

## 05

## CORPORATE GOVERNANCE



## INTRODUCTION

## 1. Purpose of Good Corporate Governance Implementation

BCA understands that implementation of Good Corporate Governance (GCG) it must to maintain the Company's business sustainability and maximize value in the long run. Implementation of GCG in BCA is intended to:

- a. Support the vision of BCA to be "the bank of choice and a major pillar of the Indonesian economy".
- b. Support the following missions of BCA:
  - Build centers of excellence in payment settlements and financial solutions for businesses and individuals.
  - Understand diverse customer needs and provide the right financial services to optimize customer satisfaction.
  - Enhance BCA's corporate francais and stakeholder value.

- c. Give benefits and added value to the shareholders and stakeholders.
- d. Sustain and increase sound and competitive business continuity in the long run.
- e. Enhance the trust of investors in BCA.

## 2. References

BCA's policy for Good Corporate Governance (GCG) is developed based on the following:

- Bank Indonesia Circular Letter No.15/15/DPNP concerning the Implementation of Integrated Good Corporate Governance for Commercial Banks.
- Financial Services Authority Regulation No. 17/POJK.03/2014 concerning The Implementation of Integrated Risk Management for Financial Conglomerate.
- Financial Services Authority Regulation No.18/POJK.03/2014 concerning the Implementation



BCA considers Good Corporate Governance essential in maintaining the trust of and offering added value to all stakeholders. BCA as an organization is committed to promoting and adhering the principles of Good Corporate Governance

- of Integrated Good Corporate Governance for Financial Conglomerate.
- Financial Services Authority Regulation No.32/POJK.04/2014 concerning the Planning and Implementation of the General Meeting of Shareholders of Public Companies.
- Financial Services Authority Regulation No.33/POJK.04/2014 concerning the Directors and Board of Commissioners of Issuers or Public Companies.
- Financial Services Authority Regulation No.34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.
- Financial Services Authority Regulation No.35/POJK.04/2014 concerning the Corporate Secretary of Issuers or Public Companies.
- Financial Services Authority Regulation No.32/POJK.03/2016 concerning the Amendment of the Financial Services Authority Regulation No.6/POJK.03/2015 concerning the Transparency and Published Bank Reports.
- Financial Services Authority Regulation No.21/POJK.04/2015 concerning the Implementation of Corporate Governance Guidelines for Public Companies.
- Financial Services Authority Regulation No.45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration at Commercial Banks.
- Financial Services Authority Regulation No.55/POJK.04/2015 concerning the Establishment and Guidelines for the Work of Audit Committees.
- Financial Services Authority Regulation No.56/POJK.04/2015 concerning the Establishment and Implementation Guidelines of the Internal Audit Charter.
- Financial Services Authority Regulation No.60/POJK.04/2015 concerning the Transparency of Information of Particular Shareholders.
- Financial Services Authority Circular Letter No.15/SEOJK.03/2015 concerning the Implementation of Integrated Corporate Governance for Financial Conglomerate.
- Financial Services Authority Regulation No.5/POJK.03/2016 concerning the Business Plan of Banks.
- Financial Services Authority Regulation No.29/POJK.04/2016 concerning the Annual Report of Issuers or Public Companies.
- Financial Services Authority Circular Letter No.40/SEOJK.03/2016 concerning Governance in Providing Remuneration at Commercial Banks.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by

Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.

- Financial Services Authority Circular Letter No.43/SEOJK.03/2016 concerning the Transparency and Publication of Conventional Commercial Bank Report.
- Financial Services Authority Circular Letter No.30/SEOJK.04/2016 concerning the Format and Content of Annual Report of Issuers or Public Companies.
- Financial Services Authority Circular Letter No.32/SEOJK-04/2015 concerning the Good Corporate Governance Guideline
- Financial Services Authority Circular Letter No.14/SEOJK-03/2015 concerning the Application of Integrated Risk Management for Financial Conglomerate.

In addition of the above provisions, BCA also refers to the GCG implementation guidelines stated below:

- The Corporate Governance Principles developed by the Organization for Economic Cooperation and Development (OECD).
- The ASEAN Corporate Governance Scorecard (ACGS).

- The Indonesian Good Corporate Governance Roadmap issued by the Indonesia Financial Services Authority.

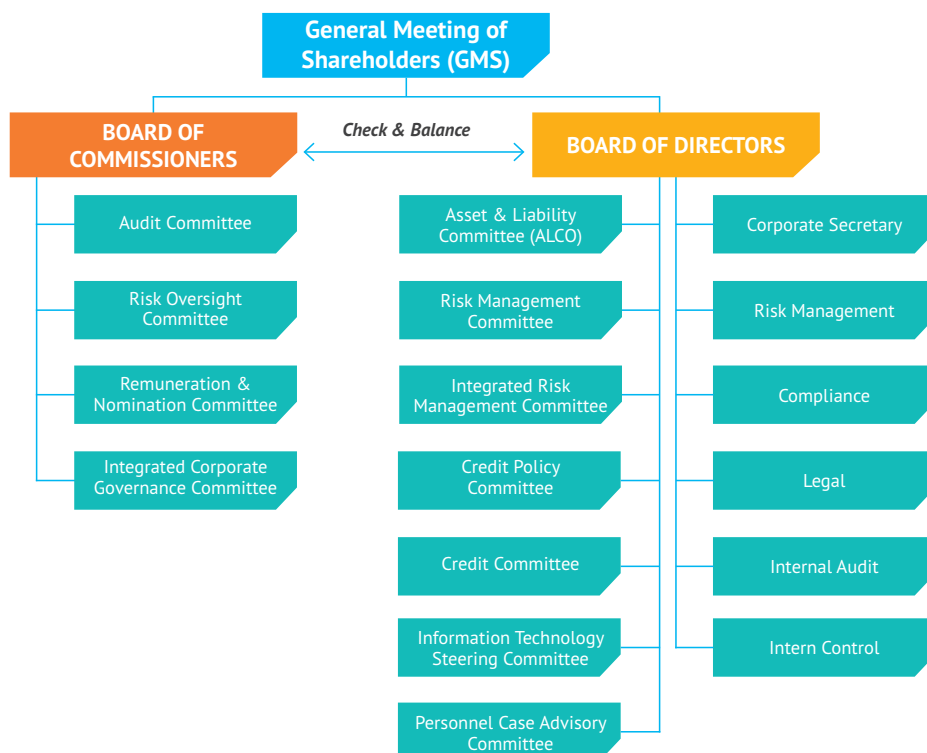
### 3. Statement of Corporate Governance Implementation Commitment

Through the implementation of GCG principles, BCA will be able to maintain its business continuity soundness and competitiveness. Implementation of GCG is a key factor in maintaining the trust of shareholders and stakeholders in BCA. It has become even more significant with the increasing business risk and challenges faced by the banking industry. Based on explanation above, BCA is committed to continuously improving the implementation of GCG principles in accordance with the provisions of the applicable legislation and the development of best GCG practices, as well as the OECD & ACGS principles.

### 4. Corporate Governance Structure

A clear division of tasks and responsibilities between different functions/work units within BCA reflects the application of a checks and balances principle within a good internal control system.

#### BCA's Corporate Governance Structure



The BCA's structure of Corporate Governance consists of:

1. The General Meeting of Shareholders (GMS).
2. Board of Commissioners.
3. Board of Directors.
4. Committees under the Board of Commissioners: Audit Committee, Risk Oversight Committee, Remuneration & Nomination Committee and Integrated Corporate Governance Committee.
5. Executive Committees under the Board of Directors: Asset & Liability Committee (ALCO), Risk Management Committee, Integrated Risk Management Committee, Credit Policy Committee, Credit Committee, Information Technology Steering Committee, Personnel Case Advisory Committee.
6. Corporate Secretary.
7. Risk Management, Compliance, Legal, Internal Audit working units and Internal Control.

The corporate governance structure has carried out its duties and responsibilities according to the scope of duty, responsibility, and functions as stated in the applicable regulations.

## 5. GCG Implementation Report

BCA's GCG Implementation Report in 2016 was prepared in accordance with the Bank Indonesia Circular Letter No.15/15/DPNP concerning the Implementation of Good Corporate Governance for Commercial Banks and Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.

The BCA's GCG report has to cover at least the following:

1. Self Assessment Report Implementation of GCG in accordance with the assessment period of Bank Soundness Level for the past 1 (one) year.
2. Transparency of GCG Implementation as referred by point IX Circular Letter of Bank Indonesia No.15/15/DPNP dated 29 April 2013.

