or the Board of Commissioners of Subsidiaries in the Financial Conglomerate.

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

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

#### Duties and Responsibilities of Audit Committee

The Audit Committee has the following duties and responsibilities:

- Financial Report and Information
  1. Review the financial information that will be issued by BCA to the public and/or authorities, and other reports related to BCA's financial information.
  2. Review and report to the Board of Commissioners any complaints about the BCA accounting process and financial reporting.

- Internal Audit
  1. Provide recommendations to the Board of Commissioners regarding the preparation of the audit plan, scope and budget of the Internal Audit Division (DAI).
  2. Monitor and review the effectiveness BCA's internal audit implementation.
  3. Evaluate DAI's performance in terms of the adequacy and effectiveness of the internal audit function at BCA and ensure that DAI upholds integrity in carrying out its duties; as well as providing recommendations to the Board of Commissioners regarding the overall annual remuneration for the DAI as well as performance related rewards.
  4. Ensure DAI communicates with the Board of Directors, the Board of Commissioners, external auditor, and the OJK, Bank Indonesia as well as other related parties.
  5. Ensure DAI works independently.
  
- External Audit
  1. Provide recommendations based on evaluation results to the Board of Commissioners on the appointment, reappointment, and dismissal or replacement of the PAF who will audit BCA's financial statements on the basis of independence, scope of work, and fee.
  2. Monitor the implementation of the PAF audit, on the following aspects:
    - a. Conformity of audit implementation by the PAF to the applicable Audit Standards.
    - b. Conformity of Financial Statements to the applicable Financial Accounting Standards (SAK).
    - c. Provide independent opinion in the event of any dissenting opinion between the management and the PAF with regards to the services it provides
  
- Process/Internal Control Systems
  1. Ensure the Board of Directors takes the necessary and immediate actions on the findings by DAI, PA, and the results of supervision conducted by the OJK and BI.
  2. Provide recommendations to the Board of Commissioners to appoint independent quality assurance from external parties with the aim of conducting a review of DAI.
  
- Governance and Compliance
  1. Monitor the implementation of Good Corporate Governance (GCG) to see if it is effective and sustainable.
  2. Review and give advice to the Board of Commissioners on potential conflicts of interest that may occur at BCA.
  3. Review BCA's compliance with regulations of the banking industry, the

Capital Market and other applicable laws and regulations, as well as other provisions related to BCA's business activities.

4. Maintain the confidentiality of BCA's documents, data, and informations.
5. Attending BCA's Annual GMS.
6. Carry out other duties relevant to the function of the Audit Committee at the request of the Board of Commissioners.

### **Duties and Responsibilities of ROC**

ROC has the following duties and responsibilities:

1. Assist and provide recommendations to the Board of Commissioners to ensure effective performance of its duties and responsibilities in the field of risk management and ensure that the risk management policy is properly implemented.
2. In providing recommendations to the Board of Commissioners, the ROC must conduct at least the following:
  - a. Evaluating the consistency between the risk management policy and the implementation of BCA's policy;
  - b. Monitoring and evaluating the implementation of duties of the Risk Management Work Unit, the Risk Management Committee, and the Information Technology Steering Committee.
3. Support the Board of Commissioners in carrying out its duties and responsibilities in the implementation of risk management, including, among other things, the following risks:
  - a. Credit Risk;
  - b. Market Risk;
  - c. Liquidity Risk;
  - d. Operational Risk;
  - e. Legal Risk;
  - f. Reputation Risk;
  - g. Strategic Risk;
  - h. Compliance Risk; and
  - i. Information Technology Risk.
4. Assist the Board of Commissioners in carrying out its duties of maintaining and monitoring the Bank's Soundness Level and taking the necessary measures to maintain and/or improve the Bank's Soundness Level.
5. Assist the Board of Commissioners in monitoring and evaluating the implementation of the Recovery Plan.
6. Develop working guidelines and rules for the Committee (the Charter) and conducting reviews as needed.
7. Carry out other duties and responsibilities given by the Board of Commissioners from time to time.

### **Duties and Responsibilities of RNC**

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

- **Related to the remuneration function:**
  1. Evaluate and ensure that BCA's remuneration policies comply with applicable regulations and are based on performance, risk, fairness with peer groups, long-term goals and strategies, the fulfillment of reserves as stipulated in laws and regulations, and the potential income of BCA in the future.
  2. Recommend to the Board of Commissioners regarding:
    - a. Remuneration policy for the Board of Commissioners and the Board of Directors for submission to the GMS.
    - b. The structure and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
    - c. Remuneration policy for Executive Officers and employees as a whole for submission to the Board of Directors by the Board of Commissioners.
  3. Assisting the Board of Commissioners in evaluating performance according to the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.
  4. Conduct periodic evaluations of the implementation of the remuneration policy.
  
- **Related to the nomination function**
  1. Develop and recommend to the Board of Commissioners systems and procedures for selecting and/or replacing members of the Board of Commissioners and Directors for submission to the GMS.
  2. Recommend to the Board of Commissioners regarding:
    - a. Policies and criteria required in the nomination process.
    - b. Candidates for members of the Board of Commissioners and/or candidates for members of the Board of Directors for submission to the GMS.
    - c. Composition of members of the Board of Directors and/or members of the Board of Commissioners position.
    - d. Capacity building program for members of the Board of Directors and/or members of the Board of Commissioners.
    - e. Performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners.
  3. Recommend independent parties as candidates for members of the Audit Committee and Risk Oversight Committee to the Board of Commissioners.
  4. Assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material.
    - Carry out other tasks given by the Board of Commissioners related to remuneration and nomination in accordance with applicable regulations.
    - Report the results of studies and recommendations related to the

duties of the RNC to the Board of Commissioners, if necessary.

### **Duties and Responsibilities of IGC**

The IGC has duties and responsibilities, including:

- a. Evaluating the implementation of Integrated Governance, at least through assessing the adequacy of internal control and implementing the integrated compliance function and integrated risk management.
- b. Provide recommendations to the Main Entity's Board of Commissioners for improvements to the Integrated Governance Guidelines.
- c. Provide recommendations to the Main Entity's Board of Commissioners after doing at least:
  - 1) Evaluation of integrated governance implementation; and
  - 2) Monitor the implementation of the Integrated Governance Guidelines.
- d. Monitor the implementation of banking synergies on a regular basis and report to the Board of Commissioners.
- e. Make a report on the realization of the annual work program, which is submitted in the Main Entity's Annual Report.

### **c. Committee Meeting Frequency**

#### **Audit Committee Meeting Frequency**

Audit Committee meets at least 4 (four) times a year, as stipulated in the Board of Commissioners Decree No. 142/SK/KOM/2022 dated 22 Agustus 2022 concerned the Audit Committee Charter of PT Bank Central Asia, Tbk.

The meetings can only be held if attended by at least 51% (fifty-one percent) of the total committee members, including Independents Commissioners and Independent Parties. As of December 31, 2022, the Audit Committee has held 23 (twenty three) meetings

The results of the Audit Committee meeting were presented as follows:

1. The results of the Audit Committee Meeting must be stated in the Minutes of Meeting, which are signed by all members of the Audit Committee who are present and properly documented.
2. Dissenting opinions that occur at the Committee Meeting must be clearly stated in the Minutes of Meeting along with the reasons for the dissent.
3. The results of the Committee Meetings are recommendations that can be optimally used by the Board of Commissioners.

Data on the attendance of the Committee members at the Audit Committee meetings for the January - December 2022 period is as follows:

Name	Number of Meetings	Attendance	Percentage
Sumantri Slamet	23	23	100%
Fanny Sagitadewi	23	23	100%
Rallyati A. Wibowo	23	23	100%

### ROC Meeting Frequency

ROC holds meeting at least 4 (four) times in a year, as stipulated in the ROC Charter. The meetings can only be held if attended by at least 51% (fiftyone percent) of the total committee members, including Independent Commissioners and Independent Parties. As of December 31, 2022, ROC has held 8 (eight) meetings.

The results of the ROC meeting were presented as follows:

- a. The results of the ROC meeting must be included in the minutes of meeting, which must be signed by all ROC members present and documented in accordance with the law.
- b. Dissenting opinions that occur at the ROC Meeting must be clearly stated in the Minutes of Meeting along with the reasons for the dissent.
- c. The ROC meeting produced recommendations that the Board of Commissioners and Board of Directors can use to their best advantage.

Data on the attendance of Committee members in the implementation of ROC meetings for the January - December 2022 period are as follows:

Name	Number of Meetings	Attendance	Percentage
Cyrellus Harinowo	8	8	100%
Endang Swasthika Wibowo	8	8	100%
Subianto Rustandi	8	8	100%

### RNC Meeting Frequency

RNC holds meetings in accordance with the needs of BCA at least once every 4 (four) months, as stipulated in OJK Regulation No. 34/ POJK.04/2014 dated December 8, 2014, concerning the Nomination and Remuneration Committee of Issuers or Public Companies. Meetings can only be held if they are attended by at least 51% (fifty one percent) of the total committee members, including Independent Commissioners and Executive Officers in charge of the human resources function. As of December 2022, RNC has held 5 (five) meetings.

The results of the RNC meeting were presented as follows:

- a. The results of the RNC meeting must be recorded in the minutes of the meeting, which include the date of the meeting, the attendance of members of the Remuneration and Nomination Committee, the meeting agenda, and meeting materials.
- b. Dissenting opinions that occur at a committee meeting must be clearly stated in the minutes of the meeting along with the reasons for the dissent.

The data for the Committee members' attendance at the RNC meeting as of December 31, 2022, is as follows:

Name	Number of Meeting	Attendance	Percentage
Raden Pardede	5	5	100%
D.E. Setijoso	5	4	80%
Rudi Lim	5	5	100%

Out of the 5 (five) RNC meetings, there were 1 (one) meeting with a discussion related to nomination, 3 (three) meetings with a discussion related to remuneration, and 1 (one) meeting with a discussion related to assessment,

### IGC Meeting Frequency

The duties and responsibilities of the IGC, among others, are carried out through IGC Meetings. IGC Meetings are held at least 1 (one) time in 1 (one) semester, as stipulated in the IGC Charter. Meetings can only be held if attended by at least 51% (fiftyone percent) of the total committee members. Until December 2022, IGC has held 6 (six) meetings.

The minutes of the IGC Meeting are as follows:

- a. The results of the IGC meeting must be recorded in the minutes of the meeting, which are signed by all members of the IGC present and properly documented in accordance with laws and regulations.
- b. Dissenting opinion that occurs in a committee meeting must be clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.
- c. The results of the IGC meetings constitute recommendations that can be optimally utilized by the Main Entity's Board of Commissioners and Directors and Financial Services Institutions members of the Financial Conglomerate.

Data on the attendance of Committee members in the IGC Meeting for the January - December 2022 period are as follows:

Name	Number of Meetings	Attendance	Percentage
Cyrillus Harinowo	6	6	100%
Prabowo	6	6	100%
Sulistiyowati	6	6	100%
Gustiono Kustianto	6	6	100%
Pudjianto	6	6	100%
Joni Handrijanto <sup>*)</sup>	1	1	100%
Ratna Yanti <sup>**)</sup>	4	4	100%
Sutedjo Prihatono	6	6	100%
Irianto Sutanto	6	6	100%
Mendari Handaya	6	6	100%
Hendra Iskandar Lubis	6	6	100%
Sri Indrajanti Dewi	6	5	83%

Description:  
<sup>\*)</sup> Term of office May 6, 2021 – March 31, 2022  
<sup>\*\*) Term of office March 31, 2022 – 2026 AGMS</sup>

### d. Realization of the Work Program and Implementation of Committees of Board of Commissioner Activities in 2022

#### Realization of the Work Program of Audit Committee

The realization of the BCA Audit Committee Work Program for 2022 is as follows:

- a. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) was evaluated and recommended to the Board of Commissioners for reappointment to conduct an audit of BCA's Financial Statements for the fiscal year 2022.



- b. Convened meetings with KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) to discuss the plan and scope of the audit of BCA's Financial Statements for the 2022 fiscal year.
- c. Convened meetings with the Group Accounting to review BCA's Financial Statements which will be published quarterly.
- d. Convened 8 (eight) meetings with DAI for:
  - i. Evaluate annual planning.
  - ii. Evaluating the implementation of internal audits every semester.
  - iii. Conduct discussions on audit results that are considered significant.
- e. Reviewed internal audit results report and monitor their follow-up.
- f. Reviewed and improved the Audit Committee Charter.
- g. Reviewed BCA's compliance with the provisions, regulations, and laws that apply in the banking sector through reviewing compliance reports on prudential provisions that are reported every semester.
- h. Reviewed credit portfolio reports published every semester.
- i. Monitored the implementation of risk management through quarterly reports on BCA's Risk Profile and monthly reports on the Operation Risk Management Information System (ORMIS).
- j. Conducted studies on:
  - i. The results of the examination by OJK and its follow-up.
  - ii. Management Letter from KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) and its follow-up.
- k. Reported the results of regular studies and evaluations on the aspects of governance, risk management, compliance, and control to the Board of Commissioners every quarter.
- l. Attended a virtual AGMS, Analyst Meeting and BCA National Working Meeting in 2022.
- m. In accordance with OJK Regulation No. 1/ POJK.03/2019, performed an assessment of the DAI, whose results are submitted to the Board of Commissioners to be forwarded to the Remuneration and Nomination Committee (KRN).
- n. Convened meetings with KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) to discuss the final results of the audit of BCA's Financial Statements for the 2022 fiscal year along with the Management Letter.

### **Realization of the Work Program and Implementation of ROC**

Throughout 2022, ROC has carried out the following:

- a. Reviewed and adjusted the Risk Management Committee Charter.
- b. Monitored the implementation of the duties of the Risk Management Committee, the Risk Management Unit and the Information Technology Steering Committee (ITSC).
- c. Monitored BCA's risk profile analysis and specifically studied credit risk, operational risk, market risk, liquidity risk, as well as reputation risk.
- d. Performed analysis on the results of stress tests for credit risk, market risk, and liquidity risk.

- e. Ensuring that the implementation of Good Corporate Governance is carried out properly and attending the Analyst Meeting and the 2022 BCA National Work Meeting virtually.
- f. Monitored the realization of the implementation of Risk Management, particularly the control and limit of credit, liquidity and market risk, as well as operational risk, every month.
- g. Monitored the developments, impacts, and risk mitigation in general related to the COVID-19 pandemic and the global economic downturn.
- h. Changes in the strategic risk profile due to changes in patterns of business and economic activity due to the impact of the pandemic and its mitigation as well as the issuance of several new regulations related to banking and payment systems are among the things that need to be looked at more specifically.
- i. Monitored and explored new regulations related to risk management.