Transparency of GCG implementation includes:

- A. GCG implementation disclosures, which include at least the following:
  1. Implementation of duties and responsibilities of the Board of Commissioners and Board of Directors;
  2. Adequacy and implementation of duties of the Committees;
  3. Implementation of compliance, internal audit, and external audit functions;
  4. Implementation of risk management, including the internal control system;
  5. Funding to related party and large exposures;
  6. Strategic planning;
  7. Transparency of financial and non-financial conditions that have not been disclosed in other reports;
  8. Other information related to GCG.
- B. Share ownership of the members of Boards of Commissioners and Boards of Directors with an equity amount of 5% (five percent) or more, including the type and number of shares in:
  - a. BCA;
  - b. Other banks;
  - c. Non Bank Financial Institutions; and
  - d. Other companies; domiciled in Indonesia or overseas.
- C. Financial relationships and family relationships of members of the Board of Commissioners and the Board of Directors with other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders.
- D. Remuneration package/policy and other facilities for the Board of Commissioners and Board of Directors.
- E. Share Options.
- F. Ratios of the highest to the lowest salary.
- G. Frequency of Board of Commissioners meetings.
- H. Number of internal fraud cases.
- I. Legal issues.
- J. Transactions with conflict of interest.
- K. Share and/or bond buy-backs.
- L. Provision of funds for social and/or political activities during the reporting period.

In addition to the above provisions, BCA GCG Implementation also refers to international standards based on the OECD principles and ACGS as stipulated at the Financial Service Authority Circular Letter No. 32/SEOJK.04/2015 dated 17 November 2015 on the Corporate Governance Guidelines which covers 5 (five) aspects derived into 8 (eight) principles and 25 (twenty five) recommendations as follows:

**TABLE COMPLIANCE OF RECOMMENDATION ON THE GUIDELINES OF GOVERNANCE FOR PUBLIC COMPANIES**

No.	Recommendation	Description
<b>A</b>	<b>RELATIONSHIP OF PUBLIC COMPANY WITH THE SHAREHOLDERS IN ENSURING THE SHAREHOLDERS' RIGHTS</b>	
	<b>Principle 1 Improving the Value of General Meeting of Shareholders (GMS) Convention.</b>	
1.1	Public company has technical procedures for opened or closed voting that promote independency and shareholders' interest.	comply
1.2	All Members of the Directors and Board of Commissioners are present at Annual GMS.	- <sup>1)</sup>
1.3	Summary of GMS Minutes is available on public company's Website by no less than 1 (one) year.	comply
	<b>Principle 2 Improving Communication Quality of public company with Shareholders or Investors.</b>	
2.1	Public company has a communication policy with shareholders or investors.	comply
2.2	Public company discloses its communication policy with shareholders or investors in Website.	comply
<b>B</b>	<b>BOARD OF COMMISSIONERS' FUNCTION AND ROLE</b>	
	<b>Principle 3 Strengthening the Membership and Composition of Board of Commissioners.</b>	
3.1	Determination of number of Board of Commissioners' member shall consider the condition of Public Company.	comply
3.2	Determination of Composition of Board of Commissioners' member considers the variety of expertise, knowledge, and experiences required.	comply
	<b>Principle 4 Improving the Quality of Job and Responsibility Performance of Board of Commissioners.</b>	
4.1	Board of Commissioners has self assessment policy to assess the performance of Board of Commissioners.	comply
4.2	Self assessment policy to assess the performance of Board of Commissioners is disclosed in Annual report of public company.	comply
4.3	The Board of Commissioners has a policy with respect to the resignation of the member of the Board of Commissioners if such member involved in financial crime.	comply
4.4	Board of Commissioners or Committee that conduct Nomination and Remuneration function arrange succession policy in Nomination process of Directors member.	comply
<b>C</b>	<b>DIRECTORS' FUNCTION AND ROLE</b>	
	<b>Principle 5 Strengthening the Membership and Composition of the Board of Directors.</b>	
5.1	Determination of Number of Board of Directors' member considers the condition of public company and the effectiveness of decision-making.	comply
5.2	Determination of composition Board of Directors' member considers the variety of expertise, knowledge, and experiences required.	comply
5.3	Member of Board of Directors who is liable for accounting or finance has accounting expertise and/or knowledge.	comply

<sup>1)</sup> 1 (one) of Member of the Board of Commissioners was not present at the 2016 AGMS.

No.	Recommendation	Description
	<b>Principle 6 Improving the Quality of Job and Responsibility Performance of Board of Directors.</b>	
6.1	Board of Directors has self assessment policy to assess performance of Directors.	comply
6.2	Self assessment policy to assess the performance of Board of Directors is disclosed in Annual report of public company.	comply
6.3	Directors have a policy related to resignation of Board of Directors' member if involved in financial crimes.	comply
<b>D</b>	<b>PARTICIPATION OF STAKEHOLDERS</b>	
	<b>Principle 7 Improving corporate governance aspect through participation of stakeholders.</b>	
7.1	Public Company has a policy to prevent insider trading.	comply
7.2	Public company has anti corruption and anti fraud policy.	comply
7.3	Public company has policies concerning selection and capability improvement of suppliers and vendors.	comply
7.4	Public company has a policy concerning the fulfillment of creditors' rights.	comply
7.5	Public company has a policy of whistleblowing system.	comply
7.6	Public company has long- term incentive policy for Directors and employees.	comply
<b>E</b>	<b>INFORMATION DISCLOSURE</b>	
	<b>Principle 8 Improving the Implementation of Information Disclosure.</b>	
8.1	Public Company takes benefits from application of a broader information technology other than website as information disclosure media.	comply
8.2	Annual Report of public company discloses beneficial owner in share ownership of public company of at least 5% (five percent), other than disclosure of beneficial owner in share ownership of public company through major and controlling shareholders.	comply

## 6. Results of GCG Assessment

### 6.1. GCG Self Assessment Implementation

In 2016, BCA conducted its GCG self assessment review in accordance with the following:

- Bank Indonesia Circular Letter No.15/15/DPNP concerning the Implementation of Good Corporate Governance for Commercial Banks.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.

The Bank must perform self-assessment on its GCG implementation. The assessment performed by BCA falls into 3 (three) governance aspects, namely:

1. *Governance Structure.*
2. *Governance Process.*
3. *Governance Outcome.*

The 3 (three) aspects of Governance are evaluated in the 11 (eleven) GCG Assessment Factors below:

1. Implementation of duties and responsibilities of the Board of Commissioners.
2. Implementation of duties and responsibilities of the Board of Directors.
3. Adequacy and implementation of duties of the Committees.
4. Handling of conflict of interests.
5. Implementation of compliance function.
6. Implementation of internal audit function.
7. Implementation of external audit function.
8. Implementation of risk management, including the internal control system.
9. Funding to related party and large exposures.
10. Transparency of financial and non-financial condition of the Bank, GCG implementation report.
11. The Bank's strategic plan.

## Result of the Self Assessment Implementation of GCG at BCA

Based on Self Assessment on GCG implementation for Semester I and II in 2016, BCA's score is categorized as **Rank 1 ("Excellent")**

	Rank	Rank Definition
Individual	1	Overall, implementation of Good Corporate Governance (GCG) by the Management of BCA is rated <b>Excellent</b> . This is reflected in the substantial implementation of GCG principles. Any remaining weaknesses in the implementation of GCG principles are either generally considered not significant or would soon be corrected by the Management of BCA.

### Analysis

The analysis of the Self Assessment on aspects of Governance Structure, Governance Process and Governance Output as applied to each of the GCG Implementation Assessment Factor can be summarized below:

1. The governance structure as per all the GCG Implementation Assessment Factors is more than adequate and comprehensive.
2. The governance process as per most of the GCG Implementation Assessment Factors is very effective, supported by a more than adequate governance structure and infrastructure.
3. The governance outcome as per most of the GCG Implementation Assessment Factors is of high-quality, resulting from governance processes that are mostly very effective with the support of a more than adequate governance structure and infrastructure.

## 6.2. Assessment of GCG Implementation by External Party

- To evaluate and measure the implementation of GCG in BCA, in 2016 BCA participated in the GCG research and ranking program in Indonesia – Corporate Governance Perception Index (CGPI) organized by The Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine.

The CGPI theme in 2016 is "Good Corporate Governance in the Perspective of Sustainability". The assessment consists of 5 (five) stages, as follows:

- a. Self assessment;
- b. Document assessment;
- c. Essay assessment;
- d. Data Entry of Company;
- e. Observation.

As a result of its participation in the program, BCA was awarded "**The Most Trusted Company**" ("**Highly Trusted**"), which is the highest valuation possible.

- In 2016, the Indonesian Institute for Corporate Directorship (IICD) performed evaluation and ranked of 100 (one hundred) public companies with largest market capitalization listed on the Indonesia Stock Exchange. In the 8<sup>th</sup> Corporate Governance Conference & Award 2016 BCA succeeded to obtain the award for "**Top 50<sup>th</sup> Public Listed Companies & The Best Responsibilities of the Board**" category.