#### **Realization of the Work Program of RNC**

The realization of the BCA RNC work program for 2022 is as follows:

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

#### **Realization of the Work Program of IGC**

Throughout 2022, the IGC has carried out IGC work activities/programs, namely evaluating the implementation of Integrated Governance at the BCA Financial Conglomerate. These evaluation activities are carried out, namely through the presentation and discussion of the Integrated Internal Audit Results Report and the Integrated Compliance Report.

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

#### **a. Implementation of Compliance Function**

In order to carry out the compliance function in accordance with OJK Regulation No. 46/POJK.03/2017 concerning the Implementation of Compliance Functions for Commercial Banks, BCA has established a Compliance Work Unit (SKK) as an independent and uninfluenced work unit. Furthermore, BCA, as the Main Entity in the BCA Financial Conglomeration, has added an Integrated Compliance Function to the SKK organizational structure in order to implement Integrated Governance for Financial Conglomerates.

#### **SKK Organizational Structure**

SKK's organizational structure is governed by Board of Directors Decree No. 170/SK/DIR/2018, dated October 25, 2018. The Compliance Work Unit is led by the Head of SKK, whose appointment has been reported to OJK. SKK reports directly to the Director in charge of the compliance function. The appointment and nomination of the Director in charge of the compliance function have met the applicable requirements and are being carried out in accordance with OJK.



### SKK's Responsibilities

The following are SKK's responsibilities:

- I. Monitoring BCA's level of compliance with the provisions of OJK, BI, and other regulators. This also includes ensuring that BCA's policies, provisions, systems, and procedures, as well as its business activities, comply with regulatory requirements;
- II. Coordinating the Implementation of the AntiMoney Laundering and Counter-Terrorism Financing (APU and PPT) Programs, including being responsible for conducting risk assessments for the APU and PPT program implementation in accordance with the regulator's provisions.

### Integrated Compliance Function

In the context of implementing Integrated Governance in accordance with OJK Regulation No. 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerates, BCA has also added an integrated compliance function to the SKK organizational structure as the Main Entity in the BCA Financial Conglomerate. The integrated compliance function within SKK is responsible for monitoring and evaluating the compliance function and level of compliance at each Financial Services Institution (FSI) within the BCA Financial Conglomerate, including the implementation of the APU and PPT Programs.

In order to ensure the implementation of BCA's compliance function, the Board of Directors and Board of Commissioners have also carried out active supervision in the form of policy and procedure approval, periodic reporting, requests for explanations, and meetings.

### Implementation of the Compliance Function in 2022

In 2022, SKK carried out its functions as follows:

1. Encouraging the creation of a culture of compliance
  - Socializing/informing the Board of Directors, Board of Commissioners, and work units about new regulatory provisions.
  - Providing information on OJK, BI, and other laws and regulations on the BCA portal site, which can be accessed by work units.
  - Involve human resources at SKK in various trainings, seminars on the dissemination of regulations from regulators, and compliance certification organized by the Banking Professional Certification Institute (LSPP) in order to improve quality, including actively participating in the Banking Compliance Director Communication Forum (FKDKP) working group.
  - Carry out a consultative function related to the application of applicable regulations by providing advice/response to questions from work units or branches.
2. Ensuring that BCA's policies, provisions, systems, and procedures, as well as its business activities, comply with the following provisions:
  - Identifying sources of compliance risk.
  - Conduct a gap analysis, assess the impact of the new provisions on BCA's operations, and make recommendations for changes to manuals, policies, and internal procedures.
  - Perform updates on applicable regulatory requirements database.
  - Compile a Compliance Matrix Diary as a monitoring tool to ensure commitment toward reporting obligations to regulators.
  - Reviewing and providing opinions to ensure compliance with the applicable regulatory provisions for:
    - New products and activities plan;
    - Formulation of Internal regulations to be issued;
    - Compliance with corporate credit release;
    - Documents to ensure operational readiness for office network openings, address changes, and closures; and
    - Documents in the framework of the capital participation plan.
  - Conduct compliance tests on the implementation of provisions at the Branch Office, in collaboration with the Branch Internal Supervisor.
  - Monitor the level of compliance with applicable regulatory provisions related to prudential banking principles, such as:
    - Minimum Capital Adequacy Requirement (KPMM);
    - Statutory Reserves (GWM);
    - Macroprudential Liquidity Buffer (PLM);
    - Net Open Position (NOP);
    - Legal Lending Limit (BMPK);
    - Non-Performing Loans (NPL);
    - Macroprudential Intermediation Ratio (RIM);
    - Liquidity Coverage Ratio (LCR);
    - Net Stable Funding Ratio (NSFR);
    - Macroprudential Inclusive Financing Ratio (RPIM).
  - Monitoring the imposition of sanctions/ fines from regulators.

- Conducting compliance risk assessment and compiling quarterly Compliance Risk Profile Reports, in order to manage compliance risk.
  - Prepare Quarterly Compliance Monitoring Reports to be submitted to the Board of Directors and Board of Commissioners.
  - Coordinating with work units in the framework of risk-based Bank Soundness Rating.
  - Participate actively with the Corporate Secretariat Division in implementing BCA Governance and Integrated Governance.
  - Utilizing information technology, known as Regulatory Technology (RegTech), to increase efficiency and effectiveness in the process of managing regulatory provisions.
3. Ensuring BCA's compliance with commitments made to regulators:
- Working with DAI to monitor BCA's commitments to OJK, BI, and other regulators.
  - Monitor and follow up on requests for information/data by OJK, BI, and other regulators in the context of bank supervision.
4. Monitor and evaluate the compliance function both in an integrated manner and at each Subsidiary Company within the BCA Financial Conglomerate.
- Prepare Integrated Compliance Reports to be submitted to the Board of Directors and Board of Commissioners.
  - Coordinate with work units in the context of a risk-based Consolidated Bank Soundness Rating.
  - Reviewing and providing opinions to ensure conformity with regulators regarding the plan for BCA's Collaborative Synergy with Subsidiaries.
  - Coordinate with Subsidiary Compliance PIC in order to prepare Integrated Compliance Risk Profile every semester.
  - Communicating with Subsidiaries within the scope of the implementation of the compliance function.

### **Compliance Indicators for 2022**

Compliance indicators for 2022, as a form of commitment, and BCA's level of compliance with applicable laws and regulations are as follows:

**Table of Compliance indicators in 2022**

No.	Compliance Indicator	Applicable Provision	BCA Achievement	Description
1	Minimum Capital Adequacy Requirement (KPPM)	Min, 14% up to < 15%	25.77%	Complied with the applicable provisions
2	Net Non-Performing Loan (NPL)	Max. 5%	0.59%	
3	Legal Lending Limit (BMPK)	Max. 10% of equity	5.50%	
4	Rupiah Statutory Reserves (GWM)	Min. 5.3%	10.15%	
5	Macroprudential Liquidity Buffer (PLM)	Min. 6%	34.69%	
6	Foreign Currency Statutory Reserves (GWM)	Min. 4%	4.24%	
7	Net Open Position (NOP)	Max. 20% from capital	0.13%	
8	Liquidity Coverage Ratio (LCR)	Min. 100%	382.02%	
9	Macroprudential Intermediation Ratio (RIM)	84% - 94%	67.20% <sup>1)</sup>	
10	GWM RIM	Min. as required	169.23%	In accordance with RIM's description below
11	Macroprudential Inclusive Financing Ratio (RPIM)	December 2022 target Min. 19.78%	20.38%	

Description:

<sup>1)</sup> RBCA RIM in December 2022 is smaller than the lower limit of the RIM target set by BI at 84% in PADG No. 22/11/PADG/2020 dated April 29, 2020 concerning Amendments to PADG No. 21/22/PADG/2019 concerning Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units, so that BCA is required to establish RIM Current Accounts in Rupiah in the amount calculated between the Lower Disincentive Parameter and the difference between BCA RIM and RIM Target against Third-Party Fund Rupiah.

Based on PADG No. 23/7/PADG/2021 dated April 26, 2021 concerning the Third Amendment to PADG No. 21/22/PADG/2019 concerning Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Islamic Commercial Banks, and Sharia Business Units, there is a Lower Disincentive Parameter related to fulfilling RIM since January 2022. The Lower Disincentive Parameter for Banks with RIM conditions < 84%, NPL < 5% and CAR > 19% is set at 0.15.

## Anti-Money Laundering and Counter Terrorism Financing (APU and PPT) Program

BCA is committed to implementing the Anti-Money Laundering and Counter-Terrorism Financing (APU and PPT) Program in accordance with OJK Regulation No. 12/POJK.01/2017 and OJK Regulation No. 23/ POJK.01/2019 concerning the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Programs in the Financial Services Sector and OJK Circular Letter No. 32/SEOJK.03/2017 concerning the implementation of Anti-Money Laundering and Counter-Terrorism Financing Programs in the Banking Sector. Activities related to the implementation of the APU and PPT Programs during 2022 are as follows:

- Report on the implementation of APU and PPT to the Board of Directors and the Board of Commissioners on a periodic basis.
- Monitoring suspicious financial transactions with a web-based application called STIM (Suspicious Transaction Identification Model), as well as developing and improving the application system with cutting-edge technology and updating the parameters to detect suspicious transactions.
- Coordinate the implementation of updating customer data by setting targets and monitoring the realization of those targets.
- Reviewing plans for new products and activities to ensure compliance with the APU and PPT provisions.
- Filtering customer data and transactions against watchlists issued by the competent authorities, including the List of Suspected Terrorists and Terrorist Organizations (DTTOT), List of Funding for Proliferation of Weapons of Mass Destruction (DPPSP), the Office of Foreign Assets Control

(OFAC), United Nations (UN) List, and the European Union (EU) List, at the time of opening an account and when there is a change in the watchlist.

- Use a risk-based approach to identify and assess the risks associated with the implementation of APU and PPT at BCA, considering factors such as customers, countries or geographic areas, products and services, and distribution networks.
- Collaborates with branch internal supervisors to conduct compliance tests on AML and CFT implementation at branch offices.
- Reporting suspicious financial transactions, cash financial transactions, and transferring funds to and from abroad, as well as submission of data through the Integrated Service User Information System (SIPESAT) and the Suspected Terrorism Funding Information System (SIPENDAR) for the Center for Financial Transaction Reports and Analysis (INTRAC).
- Improve understanding of APU and PPT on an ongoing basis by conducting training and outreach through classroom training, online training, e-learning, and virtual events, as well as in internal forums such as Regional Coordination Meetings and Head of Branch Operations Coordination Meetings and Service Operations Forums. • Developing APU and PPT Implementation training materials.
- Reviewing and providing opinions on plans for new products and activities, as well as formulating internal regulations to be issued, to ensure compliance with the applicable APU and PPT provisions.
- Participating in activities organized by regulators, including:
  - a. Implementation of PPATK's Financial Integrity Rating (FIR).
  - b. Implementation of Mutual Evaluation Review (MER) - Financial Action Task Force (FATF).

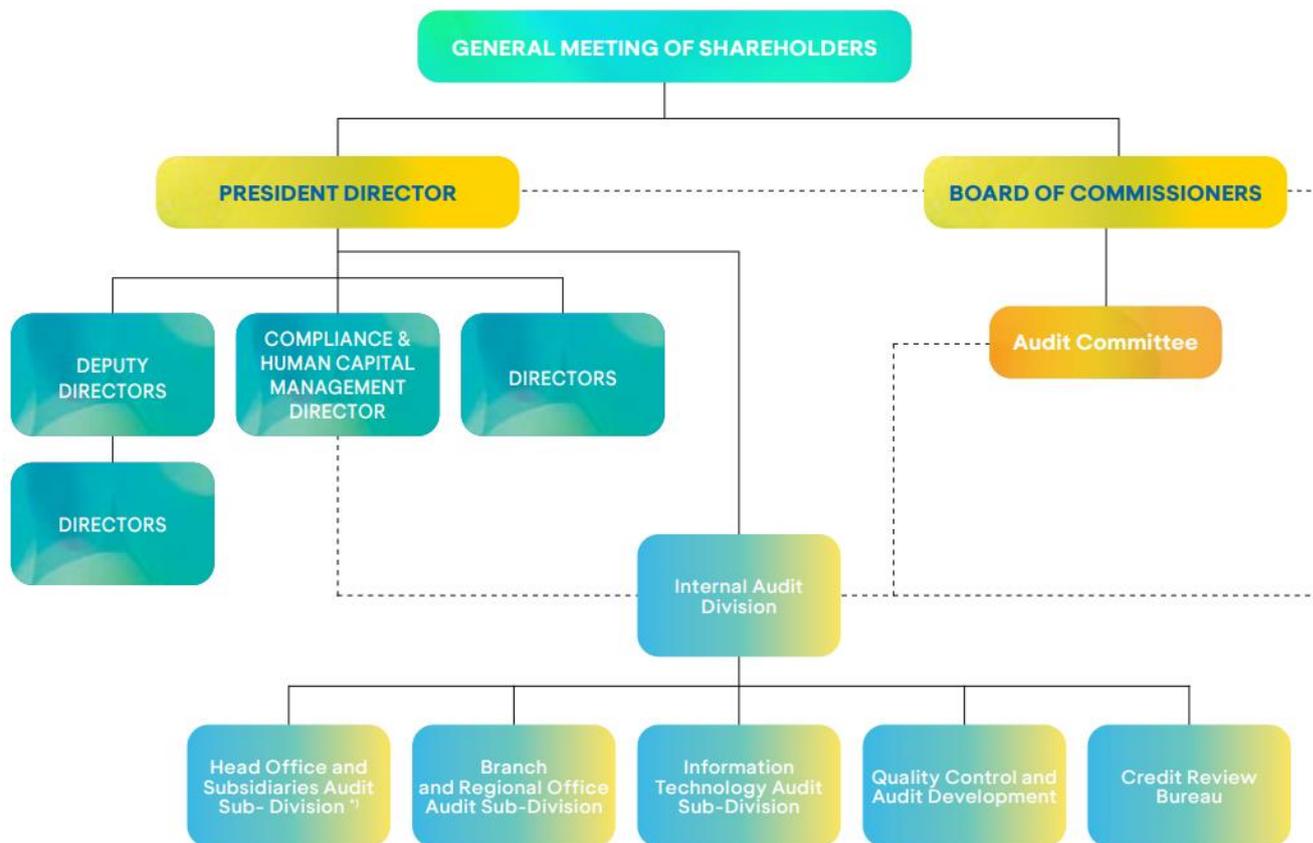
#### **b. Internal Audit Division**

The Internal Audit Division (DAI) was formed to enhance and protect BCA's value by providing risk-based and objective assurance, advice, and insight, and to act as well as acting as a strategic partner of management in building BCA to become the leading bank in Indonesia. The implementation of the DAI function refers to OJK Regulation No. 1/POJK.03/2019 dated January 28, 2019, concerning the Implementation of the Internal Audit Function in Commercial Banks.