## THE IMPLEMENTATION OF INTEGRATED GOVERNANCE

In accordance to the issuance of Financial Services Authority Regulation Number 18/POJK.03/2014 dated 18 November 2014 concerning the Application of Integrated Governance for Financial Conglomerate (POJK No. 18/POJK.03/2014) and as Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 concerning the Application of Integrated Governance for Financial Conglomerates (SEOJK No. 15/SEOJK.03/2015). Financial Conglomerates are Financial Service Institutions that exist inside a group because of its relationship in ownership and/or control.

BCA has implemented integrated company governance by applying the principles below:

1. Transparency, openness in conveying material and relevant information and in implementing the decision making process.
2. Accountability, clarity of functions and responsibility of the Bank's organs in the Financial Conglomerate in order to have effective management.
3. Responsibility, the Bank and Financial Service Institution management comply with the applicable law and regulations and prudent banking principles.
4. Independency/professionalism, the Financial Conglomerate shall be managed in a professional manner, without succumbing to influence/pressure from any parties.
5. Fairness, fair and equal in fulfilling shareholders rights in conformity with agreements and existing laws and regulations.

Referring to Articles 2 and 3 of POJK No. 18/POJK.03/2014, a Financial Conglomerate is required to implement a comprehensive and effective system of Integrated Governance and has a structure consisting of Legal Primary Entity and Subsidiaries and/or related Companies along with its subsidiaries. The Financial Conglomerate include Financial Services Institutions such as banks, insurance and reinsurance companies, securities companies and/or financing companies.

Based on the Board of Commissioners of PT Bank Central Asia Tbk Decision Letter No.037/SK/KOM/2015 concerning the Establishment of Integrated Governance in Financial Conglomerate dated 26 February 2015 sets the establishment of Integrated Governance Committee with duties and responsibilities as stated in the Structure of Integrated Governance Committee of BCA Group and refers to Article 7 of POJK No. 18/POJK.03/2014, therefore BCA as Legal Primary Entity shall implement the Integrated Governance.

With regard to the implementation of Integrated Governance, BCA had reported to the Financial Services Authority through the Directors Letter No.055/DIR/2015 concerning the Submission of Reports on Legal Primary Entity and Financial Services Institution serving as Member of BCA's Financial Conglomerate.

The Implementation of Integrated Governance covers the following:

- a. Requirements for the Board of Directors and Board of Commissioners of the Legal Primary Entity.
- b. Duties and responsibilities of the Board of Directors and Board of Commissioners of the Legal Primary Entity.
- c. Duties and responsibilities of the Integrated Governance Committee.
- d. Duties and responsibilities of the Integrated Compliance Working Unit.
- e. Duties and responsibilities of the Integrated Internal Audit Working Unit.
- f. Implementation of Integrated Risk Management.
- g. Development and implementation of the Integrated Governance Guidelines.

#### **1. The Requirements for the Board of Directors and the Board of Commissioners of the Legal Primary Entity**

##### **Requirements for the Board of Directors of the Legal Primary Entity:**

1. Possess adequate knowledge about the Legal Primary Entity and Subsidiary Companies within the Financial Conglomerate. "Knowledge" refers to, among others, understanding the main business

activity and main risks of Subsidiary Companies within the Financial Conglomerate.

2. Meet the requirements as referred to the Financial Services Authority Regulation No.33/POJK.04/2014 dated 8 December 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, as follows:
  - a. Has good character, morals, and integrity;
  - b. Capable of performing legal actions;
  - c. Within 5 (five) years before appointment and when in charge of the position:
    - i. Never been declared bankrupt;
    - ii. Never been a member of the Board of Directors and/ or the Board of Commissioners that was found guilty in causing a company to become bankrupt;
    - iii. Never been convicted of any criminal offense that is detrimental to the country's or financial sector's financial position; and
    - iv. Never been a member of a Board of Directors and/ or Board of Commissioners which during the terms of office:
      - a) Did not hold an Annual General Meeting of Shareholders (AGMS);
      - b) His/her accountability as a member of the Board of Directors and/or Board of Commissioners was not accepted by the GMS or he/she did not submit his/her accountability as a member of the Board of Directors and/or Board of Commissioners to the GMS; and
      - c) Had caused a company that obtained license, approval, or registration from the Financial Services Authority in not complying with its obligation to submit the annual report and/ or financial report to the Financial Services Authority.
  - d. Has commitment to comply with the law and regulations; and
  - e. Possesses knowledge and skill in the area required by the company.
3. Meet the integrity, competence, and financial reputation requirements as referred to the Bank Indonesia Regulation No.12/23/PBI/2010 dated 29 December 2010 concerning Fit and Proper Test, as follows:



- a. Integrity requirements:
    - i. Has good character and morals, which among others are shown by complying to the applicable regulations, including not having been convicted for certain criminal offenses in the 20 (twenty) years before nomination;
    - ii. Has commitment to comply with the prevailing law and regulations;
    - iii. Has commitment towards development of sound banking operations;
    - iv. Is not on the Disqualified List (DTL);
    - v. Has commitment not to conduct and/or repeat any actions as referred to Article 27 and Article 28. This applies to candidates of a Board of Directors who were on the Disqualified List in the Fit and Proper test, and had passed the sanction period as referred to Article 35 paragraph (1), Article 40 paragraph (4) point a and Article 40 paragraph (5) of the Bank Indonesia Regulation mentioned above.
  - b. Competence requirements:
    - i. Adequate knowledge in banking, relevant to his/her position;
    - ii. Experience and expertise in banking and/or finance;
    - iii. Capability to perform strategic management in developing a sound Bank.
  - c. Financial reputations:
    - i. Does not have bad credit; and
    - ii. Not be declared bankrupt or a member of the Board of Directors or Commissioners which was found guilty of causing a bankruptcy of a Financial Conglomerate in the 5 (five) years before nomination.
- a. Has good character, morals, and integrity;
  - b. Capable of performing legal actions;
  - c. Within 5 (five) years before appointment and when in charge of the position:
    - i. Never been declared bankrupt;
    - ii. Never been a member of the Board of Directors and/or the Board of Commissioners that was found guilty in causing a company to become bankrupt;
    - iii. Never been convicted of any criminal offense that is detrimental to a country's and/or financial sector's financial position; and
    - iv. Not be a member of the Board of Directors and/or the Board of Commissioners which during the terms of office:
      - a) Did not hold an AGMS;
      - b) His/her accountability as a member of the Board of Directors and/or the Board of Commissioners was not accepted by the GMS or he/she did not submit his/her accountability as a member of the Board of Directors and/or the Board of Commissioners to the GMS.
      - c) Had caused a company that obtained license, approval, or registration from the Financial Services Authority in not complying with its obligation to submit the annual report and/or financial report to the Financial Services Authority.
  - d. Has commitment to comply with the law and regulations; and
  - e. Possesses knowledge and skill in the area required by the company.

#### Requirements for the Board of Commissioners of the Legal Primary Entity:

1. Possess adequate knowledge on the Legal Primary Entity and Subsidiary Companies within the Financial Conglomerate. "Knowledge" refers to, among others, understanding the main business activities and main risks of Subsidiary Companies within the Financial Conglomerate.
2. Meet the requirements as referred to in Financial Services Authority Regulation No.33/POJK.04/2014 dated 8 December 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, as follows:
  - 3. Meet the integrity, competence, and financial reputation requirements as referred to the Bank Indonesia Regulation No.12/23/PBI/2010 concerning Fit and Proper Test, as follows:
    - a. Integrity requirements:
      - i. Has good character and morals, which among others are shown by complying to the applicable regulations, including not having been convicted of certain criminal offense in the 20 (twenty) years before nomination;
      - ii. Has commitment to comply with the prevailing law and regulations;

- iii. Has commitment towards development of sound banking operations;
- iv. Is not on the Disqualified List (DTL);
- v. Has commitment not to conduct and/or repeat any actions as referred to Article 27 and Article 28. This applies to candidates of the Board of Directors who were in the Disqualified List in the Fit and Proper test, and had passed the sanction period as referred to Article 35 paragraph (1), Article 40 paragraph (4) point a and Article 40 paragraph (5) of the Bank Indonesia Regulation mentioned above.
- b. Competence requirements:
  - i. Adequate knowledge in banking, relevant to his/her position;
  - ii. Experience and expertise in banking and/or finance;
- c. Financial reputation:
  - i. Does not have bad credit; and
  - ii. Not be declared bankrupt or a member of the Board of Directors or Commissioners which was found guilty of causing a bankruptcy of a Financial Conglomerate in the 5 (five) years before nomination.

## 2. The Duties and Responsibilities of the Board of Directors and Board of Commissioners of the Legal Primary Entity

### Duties and responsibilities of the Board of Directors of the Legal Primary Entity:

1. Ensure the implementation of Integrated Governance within the Financial Conglomerate.
2. In order to ensure the implementation of Integrated Governance above, the Board of Directors must at least:
  - a. Develop the Integrated Governance Guidelines;
  - b. Direct, monitor, and evaluate the implementation of the Integrated Governance Guidelines; and
  - c. Follow-up the direction or advise from the Board of Commissioners of the Legal Primary Entity to improve the Integrated Governance Guidelines.
3. To ensure that audit findings and recommendations from the Integrated Audit Working Unit, external auditor and the monitoring results of the Financial Services Authority and/or other authorities have been

followed-up by Financial Services Institution within the Financial Conglomerate.

### The Duties and Responsibilities of the Board of Commissioners of the Legal Primary Entity:

1. Monitor the Integrated Governance implementation.
2. In order to monitor the implementation of the Integrated Governance referred above, must at least:
  - a. Monitor implementation of governance in each subsidiary company within the Financial Conglomerate in order to comply with the Integrated Governance Guidelines;
  - b. Monitor implementation of duties and responsibilities of the Board of Directors of the Legal Primary Entity, and provide direction or advice to the Board of Directors of the Legal Primary Entity on the implementation of Integrated Governance Guidelines; and
  - c. Evaluate the Integrated Governance Guidelines and give direction for improvements.
3. Conduct regular meetings at minimum 1 (once) each semester.
4. Present the meeting results in well- documented minutes of meetings and give clear explanation on any dissenting opinion occurring in the meetings, including the reasons.
5. Establish the Integrated Governance Committee.

### 3. The Duties and Responsibilities of the Integrated Governance Committee

The Integrated Governance Committee was established based on the Decision Letter of the Board of Commissioners of BCA (Legal Primary Entity) No.037/SK/KOM/2015 dated 26 February 2015 concerning the Establishment of the Integrated Governance Committee.

The Integrated Governance Committee has duties and responsibilities to:

1. Evaluate implementation of the Integrated Governance at least through assessment of internal control adequacy and the implementation of integrated compliance function.
2. Provide recommendation to the Board of Commissioners of the Legal Primary Entity to improve of Integrated Governance Guidelines.
3. Hold meeting at least once each semester.
4. Report the result of Integrated Governance Committee meeting in Minutes of Meeting and

ensure it is well documented, as well as set forth dissenting opinion occurs in the meeting explicitly in Minutes of Meeting attached by the reason of dissenting opinion.

#### 4. The Duties and Responsibilities of the Integrated Compliance Work Unit

The Integrated Compliance Working Unit has duties and responsibilities, among others:

1. To monitor and evaluate the implementation of compliance function at each Subsidiary Company within the Financial Conglomerate.
2. To develop the methods and processes required in implementing the integrated compliance risk management.
3. To assess and develop the integrated compliance risk profile in order to apply integrated risk management.
4. To develop and submit the duty and responsibility implementation report of the integrated compliance working unit to the Compliance Director of the Legal Primary Entity. Further, the Compliance Director of the Legal Primary Entity will prepare and submit this report to the Board of Directors of the Legal Primary Entity and the Board of Commissioners of the Legal Primary Entity.

#### 5. The Duties and Responsibilities of the Integrated Internal Audit Work Unit

The Integrated Internal Audit Working Unit has duties and responsibilities, among others to:

1. Assess the adequacy and effectiveness of the risk management process, internal control and governance of the Legal Primary Entity and Subsidiary Companies within the Financial Conglomerate, and give recommendations for improvement.
2. Monitor the implementation of internal audit in each Subsidiary Company within the Financial Conglomerate.
3. Monitor and evaluate the adequacy of follow-up improvements on audit results of the Legal Primary Entity and Subsidiary Companies, and report it to the Board of Directors of the Legal Primary Entity, the Board of Commissioners of the Legal Primary Entity, and Audit Committee of the Legal Primary Entity.
4. Submit the integrated internal audit report to the Board of Directors of the Legal Primary Entity, the Board of Commissioners of the Legal Primary

Entity, and Audit Committee of the Legal Primary Entity.

#### 6. The Implementation of the Integrated Risk Management

Integrated Risk Management is a series of methodologies and procedures utilized to identify, measure, monitor, and control the risks that occur from all business activities of Subsidiary Companies within a Financial Conglomerate in an integrated manner.

Based on the Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management of Financial Conglomerate and Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management, in a Financial Conglomerate. Financial Conglomerate shall implement a comprehensive and effective Integrated Risk Management system, tailored to characteristics and complexity of business of the Financial Conglomerate and by complying with provisions of the Financial Services Authority concerning the Application of Integrated Risk Management for Financial Conglomerate.

#### 7. The Development and Implementation of the Integrated Governance Guidelines

The development of Integrated Governance framework refers to the Financial Services Authority Regulation No. 18/POJK.03/2014 and the prevailing regulations in each of the Financial Services Institution (Subsidiary Company) within the Financial Conglomerate. In accordance to the implementation of integrated governance with all of its Subsidiary Companies, BCA has carried out the following:

1. Developed the Integrated Governance Guidelines.
2. Established the Integrated Governance Committee.
3. Adjusted the structure of organization:
  - a. Compliance Working Unit, which covers integrated compliance;
  - b. Internal Audit Working Unit, which covers integrated internal audit;
  - c. Risk Management Working Unit, which covers integrated risk management.
4. Educate the Integrated Governance Guidelines and implementation of Integrated Governance to the members of Integrated Governance Committee, the working units related with Integrated Governance implementation and all Subsidiary Companies within the Financial Conglomerate.

The Guidelines was prepared by the Board of Directors of BCA (Legal Primary Entity), and has been approved by the Board of Commissioner of BCA (Legal Primary Entity).

The Integrated Governance Guidelines must at least cover:

- a. Integrated Governance Framework for BCA.
- b. Governance Framework of for Subsidiary Companies within the Financial Conglomerate.

The development of Integrated Governance framework refers to the Financial Services Authority Regulation No.18/POJK.03/2014 and the provisions applicable to each Subsidiary Company within the Financial Conglomerate.

The Board of Directors of BCA (Legal Primary Entity) has submitted the Integrated Governance Guidelines to the Board of Directors of Subsidiary Companies within the Financial Conglomerate, to serve as a guideline for Subsidiary Companies in developing the Governance Guidelines and implementing governance in each Subsidiary Company.

The Integrated Governance Framework for the Legal Primary Entity contains:

- a. Requirements of Board of Directors of the Legal Primary Entity and Board of Commissioners of the Legal Primary Entity;
- b. Duties and Responsibilities of Board of Directors of the Legal Primary Entity and Board of Commissioners of the Legal Primary Entity;
- c. Duties and Responsibilities of the Integrated Governance Committee;
- d. Duties and Responsibilities of Integrated Compliance Working Unit;
- e. Duties and Responsibilities of Integrated Internal Audit Working Unit; and
- f. Implementation of integrated risk management.

Integrated Governance Framework for Subsidiary Companies within the Financial Conglomerate covers, among others:

- a. Requirements for a candidate of the Board of Directors and Board of Commissioners.
- b. Requirements for a candidate of the Sharia Supervisory Board;
- c. Structure of the Board of Directors and Board of Commissioners;
- d. Structure of the Sharia Supervisory Board;

- e. Independence in the Board of Commissioners actions;
- f. Implementation of management functions in subsidiary companies by the Board of Directors;
- g. Implementation of supervisory functions in subsidiaries company by the Board of Commissioners;
- h. Implementation of supervisory functions by the Sharia Supervisory Board;
- i. Implementation of compliance functions, internal audit functions, and external audit functions;
- j. Implementation of risk management functions;
- k. Remuneration policy; and
- l. Handling conflict of interest.

## 8. The Assessment of the Integrated Governance Implementation

In line with the Financial Services Authority Regulation No.18/POJK.03/2014 part VII article 44 and 45 and the Financial Services Authority Circular Letter No.15/SEOJK.03/2015 dated 25 May 2015 concerning the Application of Integrated Governance for Financial Conglomerate. BCA as Legal Primary Entity shall prepare an assessment report on the implementation of Integrated Governance regularly (every semester) and submit it to the Financial Services Authority.

In 2016, BCA as Legal Primary Entity performed Assessment on the Integrated Governance Implementation for Semester I and Semester II. The assessment covered 3 (three) Integrated Governance aspects, namely Structure, Process, and Results of Integrated Governance.