The purpose of the audit evaluations carried out by DAI is to evaluate the adequacy and effectiveness of risk management, internal control, and governance processes, and also performance review. As a third line, DAI communicates and collaborates with other functions periodically to contribute in creating and upholding value that is aligned with stakeholders' interest.

#### **Structure and Position of the Internal Audit Division**

DAI's organizational structure:



Description:  
 — Reporting line  
 - - - Communication Line  
 \*) Includes Integrated Internal Audit function

DAI’s organizational structure is reviewed periodically to ensure alignment with the company’s needs. The organizational structure update has been standardized by the Board of Directors’ Decree No. 063/SK/DIR/2017 regarding the Revision of the Organizational Structure of the Internal Audit Division (DAI).

DAI is led by the Head of Division, who is appointed and dismissed by the President Director with the approval of the Board of Commissioners, after considering the recommendation of the Audit Committee.

The structure and position of DAI is independent, directly responsible to the President Director and may communicate directly with the Board of Commissioners, Audit Committee, Compliance Director and Director of Supervisory of Subsidiaries.

**Internal Audit Charter**

BCA Internal Audit Charter is a framework that provides guidance in carrying out Audit tasks and consists of mission, organizational position, independence and objectivity, authority, and scope of work. The internal audit charter approved in May 2019 by the President Director with the approval of the Board of Commissioners by considering the recommendations of the Audit Committee and has been reviewed in 2022. The internal audit charter refers to OJK Regulation No. 56/POJK.04/2015 regarding the Establishment and Guidelines



for the Preparation of the Internal Audit Charter and is in accordance with the OJK Regulation No. 1/ POJK.03/2019 dated January 28, 2019 regarding the Implementation of the Internal Audit Function in Commercial Banks and applicable professional standards.

### **Independence & Objectivity**

DAI institutions is independent from operational work units or risk-taking units, and DAI has no authority and responsibility to carry out operational activities at BCA and Subsidiaries. To support independence and ensure smooth auditing along with monitoring of the follow-up audit results, the Head of DAI is responsible to the President Director and may communicate directly with the Board of Commissioners and Audit Committee.

Throughout 2022, DAI held meetings with the President Director 8 (eight) times, the Audit Committee 8 (eight) times, and the Board of Commissioners 2 (two) times.

Each auditor is obliged to make a statement confirming no family/financial/other interest related to the audit object and/or the party to be examined (auditee) which may affect the objectivity of the audit.

In 2022, DAI has carried out audit activities independently. There are no conflicts of interest, scope limitations and restriction on access to data, personnel, or property, as well as resource limitations that can impair the independence and objectivity of the audit activities.

### **The auditor's code of ethics**

DAI has an auditor's code of ethics as a standard and reference in behaving in carrying out its duties and functions.

The auditor's code of ethics adhere to the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), which consists of Integrity, Objectivity, Confidentiality and Competence. Every year, the auditor makes a statement of compliance with the auditor's code of ethics in an effort to increase mutual commitment and trust from stakeholders.

### **Internal Audit Duties and Responsibilities**

The following are the tasks and responsibilities of Internal Audit in performing its functions:

2. Assist the President Director, the Board of Commissioners and the Audit Committee in carrying out their oversight functions.
3. Assess the adequacy and effectiveness of the company's governance, risk management, and internal control processes.
4. Resource and budget usage evaluation.
5. Provide the objective improvement recommendations for the activity being audited at all levels of management.
6. Performing consulting service for the internal parties needed.
7. Coordinate with the assurance provider.
8. Perform integrated internal audit function

## **Audit Implementation and Quality Control Standards**

The standards for audit implementation refers to Professional Standards for Internal Auditing, including:

- OJK Regulation No. 1/POJK.03/2019 concerning Implementation of the Internal Audit Function Implementation in Commercial Banks
- Mandatory guidance set by the Institute of Internal Auditors
- Information System Audit and Control Association (ISACA) standards as a reference for best practices.

Internal audit applies a risk-based audit methodology in its activities which includes planning, implementation, reporting and follow-up monitoring. In line with technological advances, DAI strives to continuously optimize the use of data, develop, tools, and technology to increase the effectiveness and efficiency of audit implementation as well as increasing added value and early warning systems for potential errors/fraud, including the implementation of Continuous Auditing and Predictive Analytic Tools.

To support audit implementation, DAI has established an integrated Audit Management System for planning, fieldworks, and monitoring the follow-up of audit results, which can be monitored through the dashboard.

Reviews by independent external parties is conducted every 3 (three) years, the last being carried out in June 2020, with the conclusion of “generally conform” and having been reported to OJK in August 2020.

The auditor’s code of ethics adhere to the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), which consists of Integrity, Objectivity, Confidentiality and Competence. Every year, the auditor makes a statement of compliance with the auditor’s code of ethics in an effort to increase mutual commitment and trust from stakeholders.

## **Implementation of the Internal Audit Division Activities in 2022**

In 2022, DAI has conducted audits of Branch Offices, Regional Offices, Head Office Divisions/Work Units, and Subsidiaries in accordance with the Annual Audit Plan which is determined based on the results of risk assessments that are conducted periodically by taking into account various risk factors. The focus of audit examinations in 2022, includes the following:

1. Credit quality related to restructuring.
2. Mobile Banking.
3. Risk Management implementation.
4. Treasury Activities.
5. Reliability of the core applications that support bank operations.
6. Regulatory audit such as:
  - Payment system process.
  - Internal Capital Adequacy Assessment Process (ICAAP).

## **Focus of Audit Activities in 2023**

The focus of audit in 2023 based on macro risk assessment results are credit, operational, market, and liquidity risk, which explain as follows:

1. Reliability of the core applications that support bank operations, such as systems for third party funds, credit and trade finance.
2. Data governance.
3. Merchant network management (EDC).
4. Credit quality and restructuring.
5. Implementation of Environment Sustainability Governance.
6. Treasury Activities.
7. Complaint handling.
8. Increase the role of Early Warning Systems (EWS) by continuously expanding the scope of audits through continuous auditing and data analytics and developing predictive analytic tools/machine learning for early detection of potential errors/fraud by utilizing technology.
9. Continue to develop auditor professionalism in a sustainable manner.
10. Improving the integrated internal audit function by supporting the Subsidiary's internal audit development (i.e: providing e-Learning, internal auditing fundamental training for new auditors, and audit technical assistance) and provides improvement recommendations.

**c. Implementation of the external audit function**

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

1. BCA uses the services of a PA and/or a PAF to carry out an annual audit of historical financial information based on a work agreement with the PAF. The work agreement includes the scope of the audit.
2. The use of audit services from the same PA is limited, and the longest period of audit is 3 (three) consecutive fiscal years. BCA can reuse annual historical financial information audit services from the same PA after 2 (two) consecutive reporting years without using the services of the same PA.
3. Appointed PA and/or PAF are PA and/or PAF registered with OJK.
4. The appointment of PA and/or PAF to provide audit services on annual historical financial information must be decided by the GMS by considering the proposal of the Board of Commissioners. The said proposal must consider the recommendations of the Audit Committee. In the event that the GMS cannot decide on the appointment, the GMS can delegate the intended authority to the Board of Commissioners, accompanied by an explanation regarding the reasons for the delegation of authority and the criteria or limitations for PA/PAF who can be appointed.
5. In preparing recommendations, the Audit Committee may consider:
  - a. Independence of PA, PAF, and PAF Insiders;
  - b. Audit scope;
  - c. Audit service fees;
  - d. Expertise and experience of PA, PAF, and the Audit Team from PAF;
  - e. The audit methodology, techniques, and tools used by PAF;

- f. The benefits of fresh eye perspectives that will be obtained through the replacement of the PA, PAF, and the Audit Team from the PAF;
  - g. The potential risk of using audit services by the same PAF consecutively for a long period of time; and/or
  - h. Results of the evaluation of the implementation of the provision of audit services on annual historical financial information by PA and PAF in the previous period.
6. BCA reports on the appointment of a PA and/ or PAF for an audit of annual historical financial information by attaching the following form to OJK Circular Letter No. 36/SEOJK.03/2017 concerning Procedures for Using PA and PAF Services in Financial Services Activities:
- c. Appointment documents for PA and/or PAF include the Summary of Minutes of the General Meeting of Shareholders or Minutes of the General Meeting of Shareholders, as well as the Work Agreement between BCA and PAF.
  - d. Audit Committee recommendations and the factors considered in making recommendations for the appointment of a PA and/or PAF.

#### **Effectiveness of External Audit Implementation**

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

- a. Conformity of audit implementation by PA and/ or PAF with applicable audit standards;
- b. Adequacy of field work time;
- c. Assessment of the scope of services provided and the adequacy of sampling; and
- d. Recommendations for improvements provided by the PA and/or PAF.

The report on the evaluation results of the Audit Committee was submitted by the Board of Directors of BCA using the form contained in the attachment to OJK Circular Letter No.36/SEOJK.03/2017 concerning Procedures for Using the Services of Public Accountants and Public Accounting Firms in Financial Services Activities and signed by the Audit Committee on February 4, 2022.

#### **Relationship Between Banks, Public Accountants, and the Financial Services Authority**

BCA constantly communicates with external auditors regarding audit plans, audit progress, and other important issues during audits to ensure the audit process runs smoothly. In accordance with applicable laws and regulations, the audit results report is submitted to OJK.

#### **2022 Audit Fees**

KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) was appointed as BCA's auditor for the fiscal year ending December 31, 2022, with a service fee of Rp7,770,000,000.00 (seven billion, seven hundred and seventy million rupiah) excluding VAT.

**The PAF and PA that performed audit services for BCA for the past 5 (five) years is as follows:**

	2022	2021	2020	2019	2018
PAF	Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network)	Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network)	Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network)	Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network)	Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network)
PA	Jimmy Pangestu	Jimmy Pangestu	Jimmy Pangestu	Lucy Luciana Suhenda	Lucy Luciana Suhenda

#### 4. Implementation Of Risk Management

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

In ensuring the implementation of effective risk management, BCA is guided by the requirements and procedures stipulated in provisions set by the regulator and refers to international best practices. BCA already has Basic Risk Management Policy (BRMP) and Basic Integrated Risk Management Policy for BCA's Financial Conglomerate (BIRMP). The policy refers to OJK Regulation No. 18/POJK.03/2016 dated March 16, 2016, concerning the implementation of Risk Management for Commercial Banks, OJK Regulation No. 17/POJK.03/2014 dated November 18, 2014, concerning Implementation of Integrated Risk Management for Financial Conglomerates, and ISO 31000/COSO Enterprise Risk Management Framework Standards.

##### Overview of Risk Management

In order to manage risk, BCA has implemented Integrated Risk Management Framework. This framework is used as a means to determine strategies, organizations, policies and procedures, as well as risk management infrastructure to ensure that all risks faced by the BCA can be identified, analyzed, evaluated, monitored, and reported correctly.

The framework for BCA's and integrated risk management implementation describes a risk management framework and process that have interrelationship and reciprocal relationship, both between, the Board of Commissioners, the Board of Directors, Supporting Committees under the Board of Commissioners and the Board of Directors, between Divisions or Work Units and with Subsidiaries.

The implementation of BCA risk management includes:

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

management framework provides adequate protection for all BCA's risks. ROC has the following main tasks:

- f. Provide independent professional recommendations and opinions regarding the conformity of policies and the implementation of risk management policies to the Board of Commissioners.
  - g. Monitor and evaluate the implementation of the duties of the Risk Management Committee (RMC) and the Risk Management Work Unit.
- b. Oversight by the Board of Directors is assisted by:
- 1) The Risk Management Committee (RMC), which has the main task of providing recommendations to the President Director which at least includes the following:
    - Formulate policies, strategies, and guidelines for implementing risk management.
    - Improve or refine the implementation of risk management based on the results of evaluating the implementation of effective risk management process and system.
    - Determine matters related to business decisions that deviate from normal procedures (irregularities).
  - 2) The Integrated Risk Management Committee (IRMC), which has the main task of providing recommendations to BCA's Board of Directors as the Main Entity which at least includes:
    - 2) Formulate integrated risk management policies.
    - 3) Improve or refine the integrated risk management policies based on the results of the implementation evaluation.In addition, the IRMC has the authority to review and provide recommendations on matters relating to integrated risk management for the Board of Directors approval.
  - 3) Other committees tasked with handling specific risks, among others, the Credit Policy Committee (CPC), Credit Committee (CC), Information Technology Steering Committee (ITSCI), and the Asset and Liability Committee (ALCO).
2. Adequacy of risk management policies and procedures and setting risk limits.
- a. BCA has carried out risk management and ensured the availability of policies and risk limits that are supported by procedures, reports, and information system that provide accurate and timely information and analysis to the management, including determining actions to deal with changing market conditions.
  - b. BCA has ensured that in the process of developing work systems and procedures, it has taken into account both the operational and business side and the level of risk that may occur within a work unit.
  - c. BCA already has BRMP and BIRMP as the main guidelines for implementing risk management at BCA and BCA's Financial Conglomerate. Provisions regulated by BRMP and BIRMP, consist of:
    - 1) Framework for implementing risk management for each type of risk.
    - 2) Report on the implementation of risk management.
    - 3) Implementation of consolidated risk management.
    - 4) Implementation of integrated risk management.

- d. Periodically review and update policies, procedures, and the risk management framework in accordance with the needs of BCA and the applicable laws and regulations.
3. Adequacy of process for risk identification, measurement, monitoring, and control, as well as risk management information system.
    - a. BCA has adequate procedures for identifying, measuring, monitoring, and controlling risks, as well as a risk management information system. Risk exposure monitoring is carried out continuously by Risk Management Work Unit.  
Risk Management Work Unit has been established to ensure that BCA and its Subsidiaries carry out integrated risk mitigation properly through identification, measurement, monitoring, control, and reporting in accordance with the risk management framework and are able to deal with emergency situations that threaten BCA's business continuity.
    - b. BCA has built a technology-based information system, namely the Integrated Risk Management Information System (IRMIS) application, which is used for the preparation of:
      - 1) BCA Risk Profile Report.
      - 2) Integrated Risk Profile Report.
      - 3) Integrated Capital Adequacy Report.
 Periodic reviews of the risk management information system are carried out according to the needs of BCA and the applicable laws and regulations.