The Assessment on the Integrated Governance implementation covers at least 7 (seven) factors, as follows:

1. Implementation of duties and responsibilities of the Board of Directors of the Legal Primary Entity.
2. Implementation of duties and responsibilities of the Board of Commissioners of the Legal Primary Entity.
3. Duties and responsibilities of the Integrated Governance Committee.
4. Duties and responsibilities of the Integrated Compliance Working Unit.
5. Duties and responsibilities of the Integrated Internal Audit Working Unit.
6. Implementation of Integrated Risk Management.
7. Development and implementation of the Integrated Governance Guidelines.

Results of the Integrated Governance implementation assessment in Semester I and Semester II of 2016 is within category of “**Rank 1**” (“**Excellent**”).

POJK.03/2016 on Implementation of Governance for Commercial Banks.

## 9. Annual Report of the Integrated Governance Implementation

Annual Report of the Integrated Governance Implementation in 2016 is prepared according to:

1. Bank Indonesia Circular Letter No.15/15/DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks.
2. Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 on the Implementation of Integrated Governance for Financial Conglomerates.
3. Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 the Implementation of Integrated Governance for Financial Conglomerates.
4. Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/

Annual Report of the Integrated Governance Implementation consists of:

1. Self Assessment Report on the Integrated Governance Implementation for 1 (one) fiscal year;
2. Financial Conglomerate Structure and larger conglomerate structure, if different;
3. Share ownership structure in Financial Conglomerate describing the parties who become shareholders of Financial Service Institution (Subsidiaries) in Financial Conglomerate up to the ultimate shareholders;
4. Management structure in the Legal Primary Entity and Financial Service Institution in Financial Conglomerate; and
5. Intra-group transaction policy which at least contains policy to identify, to manage and to mitigate intra- group transaction.

In addition to containing information on the above mentioned matters, Annual Report on Integrated Governance Implementation also includes Report on GCG Implementation as governed in provisions applicable for commercial banks.

### 1. Self Assessment Report on the Integrated Governance Implementation for 1 (One) Fiscal Year

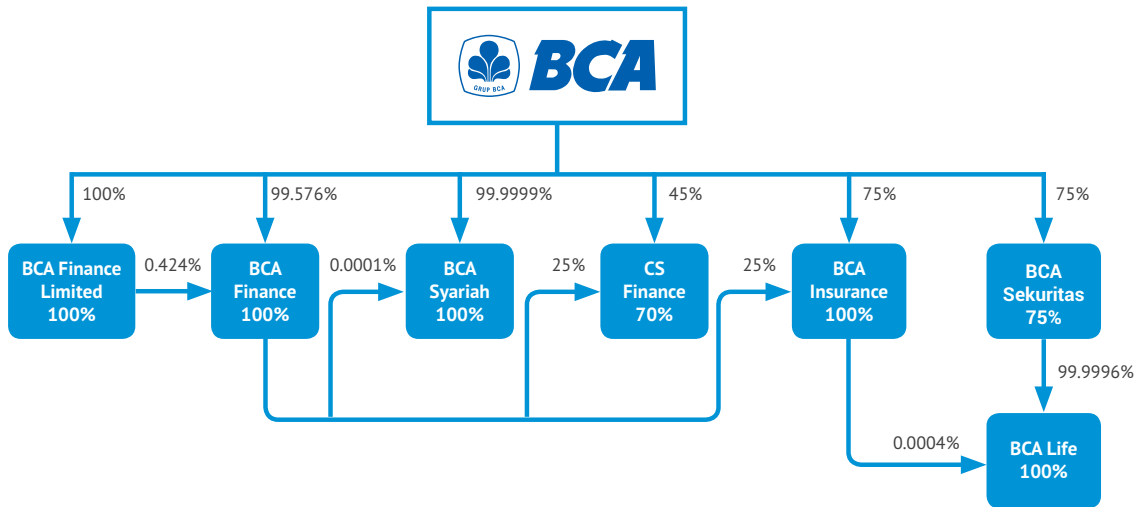
Legal Primary Entity : **PT Bank Central Asia Tbk**

Report Position : 31 December 2016

Rank	Result of Self-Assessment On the Implementation of Integrated Governance
	Rating Definition
1	Financial Conglomerate has carried out the Integrated Governance implementation which generally was <b>Excellent</b> . This is reflected on the very adequate fulfillment upon the implementation of Integrated Governance principle. Any weakness in the Integrated Governance implementation, in general is not significant and can be promptly improved by the Legal Primary Entity and/or Financial Service Institution (Subsidiaries) in Financial Conglomerate.
<b>Analysis</b>	
Based on the Self Assessment analysis towards the Integrated Governance Structure, Integrated Governance process, and Integrated Governance results on the respective assessment factor of the Integrated Governance implementation, can be concluded as follows:	
<ol style="list-style-type: none"> <li>1. Integrated Governance Structure based on the assessment result is complete.</li> <li>2. Integrated Governance Process based on the assessment result is very effective and supported by a complete structure.</li> <li>3. Integrated Governance Outcome based on the assessment result is excellent which is generated from the aspect of Integrated Governance process which very effective and supported by a complete structure.</li> </ol>	

The complete Annual Report of Integrated Governance of BCA Financial Conglomerate in 2016 is made separately as an integral part of this Annual Report and also available on BCA's website ([www.bca.co.id](http://www.bca.co.id) - Good Corporate Governance).

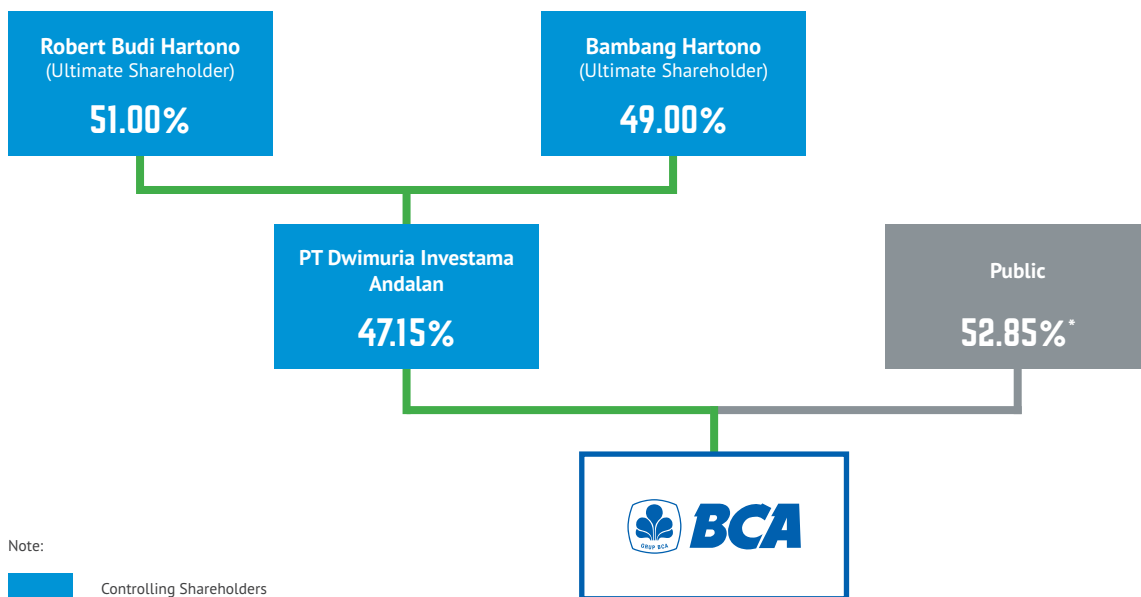
## 2. Financial Conglomerate Structure of BCA



## 3. Structure of Share Ownership in Financial Conglomerate Describing the Shareholders in Financial Service Institution (Subsidiaries) in Financial Conglomerate Up to the Ultimate Shareholders

- Structure of Share Ownership of the Legal Primary Entity – PT Bank Central Asia Tbk

As of 31 December 2016

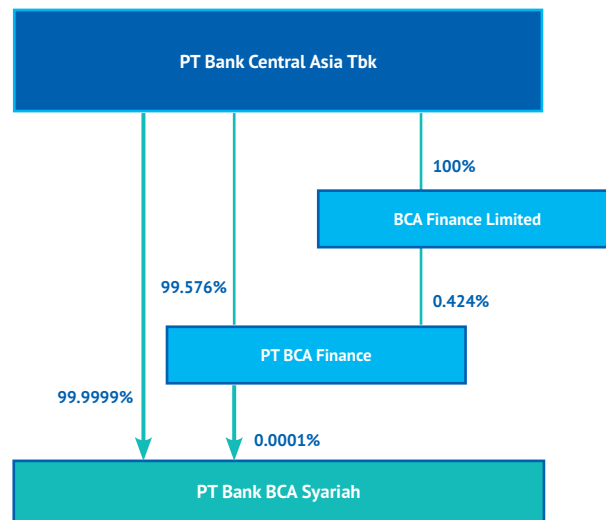


Note:

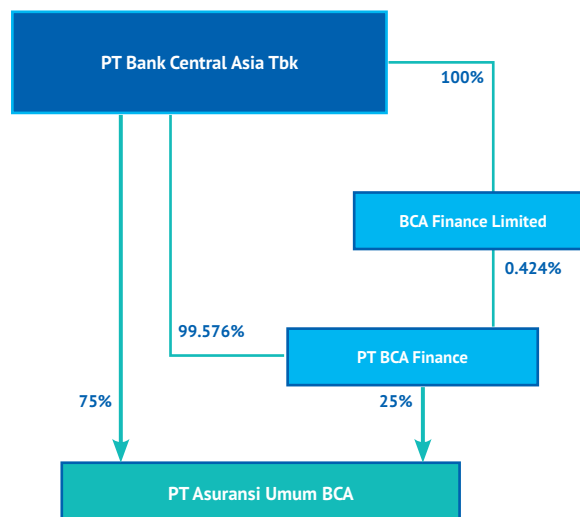
- Controlling Shareholders
- Controlling Line

\* Of the portion of shares belonging to public shareholders, 11.02% is owned by affiliated parties of PT Dwiduria Investama Andalan, 1.76% is owned by Anthoni Salim, and 0.20% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.

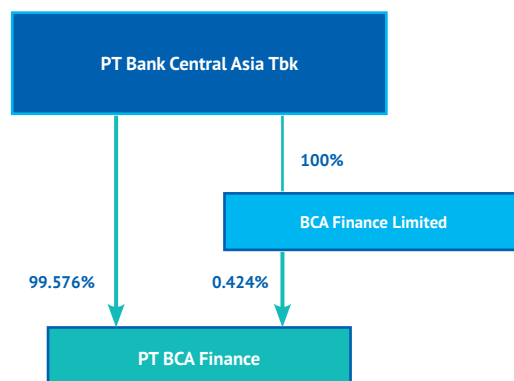
- Structure of Share Ownership of PT Bank BCA Syariah



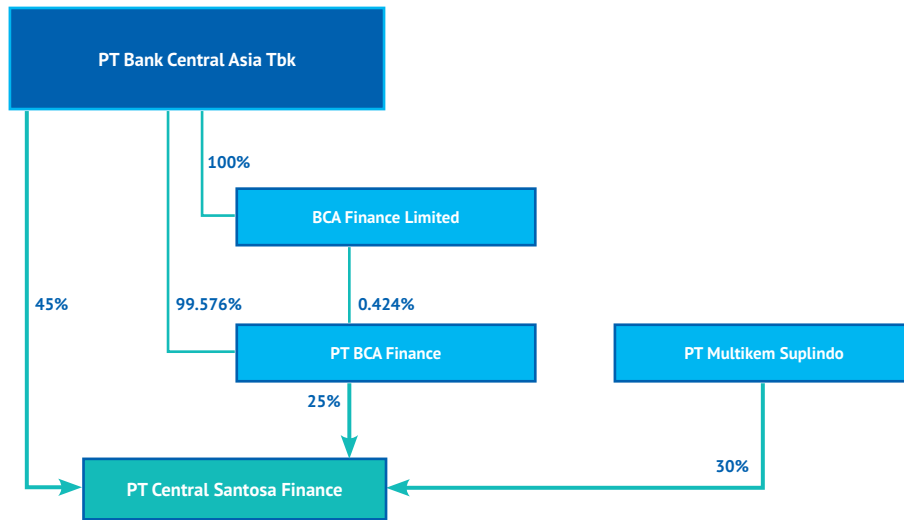
- Structure of Share Ownership of PT Asuransi Umum BCA (BCA Insurance)



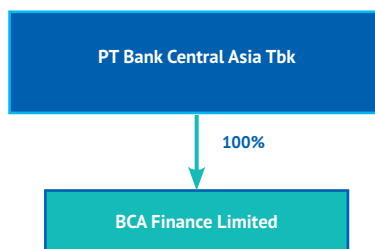
- Structure of Share Ownership of PT BCA Finance



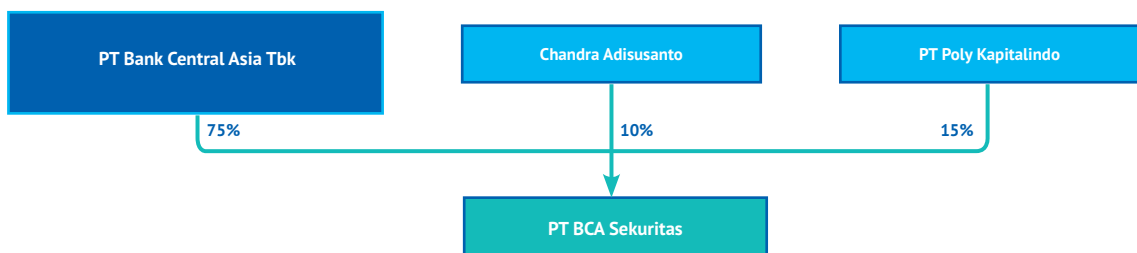
- Structure of Share Ownership of PT Central Santosa Finance



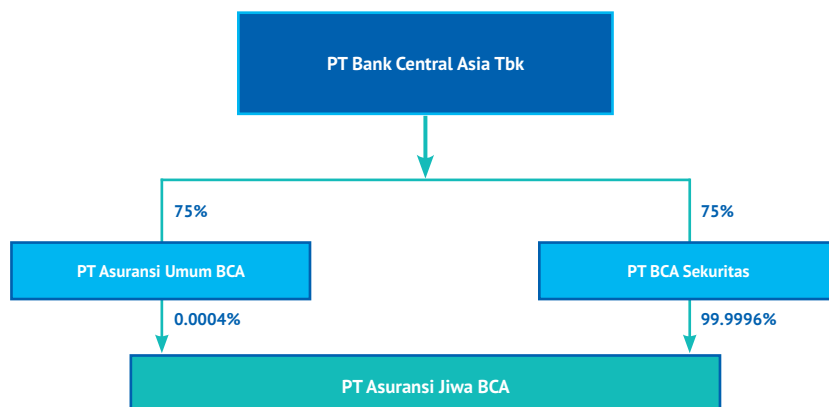
- Structure of Share Ownership of BCA Finance Limited



- Structure of Share Ownership of PT BCA Sekuritas



- Structure of Share Ownership of PT Asuransi Jiwa BCA





#### 4. Management Structure of The Legal Primary Entity (PT Bank Central Asia Tbk) and Subsidiaries Company in Financial Conglomerate for Year 2016

- Management Structure of PT Bank Central Asia Tbk

##### Board of Commissioners

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

##### Board of Directors

Name	Position
Jahja Setiaatmadja	President Director
Eugene Keith Galbraith	Deputy President Director
Armand Wahyudi Hartono	Deputy President Director
Suwignyo Budiman	Director
Tan Ho Hien/Subur atau Subur Tan	Director (concurrently as Compliance Director)
Henry Koenafi	Director
Erwan Yuris Ang	Independent Director
Rudy Susanto	Director
Lianawaty Suwono	Director
Santoso	Director
Inawaty Handoyo	Director

- Management Structure of PT Bank BCA Syariah

##### Board of Commissioners

Name	Position
Yana Rosiana	President Commissioner
Suyanto Sutjiadi	Independent Commissioner
Joni Handrijanto	Independent Commissioner

##### Board of Directors

Name	Position
John Kosasih	President Director
Houda Muljanti	Director
Tantri Indrawati	Compliance Director

- **Management Structure of PT BCA Finance**

<b>Board of Commissioners</b>	
<b>Name</b>	<b>Position</b>
Ricki Immanuel	President Commissioner
Adhi Gunawan Budirahardjo	Independent Commissioner
Sulistiyowati	Independent Commissioner

<b>Board of Directors</b>	
<b>Name</b>	<b>Position</b>
Roni Haslim	President Director
Amirdin Halim	Director
Petrus Santoso Karim	Director
David Pangestu	Director
Lim Handoyo	Director

- **Management Structure of PT Central Santosa Finance**

<b>Board of Commissioners</b>	
<b>Name</b>	<b>Position</b>
Roni Haslim	President Commissioner
Hermanto	Commissioner
Aldrian Irvan Kolonas	Commissioner
Mendari Handaya	Independent Commissioner

<b>Board of Directors</b>	
<b>Name</b>	<b>Position</b>
David Hamdan	President Director
Senjaya Komala	Director
Adhi Purnama	Director
Parmanto Adhi	Director