4. Comprehensive internal control system.

**Risk Management**

In accordance with OJK Regulation No. 17/ POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates and OJK Circular Letter No. 14/SEOJK.03/2015 dated May 25, 2015 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, BCA becomes the Main Entity of BCA's Financial Conglomerate, which manages 10 (ten) types of risks in integrated manner, namely:

**1. Credit Risk**

- a. Credit organization is improved continuously by referring to the four eyes principle in which credit decisions are taken based on considerations from two sides, namely the business development side and the credit risk analysis side.
- b. Improving Basic Bank Credit Policy in a sustainable manner which is in line with BCA's development, regulatory provisions, prudential banking principles, and international best practices.
- c. Improving credit risk management procedures and system through "Loan Origination System" development for the workflow of the credit granting process (from start to finish) in order to achieve an effective and efficient credit process. The development of system for measuring debtors' risk profile continues to be improved so that it can be applied

as a whole, as well as the credit database development process, which continues to be carried out and developed.

- d. To maintain good credit quality, monitoring credit quality continues to be carried out regularly, including credit restructuring affected by COVID-19, both per credit category (Corporate, Commercial, Small and Medium Enterprise (SME), Consumer, and Credit Card), industrial sector, and the overall credit portfolio. For branches that have SME/House Loan Credits/credit card loans with a 30+ third-party funds ratio (arrears > 30 days) and high NPLs, close monitoring and authority control are carried out for the branches can focus on improving their credit quality.
- e. In order to maintain the quality of the loan portfolio to remain within the bank's risk appetite, BCA also sets credit limits and monitors them.
- f. Development of credit risk management activities by conducting periodic stress testing analysis on credit portfolios and monitoring the results of the stress testing. Stress testing is useful for BCA as a tool to estimate the magnitude of the impact of risks in "stressful conditions". Hence, BCA can develop appropriate strategies to mitigate these risks as part of the implementation of "contingency Plan".
- g. To monitor and control credit risk in Subsidiaries, BCA has routinely monitored credit risk in Subsidiaries and ensured that Subsidiaries have a good and effective credit risk management policy.
- h. To anticipate the latest dynamic developments that require a forwardlooking loan monitoring system, credit monitoring facility has been developed, such as the Early Warning System (EWS).
- i. Internal credit regulations have been reviewed on a regular basis with due regard for the principle of prudence and compliance with BCA's risk appetite as an effort to align business developments and strategies with the most recent regulatory provisions.
- j. Since 2021, the focus on credit risk management has been directed at developing a Credit Scoring System and a Credit Quality Risk Model with an Advanced Analytics approach to support sustainable credit business growth.
- k. BCA has also developed a credit restructuring policy for debtors affected by COVID-19 with reference to OJK Regulation No. 11/POJK.03/2020 dated March 13, 2020, concerning the National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019, as amended by OJK Regulation No. 48/POJK.03/2020 and OJK Regulation No. 17/POJK.03/2021.
- l. These policies include:
  - 1) Determination of credit quality and criteria for debtors who eligible for restructuring.
  - 2) Develop a restructuring scheme for each credit segment.
  - 3) Authority of the official to decide the restructuring.
  - 4) Monitoring of restructured loans.



## 2. Market Risk

- a. In managing foreign exchange risk, BCA centralizes the management of the Net Open Position (NOP) in the Treasury Division, which combines daily NOP reports from all branches. In general, each branch must cover its foreign currency exchange risk at the end of each business day, although there is a limit to the NOP tolerance for each branch depending on the amount of foreign exchange transaction activity at the branch. BCA prepares daily NOP reports that incorporate NOP into consolidated financial statement position and administrative accounts (off-balance sheet accounts).
- b. To measure the risk of foreign currency exchange rates, BCA uses the Value at Risk (VaR) method with Historical Simulation approach for internal reporting purposes, while for the calculation of the Minimum Capital Adequacy Requirement report, BCA uses the standard method in accordance with regulatory provisions.
- c. ALCO regularly monitors market developments and adjusts interest rates on deposits and loans.
- d. BCA monitors the movement of benchmark interest rate and the interest rates offered by competing banks to determine interest rates for funds and loans.
- e. In order to anticipate the impact of the COVID-19 pandemic on market risk, BCA has taken several actions, including analyzing and reviewing the risk weighting policy to anticipate market risk as reflected in increased volatility in the USD exchange rate against the rupiah, as well as conducting stress testing for the Fair position Value Through Profit and Loss (FVTP) and Fair Value Through Others Comprehensive Income (FVOCI) periodically.

## 3. Liquidity Risk

- a. BCA regards highly in maintaining adequate liquidity in fulfilling its commitments to customers and other parties, whether in the context of extending credit, repaying customer deposits, or meeting operational liquidity needs. The overall function of managing liquidity needs is carried out by ALCO and operationally by the Treasury Division.
- b. Measurement and control of liquidity risk is carried out through:
  - 1) Supervision of liquidity reserves and liquidity ratios such as the Loan to Deposit Ratio (LDR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
  - 2) Maturity profile analysis, cash flow projection.
  - 3) Periodic stress testing to see the impact on BCA's liquidity in the face of extreme conditions. BCA also has a contingency funding plan to deal with these extreme conditions.
- c. Maintain Rupiah and Foreign Currency liquidity (Minimum Statutory Reserves/ GWM) in accordance with regulatory provisions, both on a daily basis and on an average basis for a certain reporting period, which consists of:

- 1) GWM and RIM Current Accounts (Macro prudential Intermediation Ratio) in the form of Rupiah current accounts with Bank Indonesia.
  - 2) PLM (Macro prudential Liquidity Buffer) in the form of SBI, SDBI, and SBN.
  - 3) GWM foreign currency deposits at Bank Indonesia in the form of foreign currency demand deposits.
- d. In order to anticipate the impact of the COVID-19 pandemic on liquidity risk, BCA has taken several actions, including:
- 1) Increased monitor activities over the development of secondary reserves and liquidity ratios to ensure adequate liquidity, as well as Early Warning Indicators (EWI) as leading indicators of liquidity risk.
  - 2) Performed liquidity risk stress testing simulation.
  - 3) Increased the frequency of ALCO meetings aimed to review interest rates on funds and loans.

#### 4. Operational Risk

- a. The main objective of operational risk management is to minimize the possibility of negative impacts from inadequate and/ or non-functioning internal process, human errors, system failures, and/or external events. Operational risk management is constantly enhanced in order to adapt to the constantly changing business environment and minimize the risks faced by the bank.
- b. To be able to manage and minimize these operational risks, BCA has an Operational Risk Management Framework and implements an Operational Risk Management Information System (ORMIS), which is a web-based application that consists of several tools and methodologies, as follows:
  - 1) Risk Control Self-Assessment (RCSA) is used as a means to instill a risk culture and increase risk awareness in all work units.
  - 2) Loss Event Database (LED) is used as a means of recording operational losses used in calculating capital charge allocations, continuous monitoring of events that can cause operational losses for BCA, and analysis of risks faced by banks, so that necessary corrective/preventive actions are taken to minimize/mitigate the risk of operational losses that may arise in the future.
  - 3) Key Risk Indicator (KRI) is used as a tool that can provide an early warning sign of the possibility of an increase in operational risk in a work unit. KRI is also further developed into Predictive Risk Management which can assist work units in monitoring risk exposure.
- c. In accordance with regulatory provisions, BCA has allocated capital reserves for losses from operational risk using the Basic Indicator Approach method. In addition, as the regulator implements the RWA calculation for Operational Risk using a standard approach, BCA conducts a gap analysis and prepares what needs to be done so that it can meet the specified requirements.

- d. To support banking transaction services 24 (twenty-four) hours a day without disruptions, BCA operates 2 (two) redundant data centers (which work in mirroring) and a Disaster Recovery Center (DRC). DRC is improved continuously as part of Business Continuity Management and is designed to operate as a Crisis and Command Center. In addition, BCA has a Secondary Operation Center that is ready to be used in the event of a disruption/ disaster at the building/work location of BCA's critical Work Units.
- e. In order to minimize the risk impact of the COVID-19 pandemic, BCA carries out the following activities:
- 1) Performed risk analysis and mitigation of changes in operational process at the bank, such as changes in work methods, process changes in providing services to customers, and new/developed digital activities/ products.
  - 2) Socialization of COVID-19 information to workers, advice on how to anticipate COVID-19 spread, and preventive actions that can be taken. In addition, a call center is available for workers who require information about COVID-19.
  - 3) Security of the Environment/ work area for workers and customers:
    - Mandatory use of masks.
    - Take body temperature measurements when entering the BCA building.
    - Improving the sanitation of facilities and infrastructure.
    - Provide hand sanitizer.
    - Conduct a self-assessment of workers/guests (except customers) who will enter the BCA work area.
    - Establish social distancing in the office area and lifts.
    - Installation of acrylic as a protective cover on the service counter.
    - Workers who have received the second dose of vaccination and have GREEN status on the Peduli Lindungi application, are in good health, have no symptoms of illness, and have passed self-assessment for the past 14 days can carry out cross-building activities within and outside the city while still implementing strict and disciplined health protocols.
    - Implement the use of the Quick Response Code barcode on the Peduli Lindungi application (QR Peduli Lindungi) in every BCA building in accordance with the stipulations regarding the use of the Peduli Lindungi application in the banking industry.
  - 4) Office activity management:
    - Work activities in the office (WFO) are organized with a maximum percentage of WFO based on the current Minister of Home Affairs' regulations.
    - Carry out split operations for head office/regional office workers related to the operational customer service transactions.

- Implementing Work From Home (WFH) on a case by case basis with permission from the head of the work unit for:
    - Workers who have degenerative diseases and comorbid factors.
    - Pregnant workers with special conditions.
  - Use video conferencing and other online communication tools to conduct meetings and communicate with internal and external parties as much as possible.
  - Setting WFO staff working hours:
    - Flexi time for Head Office work units handle nontransaction customer service operational.
    - Go home early for Head Office/Regional Office/ Branch Office work units related to customer service operational transactions (minimum 16.00 o'clock with permission from the work unit leader if the Implementation of Restrictions on Community Activities (PPKM) level 2-4 is in effect).
- 5) Handling workers who are confirmed to have COVID-19 and the office environment is carried out according to the Crisis Team protocol.
- For workers confirmed to have COVID-19:
    - Isolate in a hospital or independently for at least 10 (ten) days until the worker concerned recovers (1 negative antigen test).
    - Monitor the health development of workers every day.
  - For office environment:
    - Conduct epidemiological investigations to ensure the source of transmission.
    - Conduct confirmed worker contact tracing.
    - Carry out an antigen test for these close contacts 2 (two) times (day 1 and day 5) and continue the PCR test if the antigen test result is positive.
    - Carry out quarantine or selfmonitoring for these close contacts.
    - Carry out disinfection in the work area where the confirmed worker is located and cover the area during the disinfection process.
  - To maintain security in conducting digital banking transactions, the bank implements cyber risk management in the aspects of people, process, and technology with reference to the company's strategy and regulatory directives and conducts routine security awareness dissemination to:
    - Workers and management in the form of e-learning, videos, infographics, and simulated phishing e-mails.
    - Customers in the form of webinars.

## **5. Legal Risk**

- a. Inherent legal risk is assessed based on the potential loss of cases that occurred at BCA and Subsidiaries that are currently in process or have been settled in court compared to BCA's capital and consolidated capital. The parameters used to calculate potential losses for cases that are currently being processed in court are the basis of the claim (case position), the value of the case, and legal documentation. Meanwhile, the parameters used to calculate losses from a claim are losses suffered by BCA and Subsidiaries based on court decisions that have permanent legal force.
- b. To identify, measure, monitor, and control legal risks, BCA has established a Legal Group (GHK) at the Head Office and Legal Work Units in all Regional Offices.
- c. In order to mitigate legal risks, the Legal Group has carried out, among others:
  - 1) Create a Legal Risk Management Policy, have internal provisions governing the organizational structure and job descriptions of the Legal Group and standardize legal documents.
  - 2) Organize legal communication forums to improve the competence of legal staff.
  - 3) Conduct socialization on the impact of newly enacted regulations on BCA's banking activities and the various modes of operation of banking crimes, as well as legal guidelines for dealing with them to branch officials, regional offices, and related head office work units.
  - 4) Provide legal defense in civil and criminal cases involving BCA that are currently being processed in court, as well as monitor the case's progress.
  - 5) Develop credit security strategy plans (in collaboration with other work units, including the Credit Rescue Work Unit) in relation to bad credit problems.
  - 6) Register BCA's assets with the authorized institution, including intellectual property rights (IPR) on BCA banking products and services, as well as BCA's land and building rights.
  - 7) Monitor and take legal action for violations of BCA assets, including violations of BCA's IPR.
  - 8) Monitor and analyze cases that BCA and its Subsidiaries are currently dealt in court.
  - 9) Conduct inventory, monitor, analyze, and calculate potential losses that may arise in connection with legal cases that have occurred.

## **6. Reputation Risk**

- a. Assessment of reputation risk is carried out using parameters such as the number of complaints and negative publications and the achievement of complaint resolution.
- b. Infrastructure development, which includes the implementation of appropriate software and hardware (namely, HaloBCA Phone Service and 24-hour WhatsApp/ WA Chat, the BCA CRM Contact Center, Web

Chat through [www.bca.co.id](http://www.bca.co.id), and the HaloBCA application that can be used by mobile phones users with IOS and Android platforms), the development of much better procedures and work management so as to facilitate monitoring and management information systems that can support the speed and quality of the organization.

- c. The implementation of reputation risk management is guided by regulatory provisions.
- d. The parameters for reputation risk management assessment and implementation are evaluated on a regular basis.

## **7. Strategic Risk**

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

## **8. Compliance Risk**

- a. Compliance risk is a type of risk that must be managed by BCA, considering that it can cause financial and non-financial losses.
- b. In accordance with OJK Regulation No. 46/POJK.03/2017 dated July 12, 2017 concerning Implementation of the Compliance Function for Commercial Banks, BCA has appointed a member of the Board of Directors as the Director in charge of the compliance function, who is responsible for ensuring compliance and minimizing compliance risk by formulating policies and procedures for compliance risk management and monitoring their implementation. In carrying out its duties, the director in charge of the compliance function is assisted by the Compliance Work Unit (SKK), which is independent from the operational work units.
- c. In assessing inherent compliance risk, the parameters used are the type and significance of the violations committed, the frequency of the violations committed or the track record of compliance, and violations of the provisions of certain financial transactions. In addition, SKK is also responsible for the implementation of the Anti-Money Laundering and Combating the Financing of Terrorism (APU and PPT) programs, including conducting risk assessments for the implementation of the APU and PPT programs in accordance with regulatory provisions.
- d. BCA already has compliance policies and procedures, including AML and CFT, which contain, among other things, a process for continually adjusting provisions and internal systems with applicable regulations, communicating provisions to relevant employees, conducting reviews of new products/activities, conducting regular compliance tests, and

providing training to workers. The results of the supervision of the Compliance Director are reported on a quarterly basis to the President Director with a copy to the Board of Commissioners.

- e. BCA makes use of information technology, known as Regulatory Technology (RegTech) to increase efficiency and effectiveness in the process of managing regulatory provisions.
- f. In order to support the bank's strategic positioning as a transactional bank, particularly in relation to preventing money laundering and terrorism financing, BCA has used a web-based application called STIM (Suspicious Transaction Identification Model) and developed a system for the application. Using the latest technology and updating parameters to be able to detect suspicious transactions.
- g. BCA also screens customer data and transactions related to the List of Suspected Terrorists and Terrorist Organizations (DTTOT) and the List of Funding for Proliferation of Weapons of Mass Destruction (DPPSP) issued by the competent authorities at the time of account opening and when BCA conducts business relationships. Furthermore, filtering will be carried out again if there are changes to the list.

#### **9. Intra-Group Transaction Risk**

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

#### **10. Insurance Risk**

- a. Assessment of inherent insurance risk is carried out using parameters such as technical risk, dominance of insurance risk over the entire line of business, product risk mix and types of benefits, and reinsurance structure.
- b. Assessment of the quality of insurance risk management implementation is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, as well as the adequacy of the risk control system.

## **Review/Results of the Review of the Implementation of the Risk Management System**

Based on the results of the self-assessment, BCA had a ‘low to moderate’ risk profile rating in 2022, both individually and as an integrated entity with its Subsidiaries.

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

- c. Risks that have a “low” risk level are Market Risk, Liquidity Risk, Legal Risk and Intra-Group Transaction Risk.
- d. Risks that have a “low to moderate” risk level are Credit Risk, Operational Risk, Reputation Risk, Strategic Risk, Compliance Risk and Insurance Risk.

The “low to moderate” integrated risk profile rating of BCA was earned because BCA and its Subsidiaries (BCA’s Financial Conglomerate) have implemented a risk management process that is quite effective and efficient in all of their activities.

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

BCA and its Subsidiaries’ risk management policies are continually updated in accordance with regulatory rules/regulations, the direction of developments in the implementation of the Basel II and III Accord, prudential banking principles, and international best practices. In conducting its business, BCA’s Financial Conglomerate will continue to pay attention to the economic situation and conditions as well as banking developments.

### **Statement on the Adequacy and Effectiveness of the Risk Management System**

BCA has evaluated the implementation of the risk management system in 2022, in which:

- a. The Board of Directors evaluates the effectiveness of the risk management system at BCA through regular reviews of the applicable risk management policies and procedures, the adequacy of the risk management information system, the risk exposure reports and an assessment of BCA’s risk profile.



- b. The Board of Commissioners, assisted by the ROC, supervises and evaluates the implementation of the risk management system implemented by the Board of Directors.

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

### **Internal Control System**

BCA Internal Control System is an ongoing monitoring mechanism which is established by management and aligned with the BCA's objectives, size, and complexity. The implementation of BCA's Internal Control System is guided by OJK Circular Letter Circular Letter No.35/ SEOJK.03/2017 dated July 7, 2017, regarding Standard Guidelines for Internal Control Systems for Commercial Banks.

### **The objective of implementing of Internal Control System**

The objective of implementing an effective Internal Control System is to ensure:

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

Additionally, in order to support OJK Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates, BCA develops a comprehensive Internal Control System for implementation of integrated risk management that ensures:

- a. Compliance to internal policies or provisions, as well as applicable laws and regulations;
- b. Availability of complete, accurate, appropriate, and timely financial and management information; and
- c. The effectiveness of the risk culture throughout the Financial Conglomerate organization.

### **Internal Control System Framework**

BCA adopt the three lines model framework to achieve reliable risk management and governance. The implementation of three lines model at BCA is as follows:

#### **1. Governing Body**

The Board of Commissioners and its committees under their coordination are responsible to ensure:

- a. Appropriate structures and processes are in place for effective governance; and
- b. Organizational objectives and activities are aligned with the prioritized interests of stakeholders.

## **2. First Line and Second Line**

- a. First line responsible in delivery of products and services to customer, and include the support functions.
- b. Second line roles provide assistance with managing risk including the responsibility for enterprise risk management. The second line role is carried out by the Director of Compliance, Director of Risk Management, the Risk Management Work Unit (SKMR), and the Compliance Work Unit (SKK).

## **3. Third Line**

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

In performing their roles, all lines communicate and collaborate on a regular basis and contribute to create and protect value that is aligned with the stakeholders' interest.

## **Components of the Internal Control System**

In accordance with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), BCA's Internal Control consists of 5 (five) components, which include:

### **a. Management Oversight and Control Culture**

According to their roles, the Board of Directors and the Board of Commissioners are in charge of fostering a culture of control. The role of the Board of Directors is to establish structure and maintain an effective internal control system, as well as ascertain the secure and reliable internal control system, among other by issuing the BCA's Internal Control System Standard Guidelines, policies, and operational procedures.

The Board of Commissioners has a role to oversight and assess the adequacy of internal control through committees under its coordination, such as the Audit Committee and Integrated Governance Committee. The Audit Committee assists the Board of Commissioners in carrying out oversight related to financial statements, internal control systems, implementation of internal and external audit functions, good corporate governance (GCG), and compliance with applicable laws and regulations.

### **b. Risk Recognition and Assessment**

BCA has established an internal control mechanism embeded to each business unit, as a part of the Board of Directors' role in identifying, analyzing, and assessing the risks faced by BCA to ensure the targets are met. This role is carried out by establishing a Risk Management Unit (SKMR), which assigned to ensure that BCA and its Subsidiaries are properly carried out risk mitigation through identification, measurement, monitoring, controlling, and reporting risks in accordance to the risk management

framework, and to deal with emergency situations that might threaten BCA's business continuity.

BCA has conducted a thorough risk identification and assessment that includes credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, compliance risk, insurance risk, and intragroup risk. Moreover, BCA consistently conducts Risk Control Self-Assessment (RCSA) to review the inherent risks from each business unit activities.

c. Control Activities and Segregation of Duties

Based on the internal control framework and components, BCA implements internal control to ensure the adequacy of financial controls, operational effectiveness and efficiency, as well as compliance with applicable laws and regulations. In addition, the establishment of policies, manuals, and operational procedures as guideline for task implementation and segregation of duties in each business unit in order to prevent error possibilities of each personnel while carrying out their duties.

Monitoring and reviewing of business units performance is done by SKMR and DAI as independent units in the second and third lines. An Assessment Report by DAI on the adequacy and effectiveness of the risk management, internal control, and governance processes is presented to the Board of Directors, Board of Commissioners and the Audit Committee.

d. Accountancy, Information and Communication

BCA has an adequate accounting, information, and communication system to identify potential problems. The System is also used as an information exchange to carry out task according to their responsibilities. BCA has an accounting policies that are complied with applicable principles and regulations and are supported by an efficient recording system and well-documented reconciliation procedure, which made the accounting system generates accurate, appropriate, and consistent financial information. The information system is continuously developed to conform to the Bank's business activities and technological advances, as well as an effective communication system such that all BCA employees understand and comply with the applicable policies and procedures while performing their duties and responsibilities. BCA has conducted a review by an independent party to ensure that its information system can provide data and information related to business activities, financial conditions, the implementation of risk management, and compliance with regulations that are relevant, accurate, current, timely, and accessible to interested parties. Stakeholders and reported on a consistent basis to support the Board of Directors' and Board of Commissioners' duties.

e. Monitoring Activities and Correcting Deficiencies

DAI monitor and analyze the adequacy of management follow-up on audit results and recommendations from DAI, external auditors, OJK, and other

authorities. The result of the follow-up monitoring is reported to the Board of Directors, the Board of Commissioners and the Audit Committee on a quarterly basis. Corrective action commitment changes should be approved by the President Director and the Board of Commissioners.

### **The implementation of internal control**

Based on the internal control framework and components, BCA implements internal control to ensure the adequacy of financial controls, operational effectiveness and efficiency, as well as compliance with applicable laws and regulations. In addition, the establishment of policies, manuals, and operational procedures as guideline for task implementation and segregation of duties in each business unit in order to prevent error possibilities of each personnel while carrying out their duties.

The implementation of internal control includes:

#### **1. Financial Control**

To ensure the successful implementation of strategic plan that supports BCA's development, BCA has applied the following:

- a. The Board of Directors has prepared and received approval from the Board of Commissioners on the strategic plan and Annual Work Plan and Budget (RKAT), which are stipulated in the Bank's Business Plan as a blueprint for a 3 (three) year business strategy, which has been distributed to BCA management who relates to its implementation.
- b. The strategy implemented has taken into account the impact of strategic risk to BCA's capital, including projected capital and the Minimum Capital Adequacy Requirement (KPMM).
- c. The Board of Directors actively conducts discussions/provides input, as well as monitoring internal conditions and developments of external factors both directly or indirectly affect BCA's business strategy.
- d. BCA implements financial control process for the Bank and its subsidiaries in financial conglomerates, in order to periodically monitor BCA's performance achievements through the Corporate Strategy and Planning Division to improve the growth and performance of BCA and its Subsidiaries.
- e. BCA has ensured that all accounting policies and standards are periodically reviewed in accordance with applicable rules and regulations.

#### **2. Operational Control**

In order to support overall operational risk control, BCA has implemented the following:

- a. Forming the BCA organizational structure, including:
  - 1) Segregation of duties to avoid conflict of interest.
  - 2) Supervisory function that monitor daily operational control at branches and Head Office.
  - 3) Branch Internal Control Unit (PIC) function to ensure the implementation of internal control at Branch Offices.

- 4) Regional Office Internal Control Unit (PIKW) function to ensure the implementation of internal control in Regional Offices.
  - 5) Head Office Internal Control Unit (PIKP) function to ensure that internal controls are implemented in specific work units at the Head Office.
  - 6) DAI, which is independent of the risktaking unit, evaluates and assesses the adequacy and effectiveness of corporate governance, risk management, and internal control processes for BCA and its subsidiaries in financial conglomerates.
  - 7) SKMR and SKK, which are independent to the risk-taking unit.
  - 8) Anti-Fraud Bureau to increase the effectiveness of the implementation of anti-fraud strategies for all company activities.
- b. All BCA operational activities are guided by standard operating procedure to ensure that operational risks have been properly mitigated.
  - c. Establish employee rotation policies.
  - d. Setting up limit of authority for officers to transact.
  - e. Establish Information Security Policy, including: User ID access and password, physical security, etc.

### **3. Compliance with Applicable Laws and Regulations**

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

- a. BCA is committed to comply with applicable laws and regulations and taking corrective action for any risk weaknesses.
- b. BCA has established an SKK that is independent of the risk-taking unit and is responsible to monitor the compliance of BCA and its Subsidiaries in an integrated manner.
- c. BCA has:
  - 1) Monitored Compliance Reporting to BI/ OJK/other regulators.
  - 2) Conducted BCA Compliance Reports, including Anti-Money Laundering and Prevention of Terrorism Financing Program Implementation Report to OJK every 6 (six) months.
  - 3) Submitted Compliance Monitoring Reports on BCA's Prudential Provisions, including Anti-Money Laundering and Prevention of Terrorism Financing Program Implementation Report to the Board of Commissioners, President Director, and Deputy President Director quarterly.
- d. The strategy of compliance Risk Management is consistently comply with prevailing regulations by proactively taking prevention (ex-ante) in order to minimize the occurrence of violations and taking curative actions (ex-post) for improvements.

### **Internal Control System Evaluation**

The Board of Directors is responsible for ensuring the implementation of an effective internal control system to achieve BCA's objectives. The Board of Commissioners, assisted by the Audit Committee and the Integrated Governance Committee, is in charge of overseeing the implementation of BCA's Internal Control System.

In order to evaluate the adequacy and effectiveness of the internal control system, in 2022 BCA has monitored and taken corrective actions as follows:

- BCA continuously evaluate and monitor the overall effectiveness of the implementation of internal control, including changes in internal and external factors that may affect BCA's ability to achieve its goals.
- Monitoring is prioritized on BCA's key risks and functions as part of daily activities, including periodic evaluations to detect and prevent the emerging risks, by operational & risk monitoring unit and DAI.
- DAI evaluates the adequacy and effectiveness of the internal control system independently through the implementation of risk-based audit activities. The results of the evaluation and follow-up are reported to the Board of Commissioners, the Audit Committee, and the Board of Directors.

#### **Statement on the Adequacy and Effectiveness of the Internal Control System**

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

#### **5. Provision Of Fund To Related Party And Large Exposure**

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

##### **Policy on Provision of Funds to Related Parties**

Provision of funds to related parties and to debtors in large amounts is always carried out with due observance of the principle of prudence, through a review process and a mechanism that are in accordance with BCA policies and have complied with OJK regulations and applicable laws and regulations, including aspects of the Maximum Lending Limit Credit (LLL).

##### **Policy on the Provision of Large Exposure**

Provision of large exposure refers to the nominal provision of funds to 1 (one) borrower or 1 (one) group of borrowers other than Related Parties in the amount equal to or greater than 10% of the Bank's core capital (Tier 1). The provision of large exposure must be evaluated for feasibility in the same or more prudent manner as the provision of funds to general debtors. The terms and conditions for providing funds are consistent with BCA's credit terms and procedures.

##### **Lending Policy for the Boards of Directors and the Board of Commissioners**

BCA already has lending policies for the Board of Directors and the Board of Commissioners, which are governed by:

1. Productive Credit Guidelines and Consumer Credit Guidelines;
2. Policy on Credit Approval Mechanisms for Related Parties; and

- PT BCA Tbk's Policy on Basic Bank Credit (KDPB), published on October 23, 2020. (hereinafter referred as, "Policy of Providing Credit for Directors and the Board of Commissioners").

The Board of Directors and Board of Commissioners Credit Loan Policy stipulates that credit loans to the Board of Directors and Board of Commissioners are granted on an arm's length basis and in accordance with market interest rates.