- **Management Structure of PT Asuransi Umum BCA (BCA Insurance)**

<b>Board of Commissioners</b>	
<b>Name</b>	<b>Position</b>
Petrus Santoso Karim	President Commissioner
Liston Nainggolan	Commissioner
Edison Idrus	Independent Commissioner
Gustiono Kustianto	Independent Commissioner

<b>Board of Directors</b>	
<b>Name</b>	<b>Position</b>
Gregorius Hariyanto	President Director
Hendro H. Wenan	Director
Hariyanto Djumali	Director
Harry Kaporo	Director
Antonius Tjhai	Associate Director

- Management Structure of PT BCA Sekuritas

## Board of Commissioners

Name	Position
Ferdinandus Aming Santoso	President Commissioner
Linus Ekabranko Windoe	Commissioner
Deddy Muljadi Hendrawinata	Commissioner

## Board of Directors

Name	Position
Mardi Henko Sutanto	President Director
Imelda Arismunandar	Director

- Management Structure of PT Asuransi Jiwa BCA

## Board of Commissioners

Name	Position
Sugito Lie	President Commissioner
Eva Agrayani Tjong	Commissioner
Pudjianto	Independent Commissioner

## Board of Directors

Name	Position
Christine Wahjuni Setyabudhi	President Director
Rio Winardi	Director
Yannes Chandra	Director
Honggo Djojo	Director

- Management Structure of BCA Finance Limited

## Board of Directors

Name	Position
Andy Kwok	Director
Edmund Tondobala	Director
Rudy Harjono	Director

## 5. Policy to Identify, Manage and Reconcile Intra-Group Transactions

### Introduction

The relation of ownership and/or control in various sectors of financial service will affect the business continuity of financial service institution caused by risk exposures arising out directly or indirectly from subsidiaries' business activities which are incorporated in a Financial Conglomerate.

BCA as the Legal Primary Entity of the BCA Financial Conglomerate is obliged to manage the risks of intra-group transactions and to carry out monitoring the intra-group transactions in an integrated manner.

### References

The BCA's Intra-Group Transaction Risk Management, which refers to:

1. Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates.
2. Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates.

### Definition of Intra-Group Transaction Risk

Intra-group transaction risk is a risk due to reliance of an entity, either directly or indirectly, towards other entity within one financial conglomerate in order to fulfill its contractual obligation of written or unwritten agreement which is followed with fund transfer and/or not followed with fund transfer.

### The Purpose of Intra-Group Transaction Risk Management

The main purposes of intra-group transaction risk management are:

1. To organize and supervise the intra-group transactions of Financial Conglomerate based on prudent principle.
2. To ensure that the risk management process can minimize the possibility of negative impact resulted by dependence of a Financial Service Institution (FSI) either directly or indirectly towards other FSI within a Financial Conglomerate.

### Type of Intra-Group Transaction

Risk of intra-group transaction, among others, may arise from:

1. Cross ownership between FSI within Financial Conglomerate.
2. Centralization of short term liquidity management.
3. Guarantee, loan, and commitment provided or acquired by a FSI from another FSI within Financial Conglomerate.
4. Exposure to the controlling shareholders, including loan exposure and off-balance sheet such as guarantee and commitment.
5. Asset purchase and sale to other FSI within one Financial Conglomerate.
6. Risk transfer through re-insurance.
7. Transaction to assign third party's risk exposure between FSI within Financial Conglomerate.

### Principles of Intra-Group Transaction Risk Management

In implementation principles of intra-group transaction risk management, the Legal Primary Entity is obliged to:

1. Have adequacy in risk management process including the overall intra-group transaction for Financial Conglomerate.
2. Carry out the monitoring of intra-group transactions of Financial Conglomerate regularly and prepare periodic report.
3. Encourage public disclosure related to the intra-group transactions.
4. Act as a liaison for members of Financial Conglomerate in ensuring important matters required to be noted and to act as a supervisor to consider the feasibility of intra-group transactions.
5. Consider adverse impact to occur to the members of Conglomerate indirectly and to the entire Financial Conglomerate from the intra-group transaction.

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

Implementation of intra-group risk management in Financial Conglomerate covers:

1. Supervision by Board of Commissioners and Board of Directors.
2. Adequacy of policy, procedure, and stipulation on intra-group transaction risk limits.

3. Adequacy on the process of identification, measurement, monitoring, and risk controlling as well as information system of intra-group transaction risk management.
4. A comprehensive internal controlling system towards the implementation of intra-group transaction risk management.

## 6. Supervision by The Board of Commissioners and The Board of Directors

### Introduction

Supervision by the Board of Commissioners and the Board of Directors is indispensable to ensure the implementation effectiveness of intra-group transaction risk management and conformity to the applicable provisions.

### Authority and Responsibility of the Board of Commissioners

The authorities and responsibilities of the Board of Commissioners in the implementation of intra-group transaction risk management are:

1. Approving the policy of intra-group transaction risk management.
2. Evaluating the Board of Directors' accountability and providing direction on improvement and implementation of the policy of intra-group transaction risk management.

### Authority and Responsibility of the Board of Directors

The authorities and responsibilities of the Board of Directors in intra-group transaction risk management are:

1. Comprehending the intra-group transaction risk attached to the Financial Conglomerate.
2. Preparing and determining the policy on intra-group transaction risk management.
3. Responsible for the implementation of intra-group transaction risk management.
4. Ensuring that each entity in the Financial Conglomerate implements the intra-group transaction risk management.
5. Monitoring the intra-group transaction risk regularly.
6. Developing risk culture as a part of the implementation of intra-group transaction risk management.

7. Ensuring that the implementation of intra-group transaction risk management is free of any conflict of interest between the Financial Conglomerate with the individual FSI.

### Human Resources

In the framework of the responsibility implementation of human resources related risk management, the Board of Directors are required to ensure:

1. A clear determination of human resource qualification for every position level related to the implementation of intra-group transaction risk management.
2. Placement of competent officers and staff in working unit related to the implementation of intra-group transaction risk management.
3. Adequacy of human resources quantity and quality in understanding duties and responsibilities in the implementation of intra-group transaction risk management.
4. Capacity building of human resources among others through sustainable education and training programs.
5. Comprehension of the entire human resources towards strategies, risk appetite, risk tolerance, and risk management framework of the intra-group transactions.

## 7. Adequacy on Policy, Procedure, and Determination of Intra-Group Transaction Risk Limit

### Introduction

Policy, procedure, and determination of intra-group transaction risk limit refer to the policy, procedure and limit determination as contained in Basic Policy of Integrated Risk Management.

### Risk Appetite and Risk Tolerance

Risk appetite and risk tolerance are described as follows:

1. Risk appetite is the risk available to be taken in order to achieve target in an integrated manner. The risk will be taken is reflected in business strategy and target.
2. Risk tolerance is the maximum risk level available to be taken.

- Risk appetite and risk tolerance must be in line with business strategy, risk profile, and capital plan of the Financial Conglomerate.

#### Policy and Procedure

Several matters required to be noted in policy and procedure related to intra-group transaction risk are:

- The Financial Conglomerate's Policy must comply with the applicable regulations related to the intra-group transactions.
- The Financial Conglomerate must ensure the fulfillment of arm's length principle (transaction fairness) related to the intra-group transaction.
- Procedures of the intra-group transaction risk management at least include:
  - Accountability and a clear level of authority delegation in the implementation of intra-group transaction risk management.
  - Review implementation towards the procedures regularly.
  - Adequate procedure documentation, namely a documentation which is complete, written, and easy to perform audit trail.

#### Risk Limit of Intra-Group Transaction

The Financial Conglomerate must ensure that determination of intra-group risk limit is in accordance with the regulatory provisions applicable.

### 8. Adequacy of Identification Process, Measurement, Monitoring, and Risk Control as well as Information System of Intra-Group Transaction Risk Management

#### Introduction

In the implementation of intra-group transaction risk management, BCA's as the Legal Primary Entity is obliged to carry out identification process, measurement, monitoring, and risk control towards all significant risk factors in an integrated manner, and supported by information system of an adequate intra-group transaction risk management.

#### Identification of Intra-Group Transaction Risk

The identification of intra-group transaction risk is carried out through:

- Identification of intra-group transaction composition in the Financial Conglomerate.
- Identification of documentation and transaction fairness.
- Identification of other information.

#### Measurement of Intra-Group Transaction Risk

The measurement of intra-group transaction risk aims to rank the risk level of intra-group transaction of the Financial Conglomerate. In addition, BCA's as the Legal Primary Entity is obliged to prepare risk profile of the intra-group transaction which is integrated to the members of the Financial Conglomerate.