### Implementation of the Provision of Funds to Related Parties in 2022

In 2022, BCA has implemented a policy of providing funds to related parties, a policy of providing large exposure, and a policy of providing loans to the Board of Directors and the Board of Commissioners in accordance with applicable regulations, which must comply with the following provisions:

- Provision of funds to related parties and plans for granting credit to certain large debtors, must be decided by the credit officer and approved by the BCA's Board of Commissioners.
- Provision of funds to related parties must not conflict with the general lending terms and procedures in place and must continue to generate a reasonable profit for BCA.
- The policy for determining credit terms for related parties, particularly the determination of lending rates and forms and types of collateral, adheres to BCA's generally accepted credit provisions.

Provision of Funds to Related Parties and to Main Individual and Group Debtors (Large Exposure) at BCA in 2022.

Penyediaan Dana kepada Pihak Terkait (*Related Party*) dan kepada Debitur Inti Individu dan Grup (*Large Exposure*) di BCA selama tahun 2022:

Fund Provision	Total	
	Debtor/Group	Nominal
To Related Parties	613	Rp 11,252,431,834,064.00
To Main Debtors:		
• Individual	50	Rp 188,656,955,576,162.00
• Group	30	Rp 261,498,938,546,463.00

## 6. The Strategic Plan

The Board of Commissioners and the Board of Directors are always active in establishing communication and aligning views on BCA's business strategy in the banking sector. The Board of Commissioners is responsible for directing, monitoring, and evaluating the implementation of BCA's strategic policies and providing advice to the Board of Directors in accordance with the aims and objectives of BCA's Articles of Association. The Board of Directors is responsible for the development process, implementation, including reviewing of BCA's strategy to comply with internal policies and applicable regulations.

In 2022, the Board of Commissioners and the Board of Directors have reviewed, monitored, and supervised the implementation of BCA's strategy through a Joint

Meeting of the Board of Directors and the Board of Commissioners with an agenda regarding Strategic Plan involving related work units.

### **BCA Strategic Priorities and Projection For 2023**

In general, BCA's short- to medium-term policy directions and strategic steps will refer to the following key strategic initiatives:

#### **1) Strengthening the transaction banking franchise through payment settlement services**

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

In line with this, BCA will continue to improve the features and facilities of banking products and services. The implementation of these initiatives is supported by reliable information technology infrastructure and system security.

A wider and more integrated payment ecosystem will become one of BCA's focus. A digital platform for customer acquisition (digital on-boarding) and collaboration with an external ecosystem will be used to expand the customer base. As a hybrid bank, BCA continuously develops its multi-channel network, comprising mobile banking, internet, branches, ATMs, EDC, QR, contact centers, and other forms of digital collaboration. Discussion on the development of multi-channel transaction banking is also available in the Board of Directors Report and Transaction Banking sections.

#### **2) Quality loan disbursement**

BCA constantly explores new business opportunities, through data optimization and deepening processes with existing customers, as well as exploring various industries and potential customers. The exploration of new business opportunities also extends to the networks of existing debtors.

In the midst of global uncertainty, loan disbursements to customers require a disciplined implementation of prudence principle. This is performed through loan diversification to mitigate the loan concentration risk and close monitoring of loan quality. BCA also sets aside an adequate level of Allowance for Impairment Losses for credit to anticipate potential asset quality deterioration.

BCA also continues to strengthen the loan infrastructure by using technological developments and building human resource capacity to accelerate the processes of loan disbursement and debtor acquisition. The discussion in each segment is also reviewed in the Analysis and Management Discussion section, under the sub-sections Corporate Banking Commercial & SME Banking, and Individual Banking.

#### **3) Development of comprehensive solutions and services with subsidiaries**

BCA continues to develop more comprehensive financial solutions. In collaboration with its subsidiaries, BCA offers a range of financial products and services, including vehicle financing (BCA Finance and BCA Multi Finance); sharia banking (BCA Syariah); brokerage and investment management services



(BCA Sekuritas); insurance (BCA Insurance and BCA Life); remittances (BCA Finance Ltd.); venture capital (PT Central Capital Ventura); and digital banking with a focus on the millennial segment (PT Bank Digital BCA).

Taking into account the future economic prospects and strategic steps that have been proposed, BCA estimates loan growth and CASA growth of 10%-12% and 7%-9%, respectively, and seeks to maintain the ROA and ROE ratios respectively in the range of 3%-4% and 19%-22%. Entering 2023, BCA has set a number of targets, including the following:

#### Target 2023

Category	Target
GDP (BI)	4.5% - 5.3%
Loan Growth	10% - 12%
CASA (Current Account and Saving Account) Growth	7% - 9%
Net Profit After Tax (NPAT) Growth	8% - 9%
Net Interest Margin (NIM)	5.7% - 5.8%
Return on Asset (ROA)	3% - 4%
Return on Equity (ROE)	19% - 22%
CIR (Cost to Income Ratio)	36% - 37%
Cost of Credit (CoC)	0.7% - 0.8%

## 7. Transparency Of Financial And Non-Financial Conditions That Have Not Been Disclosed In Other Reports

BCA already has policies and procedures in place for implementing transparency of financial and non-financial conditions, which refer, among other things, to the following:

- OJK Regulation No. 37/POJK.03/2019 concerning Transparency and Publication of Bank Reports.
- OJK Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies.
- OJK Regulation No. 14/POJK.04/2022 concerning Submission of Periodic Financial Reports of Issuers or Public Companies.
- OJK Circular Letter No. 16/SEOJK.04/2021 concerning Form and Content of Annual Reports of Issuers or Public Companies.

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

### Financial Conditions Transparency

BCA has prepared and presented reports on financial conditions transparency in accordance with the procedures, types, and scope as stipulated in the applicable OJK Regulation provisions, and has submitted them monthly, quarterly, and annually, depending on the type of report.

## **1. Annual Report**

- a. Every year, BCA prepares and submits an annual report to OJK, shareholders, and other institutions as required or deemed necessary. The Annual Report contains the following information:
  - 1) A summary of key financial data, including a stock overview, the Board of Commissioners' report, the Board of Directors' report, a company profile, analysis, and management discussion of business and financial performance, corporate governance, corporate social responsibility, and sustainable finance.
  - 2) An annual financial report for one (one) fiscal year that has been audited by a PA and a PAF registered with the OJK is prepared and presented in comparison to the previous fiscal year as well as the beginning of the previous comparative year.
  - 3) Statement of the Board of Commissioners and Board of Directors' responsibility for the accuracy of the annual report's contents. The statement is contained in a statement sheet signed by all members of the Board of Commissioners and Directors.
- b. The Annual Report has been published on the BCA website at - [www.bca.co.id](http://www.bca.co.id).
- c. The audited annual financial report has been published on the BCA website - [www.bca.co.id](http://www.bca.co.id) - as well as in an Indonesian language newspaper with widespread distribution in Indonesia.

## **2. Quarterly Publication Reports**

- a. BCA has announced the Quarterly Publication Reports in print media (Semester I and Semester II) and on the BCA website - [www.bca.co.id](http://www.bca.co.id), including reporting the Quarterly Publication of Financial Reports to OJK or stakeholders in accordance with the prevailing OJK Regulation.
- b. Announcement of Quarterly Publication Reports in the form of Quarterly Publication of Financial Reports and other reports on the BCA website are maintained for at least the last 5 (five) fiscal years.
- c. Although not required, the quarterly publication of financial reports in the form of Consolidated Financial Reports of BCA and subsidiaries are announced in 2 (two) newspapers (Semester I and Semester II), and the financial reports of the BCA parent entity are announced in 1 (one) newspaper in the form of infographics financial performance. The newspapers used are daily print newspapers in the Indonesian language that have widespread distribution at the domicile of the BCA head office. The Quarterly Publication of Financial Report is signed by the President Director and 1 (one) member of the Board of Directors of BCA.

## **3. Monthly Publication Reports**

- a. BCA has announced the Monthly Publication Report on the BCA website - [www.bca.co.id](http://www.bca.co.id), including reporting the Monthly Publication of Financial

Report to OJK in accordance with the prevailing OJK Regulation.

- b. Announcements of Monthly Publication Reports in the form of Monthly Publication of Financial Reports are maintained on the BCA website for at least the last 5 (five) fiscal years.

### **Transparency of Non-Financial Conditions**

BCA has prepared and presented reports related to the transparency of non-financial conditions with the procedures, types, and scope as stipulated in the applicable OJK Regulation provisions and provided and published other information related to nonfinancial conditions, including the following:

1. Publish non-financial conditions to stakeholders in a transparent manner, including Routine BPMK Reporting to the OJK, corporate governance information through the BCA Governance Implementation Report and published on the BCA website, as well as other non-financial conditions transparently in Analyst Meetings, Press Conferences, Public Exposes, and NonDeal Road Shows via teleconference and the BCA website in accordance with applicable regulations.
2. Disclose ownership structure transparency in the Annual Report and the BCA website.
3. Disclose important and relevant information or facts regarding events, incidents, or facts that may affect the price of securities on the Stock Exchange and/or the decisions of investors, potential investors, or other parties who have an interest in such information or facts. BCA always submits reports of material information or facts through the BCA website and the Indonesia Stock Exchange.
4. BCA has published clear, accurate, and up-to-date information regarding BCA products and/ or services in accordance with OJK regulations regarding transparency of information on bank products and use of customer personal data. This information can be obtained easily by customers, including in the form of leaflets, brochures, or other written forms at each BCA branch office in locations that are easily accessible and/or in the form of electronic information provided via hotline services/call centers, the BCA website, and BCA's official social media account.
5. BCA provides and informs customers of procedures for customer complaints and dispute resolution in accordance with OJK regulations governing customer complaints and banking mediation, including through the BCA website - [www. bca.co.id](http://www.bca.co.id). In addition, mediation for the settlement of BCA customer complaints is carried out through complaint channels, including BCA Branch Offices, Halo BCA at 1500888, the Halo BCA application, or e-mail [halobca@bca.co.id](mailto:halobca@bca.co.id).
6. Prepare complete, accurate, and timely internal reports supported by an adequate management information system. BCA has a dependable BCA management information system 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 use in supporting BCA's business decision-making process.

7. Other information that aims to support information disclosure, financial education, and services to the public.

## B. Share Ownership of the Board of Directors and the Board of Commissioners Amounted 5% or More of the Paid-Up Capital

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

Table of Share Ownership of the Board of Directors that Amounts to 5% or more as of December 31, 2022

Name	Share Ownership of the Board of Directors that Amounts to 5% or more at:			
	BCA	Other Bank	Non-Bank Financial Institution	Other Companies
Jahja Setiaatmadja	-	-	-	√
Armand Wahyudi Hartono	-	-	-	√
Gregory Hendra Lembong	-	-	-	√
Tan Ho Hien/Subur/Subur Tan	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Vera Eve Lim	-	-	-	-
Haryanto Tiara Budiman	-	-	-	-
Frengky Chandra Kusuma	-	-	-	-
John Kosasih	-	-	-	-
Antonius Widodo Mulyono	-	-	-	-

Note:  
√ own shares with an amount of 5% or more.

Table of the Total BCA Share Ownership by the Board of Directors in 2022

Board of Directors	Number of Ownership at the Beginning of the Year (as of January 1, 2022)	Number of Ownership at the End of the Year (as of December 31, 2022)
Jahja Setiaatmadja	40,797,985	39,811,090
Armand Wahyudi Hartono	4,256,065	4,256,065
Suwignyo Budiman*	38,198,300	N/A
Gregory Hendra Lembong	172,540	400,070
Tan Ho Hien/Subur/Subur Tan	14,565,135	13,993,334
Rudy Susanto	2,140,040	2,033,799
Lianawaty Suwono	1,338,985	1,771,908
Santoso	1,741,020	2,156,646
Vera Eve Lim	985,265	1,616,082
Haryanto T. Budiman	180,985	346,292
Frengky Chandra Kusuma	1,386,945	1,675,646
John Kosasih	25,000	221,765
Antonius Widodo Mulyono**	N/A	0

Note :

\* Mr. Suwignyo Budiman ended his term of office on 30 April 2022.

\*\* Mr. Antonius Widodo Mulyono serves as Director based on OJK Letter No. 9/KDK.03/2022 dated 22 April 2022 and effective since 9 May 2022.

Table of the Board of Commissioners Share Ownership Amounted 5% or more of Paid-up Capital as of December 31, 2022

Name	The Board of Commissioners Share Ownership amounted 5% or more of paid-up capital at:			
	BCA	Other Bank	Non-Bank Financial Institution	Other Companies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrillus Harinowo	-	-	-	√
Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

Table of BCA Share Ownership Number by the Board of Commissioners in 2022

Name	Number of Ownership at Beginning of the Year (as of January 1, 2022)	Number of Ownership at the End of the Year (as of December 31, 2022)
Djohan Emir Setijoso	106,217,895	106,395,297
Tonny Kusnadi	6,762,050	6,907,197
Cyrillus Harinowo	N/A	N/A
Raden Pardede	N/A	N/A
Sumantri Slamet	N/A	N/A

### C. Affiliated Relationships

What it means to have affiliated relationships among members of the Board of Directors, the Board of Commissioners, and the Major and/or Controlling Shareholders, either directly or indirectly, include:

- Financial and/or family relationships between members of the Board of Commissioners with the other members of the Board of Commissioners and the members of the Board of Directors, and the Major and/or Controlling Shareholders, either directly or indirectly.
- Financial and/or family relationships between the members of the Board of Directors and the other members of the Board of Directors and the members of the Board of Commissioners, and the Major and/or Controlling Shareholders, either directly or indirectly.

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

#### Affiliated Relationships Involving the Members of the Board of Directors

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

Name	Position	Family Relationship With:						Financial Relationship With:					
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jahja Setiaatmadja	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Gregory Hendra Lembong	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Tan Ho Hien/ Subur atau Subur Tan	Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director (concurrently serving as Director in charge of the Compliance function)	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim	Director	-	√	-	√	-	√	-	√	-	√	-	√
Haryanto T. Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Frengky Chandra Kusuma	Director	-	√	-	√	-	√	-	√	-	√	-	√
John Kosasih	Director	-	√	-	√	-	√	-	√	-	√	-	√
Antonius Widodo Mulyono	Director	-	√	-	√	-	√	-	√	-	√	-	√

**Affiliated Relationships Involving the Members of the Board of Commissioners**  
Affiliated relationships involving the members of the Board of Commissioners are shown in the table below:

Name	Position	Family Relationship With:						Financial Relationship With:					
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Ir. Djohan Emir Setijoso	President Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Tonny Kusnadi	Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Cyrillus Harinowo	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Raden Pardede	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Sumantri Slamet	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√

## D. Remuneration Policy

### 1. Procedures for Determining Remuneration for the Board of Commissioners and the Board of Directors

The remuneration for the Board of Commissioners and the Board of Directors of BCA is determined based on the procedures, structure, and indicators outlined

in the Articles of Association of BCA and the Commissioner's Decree No. 060/SK/KOM/2018 dated April 3, 2018 concerning Remuneration Policy for Directors and the Board of Commissioners, as amended by Commissioner Decree No.035/SK/KOM/2022 dated March 16, 2022 concerning Changes to Remuneration Policy for Directors and Board of Commissioners, in accordance with provisions on:

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

### Remuneration Proposal and Determination Scheme



Based on the decision of the BCA Annual General Meeting of Shareholders in 2022, power and authority have been delegated to:

- a. The Board of Commissioners determines the amount of salary and other benefits for members of the Board of Directors, considering the recommendations of the Remuneration and Nomination Committee (RNC);
- b. The BCA Majority Shareholders determine the amount of salary and other benefits to be paid to members of the Board of Commissioners.
- c. BCA's majority shareholders will decide how *tantiem* will be distributed to members of the BCA's Board of Commissioners and Board of Directors.

## 2. Remuneration for the Board of Directors

### Indicators in Determining the Remuneration of Members of the Board of Directors

The following are the indicators used to determine remuneration for members of the Board of Directors:

- Work performance of each individual member of the Board of Directors;
- BCA's financial performance and fulfillment of reserves as referred to in Limited Liability Company Law No. 40 of 2007;
- Industry benchmarks;
- Position equality within BCA and at several comparable banks, including in terms of assets and characteristics;
- Consideration of BCA's long-term goals and strategies;
- Future risks that may result in BCA losses

## The Board of Directors Remuneration Structure

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

Type of Remuneration and Facilities	Total received in 1 (one) year			
	2022		2021	
	People	In million Rp	People	In million Rp
Salary, bonuses, regular allowances, tantiem and other facilities in non-natura form	12 <sup>*)</sup>	504,547	12	496,055
Other facilities in form of natura (housing, health insurance, etc.) which:				
1. Can be possessed	-	-	-	-
2. Cannot be possessed	-	-	-	-
<b>Total</b>	<b>12</b>	<b>504,547</b>	<b>12</b>	<b>496,055</b>

Description:  
<sup>\*)</sup> Mr. Suwignyo Budiman terms of office ended on 30 April 2022. Mr. Antonius Widodo Mulyono serves as Director based on OJK Letter No. 9/KDK.03/2022 dated 22 April 2022 and effective since 9 May 2022.

### 3. Remuneration of Members of the Board of Commissioners

#### Indicators in Determining Remuneration of Members of the Board of Commissioners

The following are the indicators used to determine remuneration for members of the Board of Commissioners:

- Supervising and advising the Board of Directors on:
  - The Company's key strategies and plans.
  - The integrity of the Company's financial reports.
  - Internal control and risk management system.
  - Good corporate governance.
- Providing approval for the Board of Directors' decisions in accordance with the laws and regulations/BCA's Articles of Association.

#### Board of Commissioners Remuneration Structure

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

Type of Remuneration and Facilities	Total Received in 1 (one) year			
	2022		2021	
	People	In million Rp	People	In million Rp
Salary, bonuses, regular allowances, tantiem and other facilities in non-natura form	5	145,668	5	156,560
Other facilities in form of natura (housing, health insurance, etc.) which:				
1. Can be possessed	-	-	-	-
2. Cannot be possessed	-	-	-	-
<b>Total</b>	<b>5</b>	<b>145,668</b>	<b>5</b>	<b>156,560</b>

### E. Shares Option

There are no share options received by the Board of Directors, Board of Commissioners and Executive Officers in 2022.

### F. Highest and Lowest Salary Ratio

Highest and Lowest Salary Ratio, which Include:



Salary Ratio	2022	2021
The highest and lowest employee salary ratio	26.39	24.55
The highest and lowest Board of Directors' salary ratio	2.85	2.89
The highest and lowest Board of Commissioners' salary ratio	1.52	1.52
The highest Board of Directors' salary and the highest employees' salary ratio	9.36	9.81
The ratio of the annual compensation of the President Director and the median/mean of the annual compensation of all employees (except the President Director)	110.98	106.30

## G. Meeting of the Board of Directors, Board of Commissioners, and Joint Meeting of the Board of Directors and the Board of Commissioners

### 1. Meeting of the Board of Directors

#### Meeting Policy

The Board of Directors Meeting Policy in the Board of Directors Charter and/or Articles of Association regulates, among other:

#### a. Meeting Mechanism

Board of Directors meetings can be held in person or virtually via teleconference media, video conferences, or other forms of electronic media.

#### b. Meeting Frequency

- 1) Board of Directors meetings must be held periodically, at least once a month or 12 (twelve) times per year.
- 2) Each member of the Board of Directors must attend at least 75% (seventy-five percent) of the meetings in 1 (one) year.

#### c. Meeting Summons

- 1) Summons for the Board of Directors meeting are made by the Board of Directors Bureau via e-mail to all Directors no later than 5 (five) working days before the meeting is held (H-5).
- 2) For Board of Directors meetings that have been scheduled or are based on the decisions of the previous Board of Directors meeting, there is no need to summon a meeting.
- 3) For Board of Directors meetings that are held outside of a predetermined schedule, summons must be made no later than 1 (one) day before the Board of Directors meeting is held, or in a shorter time if it is urgent.
- 4) The summons for the meeting must include the agenda (date, time, place, and topic) and attach meeting materials.
- 5) The Board of Directors confirms attendance to the Bureau of Directors.

#### d. Meeting Materials and Scheduling

- 1) Prior to the end of the fiscal year, the Board of Directors must schedule a meeting of the Board of Directors, as well as a meeting of the Board of Commissioners and the Board of Directors for the following year and upload it on the BCA website.
- 2) At a scheduled meeting, meeting materials are distributed to participants no later than 5 (five) working days before the meeting is held (H-5).

- 3) In the event that a meeting is held outside the schedule, the meeting materials shall be submitted to the meeting participants no later than before the meeting is held.
- e. Meeting Resolutions and Quorum
- 1) The meeting of the Board of Directors is valid and has the authority to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the total number of members of the Board of Directors are present or represented at the meeting.
  - 2) Every strategic policy and decision must be made at a Board of Directors meeting with due regard for supervision in accordance with the Board of Commissioners' duties and responsibilities.
  - 3) Decisions-making at the Board of Directors meeting must be made first through deliberation for consensus.
  - 4) Decisions are made based on the affirmative votes of more than  $\frac{1}{2}$  (one-half) of the total valid votes cast at the meeting in question if the deliberations do not reach a consensus.
  - 5) The Board of Directors may also make valid decisions without summoning a meeting of the Board of Directors if all members of the Board of Directors have been notified in writing, have given their approval to the proposals submitted, and have signed the agreement. Decisions made in this manner have the same power as those made formally at a meeting of the Board of Directors.
  - 6) All decisions made at Board of Directors meetings are binding and the responsibility of all Board of Directors members.
- f. A member of the Board of Directors may be represented by another member of the Board of Directors only on the basis of a special power of attorney made for the purpose of the meeting, provided that the right to vote for:
- 1) Meeting attendance quorum; and
  - 2) The decision-making quorum is in accordance with the power given so their voting rights are counted in the meeting quorum.
- g. Minutes of Meeting
- 1) The results of the Board of Directors meeting must be stated in the Minutes of Meeting, which are signed by all members of the Board of Directors present and submitted to all members of the Board of Directors.
  - 2) Minutes of meetings of the Board of Directors must be properly documented in accordance with the provisions of the relevant regulations.
  - 3) Dissenting opinions that occur at a Board of Directors meeting must be included in writing in the Minutes of Meeting along with the reasons for the dissent.

### **Implementation**

Throughout 2022, the Board of Directors has organized 54 (fifty-four) meetings of the Board of Directors, which were held in person and via teleconference. BCA has complied with the OJK Regulation provision regarding the minimum frequency of Board of Directors meetings.

The frequency and attendance rate of members of the Board of Directors throughout 2022 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	54	50	93%
Suwignyo Budiman*	Vice President Director	21	21	100%
Armand Wahyudi Hartono	Vice President Director	54	47	87%
Gregory Hendra Lembong	Vice President Director	54	47	87%
Tan Ho Hien/Subur/ Subur Tan	Director	54	51	94%
Rudy Susanto	Director	54	51	94%
Lianawaty Suwono	Director (concurrently serving as Director in charge of the Compliance function)	54	47	87%
Santoso	Director	54	46	85%
Vera Eve Lim	Director	54	49	91%
Haryanto T. Budiman	Director	54	48	89%
Frengky Chandra Kusuma	Director	54	49	91%
John Kosasih	Director	54	50	93%
Antonius Widodo Mulyono**)	Director	33	31	94%

Description:

\* Mr. Suwignyo Budiman ended his term of office on April 30, 2022

\*\* Mr. Antonius Widodo Mulyono serves as Director based on OJK Letter No. 9/KDK.03/2022 dated April 22, 2022 and effective since May 9, 2022

## Board of Directors Meeting Schedule in 2023

BCA has scheduled the following Board of Directors meeting in 2023 as follows:

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

The Board of Directors meeting schedule may change at any time as needed.

The plan for the Board of Directors meeting schedule for 2023 has been published on the BCA website since December 2022 and can be accessed at: <https://www.bca.co.id/en/tentang-bca/tatakelola/struktur-organisasi>.

## 2. Meeting of the Board of Commissioners

### Meeting Policy

The Board of Commissioners Meeting Policy, which is outlined in the Board of Commissioners Charter and/or Articles of Association, governs, among other things:

#### a. Meeting Mechanism

Board of Commissioners meetings can be held in person or virtually via teleconference media, video conferences, or other forms of electronic media.

- b. Meeting Frequency
  - 1) Board of Commissioners meetings must be held periodically at least once every 2 (two) months or 6 (six) times per year.
  - 2) Each member of the Board of Commissioners must attend at least 75 % (seventy-five percent) of the meetings in 1 (one) year.
- c. Meeting Summons
  - 1) There is no need to summon a meeting for meetings of the Board of Commissioners that have been scheduled or are based on the decision of the previous meeting of the Board of Commissioners.
  - 2) For Board of Commissioners meetings held outside of the predetermined schedule, the summons must be made no later than 1 (one) day before the meeting, or in a shorter time if it is urgent.
  - 3) The summon for a meeting of the Board of Commissioners must include the agenda/ topic, date, time, mechanism and place of the meeting and attach meeting materials.
  - 4) The summons for Board of Commissioners meetings must be made in writing and delivered to each member of the Board of Commissioners via registered mail, courier service, electronic mail (e-mail), or other means deemed effective by the Board of Commissioners.
- d. Meeting Materials and Scheduling
  - 1) Prior to the end of the fiscal year, the Board of Commissioners must schedule a meeting of the Board of Commissioners as well as a meeting of the Board of Commissioners by inviting the Board of Directors for the following year and upload it on the BCA website.
  - 2) At a scheduled meeting, meeting materials are distributed to participants no later than 5 (five) working days before the meeting is held (H-5).
  - 3) In the event that a meeting is held outside the schedule, the meeting materials shall be submitted to the meeting participants no later than before the meeting is held.
- e. Meeting Resolutions and Quorum
  - 1) The meeting of the Board of Commissioners is valid and has the authority to make binding decisions if more than  $\frac{1}{2}$  (onehalf) of the total number of members of the Board of Commissioners are present or represented at the meeting.
  - 2) Decision-making at the Board of Directors meeting must be made first through deliberation for consensus.
  - 3) Decisions are made based on the affirmative votes of more than  $\frac{1}{2}$  (one-half) of the total valid votes cast at the meeting in question if the deliberations do not reach a consensus.
  - 4) The Board of Commissioners may also make valid decisions without summoning a meeting of the Board of Commissioners if all members of the Board of Commissioners have been notified in writing, have given their approval to the proposals submitted, and have signed the agreement. Decisions made in this manner have the same power as those made formally at a meeting of the Board of Commissioners.

- 5) All decisions made at Board of Commissioners meetings are binding and the responsibility of all Board of Commissioners members.
- f. A member of the Board of Commissioners may be represented by another member of the Board of Commissioners only on the basis of a special power of attorney drawn up specifically for the purpose of the meeting.
- g. Board of Commissioners Minutes of Meeting
- 1) The minutes of the Board of Commissioners meeting must include the results of the meeting, which must be signed by all members of the Board of Commissioners present.
  - 2) Minutes of Meeting must be properly documented in accordance with applicable regulations.
  - 3) In the event of a dissenting opinion is expressed, it must be clearly stated in the minutes of the Board of Commissioners meeting, along with the reasons for the dissent.

### Implementation

Throughout 2022, BCA has held 43 (forty-three) Board of Commissioners meetings in person and via teleconference. BCA has complied with the OJK Regulation provision regarding the minimum frequency of Board of Commissioners meetings.

### The frequency of the Board of Commissioners' meetings and the attendance rate of members of the Board of Commissioners throughout 2022

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	43	39	91%
Tonny Kusnadi	Commissioner	43	40	93%
Cyrellus Harinowo	Independent Commissioner	43	37	86%
Raden Pardede	Independent Commissioner	43	42	98%
Sumantri Slamet	Independent Commissioner	43	43	100%

### Board of Commissioners Meeting Schedule in 2023

BCA has scheduled the following Board of Commissioners meetings in 2023:

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

The Board of Commissioners' meeting schedule is subject to change at any time as needed.

The plan for the 2023 Board of Commissioners meeting schedule has been published on the BCA website since December 2022 and can be accessed at <https://www.bca.co.id/en/tentang-bca/tatakelola/struktur-organisasi>.

### **3. Joint Meeting of the Board of Commissioners and the Board of Directors Meeting Policy**

The Joint Meeting Policy is contained in the Board of Directors Charter and the Board of Commissioner Charter as well as Articles of Association. The policy regulates, among other:

- a. Meeting Mechanism  
Joint meetings can be held in person or virtually via teleconference media, video conferences, or other forms of electronic media.
- b. Meeting Frequency  
The Board of Directors and the Board of Commissioner must hold regular joint meeting at least once every 4 (four) months.
- c. Meeting Summons
  - 1) For joint meetings that have been scheduled or are based on the decisions of the previous joint meeting, there is no need to summon a meeting.
  - 2) For meetings that are held outside of a predetermined schedule, summons must be made no later than 1 (one) day before the joint meeting is held, or in a shorter time if it is urgent.
  - 3) The summons for the meeting must include the agenda (date, time, place, and topic) and attach meeting materials.
  - 4) The summons for the meetings must be made in writing and delivered to the meeting participants via registered mail, courier service, electronic mail (e-mail), or other means deemed effective.
- d. Meeting Materials and Scheduling
  - 1) Prior to the end of the fiscal year, the Board of Commissioners and the Board of Directors must schedule a joint meeting for the following year.
  - 2) At a scheduled meeting, meeting materials are distributed to participants no later than 5 (five) working days before the meeting is held (H-5).
- e. Meeting Resolutions and Quorum
  - 1) The meeting is deemed valid and has the authority to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the total number of members of the Board of Commissioners and members of the Board of Directors are present or represented at the meeting.
  - 2) Decisions-making at the joint meeting must be made first through deliberation for consensus.
  - 3) Decisions are made based on the affirmative votes of more than  $\frac{1}{2}$  (one-half) of the total valid votes cast at the meeting in question if the deliberations do not reach a consensus.
  - 4) All decisions made at joint meetings are binding.
- f. A member of the Board of Directors may be represented by another member of the Board of Directors and a member of the Board of Commissioners may be represented by another member of the Board of Commissioner only on the basis of a special power of attorney made for the purpose of the meeting.

- g. Minutes of Meeting
- The results of the meeting must be stated in the Minutes of Meeting, which are signed by all members of the Board of Directors and members of the Board of Commissioners present and submitted to all members of the Board of Directors and members of the Board of Commissioners.
  - Dissenting opinions that occur at the meeting must be clearly stated in the Minutes of Meeting along with the reasons for the dissent.

### Implementation

Throughout 2022, the Board of Commissioners and the Board of Directors have organized 5 (five) joint meetings, which were held in person and via teleconference.

### Frequency of Attendance of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors throughout 2022:

Name	Position	Number of Meeting	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	5	5	100%
Tonny Kusnadi	Commissioner	5	4	80%
Cyrellus Harinowo	Independent Commissioner	5	5	100%
Raden Pardede	Independent Commissioner	5	5	100%
Sumantri Slamet	Independent Commissioner	5	5	100%

### Frequency of Attendance of the Board of Directors in Joint Meetings of the Board of Commissioners and the Board of Directors throughout 2022:

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	5	5	100%
Suwignyo Budiman <sup>*)</sup>	Vice President Director	2	2	100%
Armand Wahyudi Hartono	Vice President Director	5	5	100%
Gregory Hendra Lembong	Vice President Director	5	4	80%
Tan Ho Hien/Subur/ Subur Tan	Director	5	5	100%
Rudy Susanto	Director	5	5	100%
Lianawaty Suwono	Director (concurrently serving as Director in charge of the Compliance function)	5	5	100%
Santoso	Director	5	4	80%
Vera Eve Lim	Director	5	5	100%
Haryanto T. Budiman	Director	5	5	100%
Frengky Chandra Kusuma	Director	5	4	80%
John Kosasih	Director	5	5	100%
Antonius Widodo Mulyono <sup>**)</sup>	Director	3	3	100%

Description:

<sup>\*)</sup> Mr. Suwignyo Budiman ended his term of office on April 30, 2022

<sup>\*\*)</sup> Mr. Antonius Widodo Mulyono serves as Director based on OJK Letter No. 9/KDK.03/2022 dated April 22, 2022 and effective since May 9, 2022

### Joint Meetings Schedule of the Board of Commissioners and the Board of Directors in 2023

BCA has scheduled the following joint meeting of the Board of Commissioners and Board of Directors in 2023:

Month	Date
January	19
April	11
August	11, 24 and 25
December	5, 6, 10 and 12

The Board of Commissioners and the Board of Directors joint meeting schedule may change at any time as needed.

The plan for the Board of Directors and the Board of Commissioners joint meeting schedule for 2023 has been published on the BCA website since December 2022 and can be accessed at: <https://www.bca.co.id/en/tentangbca/tata-kelola/struktur-organisasi>.

## H. Internal Fraud Violations Data

Disclosure of irregularities (internal fraud) is carried out based on Article 64 of OJK Regulation No. 55/ POJK.03/2016 concerning Implementation of Governance for Commercial Banks and Chapter IX No. 5 OJK Circular Letter No.13/SEOJK.03/2017 concerning the implementation of governance for commercial banks, where the report consists of forms of deviation (internal fraud), namely fraud committed by members of the board of directors, members of the board of commissioners, permanent employees, temporary employees (honorary), and/or outsourced workers. The nominal deviation disclosed is a deviation of more than Rp100,000,000.00 (one hundred million rupiah).

Table of Data on Fraud Violations Committed by Management, Permanent and Non-Permanent Employees

Deviation for 1 year	Members of the Board of Directors and members of the Board of Commissioners		Permanent Employee		Non-Permanent Employees and Outsourced Workers	
	2022	2021	2022	2021	2022	2021
Total Fraud	-	-	2	1	1	1
Resolved	-	-	1	1	1	-
In the process of being settled in internal BCA	-	-	-	-	-	-
Yet to be resolved	-	-	-	-	-	-
It has been followed up through the legal process	-	-	1	-	-	1

## I. Legal Cases

Legal issues covering criminal cases and civil cases faced by BCA throughout 2022, 2021, and 2020 are described as follows.

### 1. Criminal Law Issues

Details of criminal law issues faced by BCA throughout 2022, 2021, and 2020 are as follows:

Legal Issues in Criminal Cases	2022	2021	2020
Legally settled (a verdict has been issued with legal power)	6	6	9
In settlement process	7	4	4
<b>Total</b>	<b>13</b>	<b>10</b>	<b>13</b>



Throughout 2022, criminal cases in court involving BCA reports against customers, employees, or other third parties include allegations of criminal acts of theft, embezzlement, fraud, forgery of letters, counterfeiting, money laundering and destruction, where no case has a material loss value of more than Rp1 billion.

Meanwhile, there were no criminal cases in court involving reports from customers, employees, or other third parties against BCA.

## 2. Civil Law Issues

The following are the details of civil law issues faced by BCA in 2022, 2021, and 2020:

Legal Issues in Civil Cases	2022	2021	2020
Legally settled (a verdict has been issued with legal power)	160	92	118
In settlement process	186	148	145
<b>Total</b>	<b>346</b>	<b>240</b>	<b>263</b>

BCA was involved in civil cases as a result of the following:

- a. Lawsuit related to the account by the customer's heirs.
- b. Customer lawsuit/resistance related to account confiscation/blocking carried out by BCA at the request of the Court, Tax Office and/or other third parties.
- c. Lawsuits from customers/other third parties related to payment transactions, transfers, balances, and/or disbursement of documents.
- d. Lawsuits related to the use and payment of credit card bills.
- e. A third-party lawsuit related to land/office building disputes owned by BCA.
- f. Lawsuits related to legal entity accounts in connection with disputes over the management of legal entities and/or associations.
- g. BCA lawsuit/resistance related to the settlement of bad loans and collateral rescue.
- h. Lawsuit/rebuttal from debtors (husband/wife), collateral owners, and/or other parties related to confiscation of execution, auction, and/or emptying of collateral.
- i. Lawsuit/rebuttal from debtors (husband/wife) and/or third parties related to credit and/or collateral.
- 1) Suspension of Payment/Bankruptcy requests submitted by BCA against bad debtors.

Throughout 2022, BCA did not face significant risks from existing legal issues because, according to the results of the self-assessment, the level of legal risk for BCA is in the "low" range.

## 3. Legal Issues Faced by the Subsidiaries

The following are the details of civil and criminal legal issues that Subsidiaries faced in 2022:

Subsidiary	Case Status	Civil	Criminal
PT BCA Finance	Legally settled (a verdict has been issued with legal power)	67	0
	In settlement process	56	0
PT BCA Multi Finance	Legally settled (a verdict has been issued with legal power)	3	3
	In settlement process	1	1
BCA Finance Ltd	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	0	0
PT BCA Syariah	Legally settled (a verdict has been issued with legal power)	11	0
	In settlement process	15	0
PT Asuransi Umum BCA	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	1	0
PT Asuransi Jiwa BCA	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	1	0
PT BCA Sekuritas	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Central Capital Ventura	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Bank Digital BCA	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	1	0

## Important Cases & Administrative Sanctions

### 1. Significant Cases Facing Members of the Board of Directors and Members of the Board of Commissioners of BCA

Throughout 2022, all current members of the Board of Directors and members of the Board of Commissioners have never been involved in or implicated in any significant criminal or civil cases.

### 2. Significant Cases Facing Members of Board of Directors and Board of Commissioners of Subsidiaries

Throughout 2022, all members of the Board of Directors and members of the Board of Commissioners of Subsidiaries have never been involved in any significant criminal or civil cases.

#### Impact of Legal Issues on BCA and Subsidiaries

All legal issues encountered by BCA and its Subsidiaries throughout 2022 have no material impact on BCA's and its Subsidiaries' position or business continuity.

### 3. Administrative Sanctions from Related Authorities

Throughout 2022, BCA, all members of the Board of Directors and/or members of the Board of Commissioners have never received administrative sanctions, both material and non-material, from the OJK or other regulators, which could affect BCA's business continuity.

## J. Conflicts of Interest Transactions

### Policy on Conflict of Interest

In accordance with BCA's code of ethics, the decision-making process is not influenced by other parties or any conflict of interest. Decision-making outcomes and existing conflicts of interest must be recorded and documented as evidence.

BCA's Policy on Conflicts of Interest are stated in Directors' Decree No. 219/SK/DIR/2003 dated November 10, 2003 concerning Conflicts of Interest Provision, which regulates that all levels of BCA must be aware of and avoid

activities that may arise or cause conflicts of interest. BCA requires all employees in echelon 5 and above to digitally sign an Annual Disclosure form in order to manage potential conflicts of interest.

In relation to Integrated Governance, the Board of Directors of BCA also ensures that the implementation of intra-group transaction risk management within the Financial Conglomeration is free from conflicts of interest among individual Financial Services Institutions.

### **Conflict of Interest Policy for the Board of Commissioners and the Board of Directors**

Provisions related to conflicts of interest for the Board of Commissioners and the Board of Directors are regulated in the Corporate Governance Guidelines, among others, governing the following matters:

- a. Members of the Board of Commissioners and/or members of the Board of Directors who have a conflict of interest are prohibited from making decisions, and/or actions, and/or being involved in the process of carrying out transactions that may harm BCA or reduce BCA's profit and must disclose the condition of the conflict of interest referred in each decision.
- b. Members of the Board of Directors are not authorized to represent BCA in matters or transactions in which the member has a conflict of interest with BCA.

### **Compliance of Transactions Containing Conflicts of Interest with Applicable Policies**

Throughout 2022, members of the Board of Commissioners and members of the Board of Directors of BCA have managed the potential for conflicts of interest as stipulated in the applicable provisions, including that if members of the Board of Commissioners or members of the Board of Directors have a conflict of interest, the members of the Board of Commissioners or members of the Board of Directors who have such conflict of interest do not participate in the decision making.

### **K. Shares Buyback**

Buying back shares or bonds is an effort to reduce the number of shares or bonds issued by BCA by buying back shares or bonds whose payment procedures are carried out in accordance with the applicable regulations. BCA does not buy back BCA shares and bonds in 2022.

### **L. Provision Of Fund For Social Activities**

As a form of corporate social responsibility, BCA actively contributes to the improvement of community welfare and environmental conditions through the "Bakti BCA" activity program.

Bakti BCA program activities are focused on 3 (three) main pillars:

- I. BCA Smart Solutions
- II. BCA Synergy Solutions
- III. BCA Superior Business Solutions

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

### M. Provision Of Fund For Political Activities

BCA did not provide funds for political activities throughout 2022 and the preceding years.

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

Name : PT Bank Central Asia Tbk

Position : 31 December 2022

### Self-Assessment Results of the Implementation of Good Corporate Governance Individually

	Rating	Rating Definition
Semester I	1	BCA management has generally implemented <b>very good</b> governance. This result is reflected in the adequate fulfillment of the Governance principles. If there are weaknesses in the application of the principles of Governance, in general, these weaknesses are not significant and can be resolved by normal actions by BCA management.
Semester II	1	BCA management has generally implemented <b>very good</b> governance. This result is reflected in the adequate fulfillment of the Governance principles. If there are weaknesses in the application of the principles of Governance, in general, these weaknesses are not significant and can be resolved by normal actions by BCA management.

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

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

### 3. Improvements to Governance Quality implemented by BCA throughout 2022

Throughout 2022, BCA made various efforts to improve quality and strengthen the implementation of good corporate governance (GCG) while considering developments in relevant regulations.

#### 1. Preparation:

- Gratification Control Reporting Policy
- BCA Website Information Management Policy
- Policy on Information Disclosure and Reporting to Regulators (Information Disclosure and Reporting Manual)
- The Board of Directors' and Board of Commissioners' Statements regarding the commitment to implementing GCG principles
- Remuneration and Nomination Committee Charter

#### 2. Socialization

- Videos for BCA employees that are broadcast on social media and internal digital publications regarding:
  - GMS
  - Dividend distribution
  - Annual report
  - Corporate Secretary
- Forum Group Discussion with Subsidiaries, with the following topics:
  - Equity participation
  - Affiliate Transactions
  - Self Assessment of TKT Mapping indicator
  - Website Management
- GCG Series, which can be accessed by BCA personnel on the MyBCA internal portal.

#### 3. Improvement

- Updating GCG E-Learning
- Enhancement of the Enterprise Management System, BCA's internal portal, to facilitate reporting, information sharing, and integrated GCG policies, including:
  - Digitalization of GMS Quorum Recap, BCA Dividend, TKB
  - Digitalization of BCA's TKB & TKT Self Assessment Rankings
  - Digitalization of BCA Share Composition
  - Digitalization of Historical Stock
  - Digitalization of PAF/PA Recap
  - Digitalization of Corporate Secretary Data
- Upgrading of Robotic Process Automation (RPA) from attended to unattended due to KSEI effect data reduction
- Enhancement Automation of classification and monitoring change of BBCA share ownership data owned by Board of Commissioners and Board of Directors
- Implementation of GCG, referring to ACGS criteria, in the form of:
  - Issuance of Statement of Code of Ethics;
  - Implementation of orientation program for new members of the Board of Directors
  - Updating the Governance section of the BCA website company regularly
  - Audit Committee Charter
  - Risk Oversight Committee Charter



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