**Below are the measurements which must be carried out to obtain risk profile of an integrated intra-group transaction:**

Measurement	Description	Measurement
Inherent Risk	In determining the inherent risk level, the Legal Primary Entity must make comprehensive analysis using the whole relevant quantitative and qualitative indicators. The indicators include 3 (three) aspects: 1. Intra-group transaction composition in the financial conglomerate. 2. Documentation and transaction fairness. 3. Other information.	1. Low 2. Low to Moderate 3. Moderate 4. Moderate to High 5. High
Quality of Risk Management Implementation	Measurement of quality of the integrated risk management implementation includes 4 (four) aspects: 1. Supervision by the Board of Commissioners and the Board of Directors. 2. Adequacy of policy, procedure, and limit determination of the intra-group transaction. 3. Adequacy of process of identification, measurement, and risk control as well as information system of the intra-group transaction risk management. 4. A comprehensive internal control system towards the implementation of the intra-group transaction risk management.	1. Strong 2. Satisfactory 3. Fair 4. Marginal 5. Unsatisfactory

## Risk Level Rating

Risk level rating is a combination of inherent risk measurement and measurement of risk management implementation.

Mapping of risk level rating of the intra-group transaction can be seen in the matrix below:

Assessment Results on Integrated Risk Level Rating		Quality Rating of Risk Management Implementation (KPMR)				
		Strong	Satisfactory	Fair	Marginal	Unsatisfactory
Integrated Inherent Risk Rating	Low	Low	Low	Low to Moderate	Moderate	Moderate
	Low to moderate	Low	Low to Moderate	Low to Moderate	Moderate	Moderate to High
	Moderate	Low to Moderate	Low to Moderate	Moderate	Moderate to High	Moderate to High
	Moderate to high	Low to Moderate	Moderate	Moderate to High	Moderate to High	High
	High	Moderate	Moderate	Moderate to High	High	High

### Monitoring the Intra-Group Transaction Risk

Monitoring the intra-group transaction risk is carried out by taking into account:

1. Parameters composition of the inherent intra-group transaction risks in the integrated risk profile report.
2. Documentation completeness of the intra-group transaction.
3. Intra-group transaction fairness.
4. Other information related to the intra-group transaction.

### Control on the Intra-Group Transaction Risk

Control on the intra-group transaction risk is carried out by ensuring:

1. Fairness of the intra-group transaction of the Financial Conglomerate.
2. Availability of documentation for each intra-group transaction.
3. Each intra-group transaction must comply with the law/regulatory provisions applicable.

### Information System for Intra-Group Transaction Risk Management

The information system for intra-group transaction risk management includes the profile report of intra-group transaction, which is a part of the integrated risk profile report.

## 9. A Comprehensive Internal Control System Towards Implementation of Intra-Group Risk Management Transaction

### Introduction

The internal control system for intra-group transaction risk refers to the internal control as contained in the Basic Policy of Integrated Risk Management.

### Internal Control System

An effective implementation process of intra-group transaction risk management must be equipped with a comprehensive internal control system. An effective implementation of internal control system is expected to be able to maintain the assets of the Financial Conglomerate, to guarantee the availability of a reliable reporting, to improve compliance to the provisions as well as laws and regulations, and to mitigate the risk of losses, deviation and violation of circumspection aspect.

The implementations of internal control system are as follows:

1. BCA is obliged to implement an effective internal control system on the intra-group transaction risk by referring to the policy and procedures have been set out.
2. The internal control system is prepared in order to ensure:
  - 2.1. The compliance to policy and internal terms as well as laws and regulations.

- 2.2. The risk culture effectiveness in the Financial Conglomerate organization comprehensively to identify weakness and deviation early and to re-assess fairness of the policy and procedures available in the Financial Conglomerate in an ongoing basis.
  3. Review towards measurement of the intra-group transaction risk, at least includes:
    - 3.1. Policy conformity, organization structure, resources allocation, process design of the intra-group transaction risk management, information system, and risk reporting in accordance with business requirements of the Financial Conglomerate, as well as development of regulation and best practice related to the intra-group transaction risk management.
    - 3.2. A complete and adequate documentation towards the coverage, operational procedure, audit findings, as well as the responds of the Financial Conglomerate management based on the audit results.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
  - Financial Services Authority Regulation No. 17/POJK.03/2014 concerning the Implementation of Risk Management for Financial Conglomerates.
  - Financial Service Authority Circular Letter No.14/SEOJK.03/2015 concerning the Implementation of Integrated Risk Management for Financial Conglomerate.
  - Financial Service Authority Regulation No.18/POJK.03/2014 concerning the Implementation of Integrated Governance For Financial Conglomerate.
  - Financial Service Authority Circular Letter No.15/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerate.

## THE BOARD OF DIRECTORS

The Board of Directors is a company organ with the main task to carry out the management in the interests and objectives of the Company in accordance to the purposes and objectives of the Company under the provisions of the Articles of Association and prevailing legislation.

### 1. Legal References

- Constitution No. 40 Year 2007 regarding Limited Liability Companies.
- Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Commissioners of Issuers or Public Companies.
- Bank Indonesia Regulation No.12/23/PBI/2010 concerning Fit and Proper Test.
- Bank Indonesia Circular Letter No.13/8/DPNP concerning Fit and Proper Test which has been amended by Bank Indonesia Circular Letter No.13/26/DPNP.
- Bank Indonesia Circular Letter No.15/15/DPNP dated 29 April 2013 concerning the Implementation of Good Corporate Governance For Commercial Banks.

### 2. Charter of the Board of Directors

The Board of Directors has Board of Directors Charter that governs among others the following:

- a. Composition, Criteria, and Independency of members of the Board of Directors.
- b. Terms of office of members of the Board of Directors.
- c. Dual positions of members of the Board of Directors.
- d. Obligations, Duties, Responsibilities, and Authorities of the Board of Directors.
- e. Transparency and Prohibitions for members of Board of Directors.
- f. Orientation and Training Program for members of Board of Directors.
- g. Ethics and Working Hours of the Board of Directors;
- h. Meetings of the Board of Directors.

The Board of Directors Charter is covered in the GCG Manual of BCA and can be viewed on BCA's website ([www.bca.co.id](http://www.bca.co.id)) under the Good Corporate Governance section.



### 3. Duties and Responsibilities of the Board of Directors

Duties and responsibilities of the Board of Directors among others are:

- a. To lead and manage BCA in accordance with BCA's aims and objectives.
- b. To control, maintain and manage BCA's assets for BCA's benefits.
- c. To create an internal control structure, to ensure the implementation of the internal audit function at each management level and follow-up on Internal Audit findings in accordance to the policies or directions given by the Board of Commissioners.
- d. To submit the Annual Work Plan and including the Annual Budget to the Board of Commissioners for approval prior to the commencement of the upcoming fiscal year.
- e. To implement the principles of good corporate governance in each of BCA's business activity at all organizational levels of BCA.
- f. To establish the Integrated Risk Management Committee.
- g. To carry out evaluation on the performance of the committee established by Board of Directors, at the end of each fiscal year.
- h. To convene Board of Directors meetings periodically, at least 1 (one) time every month.
- i. To make minutes of Board of Directors' meeting, and signed by all members of Board of Directors attending the Board of Directors' meeting.
- j. To distribute copies of minutes of Board of Directors' meeting to all members of Board of Directors and relevant parties.
- k. To convene meeting of Board of Directors and Board of Commissioners, at least 1 (one) time within 4 (four) months.
- l. To procure and keep Shareholders Registry, Special Registry, Minutes of General Meeting of Shareholders & Minutes of Meeting of Board of Directors.
- m. To prepare the Annual Report and other financial documents of the Company as set forth in the prevailing legislation.
- n. To follow up on audit findings and recommendations of External Auditors and the results of monitoring activities by the Financial Services Authority, Bank Indonesia and/or other authorities, including but not limited to the Indonesia Stock Exchange.

- o. To be accountable for the performance of its duties and responsibilities to the shareholders through the General Meeting of Shareholders.

### 4. Authorities of the Board of Directors

Authorities of the Board of Directors, among others are:

- a. To act for and on behalf of BCA in and out of court on all matters and in any event, binding BCA with other parties and other parties with BCA, as well as carrying out all actions, both management and ownership, with restrictions as listed in the Articles of Association of BCA.
- b. For certain acts, the Board of Directors is entitled to appoint one or more persons with the authority and conditions determined by the Board of Directors in a special power of attorney.
- c. To set policy in leading and managing BCA.
- d. To set the rules of employment of BCA, including the determination of salary, pension or retirement benefits and other income for the employees of BCA, based on the prevailing legislation and/or decision of the General Meeting of Shareholders.
- e. To appoint and dismiss employees of BCA under BCA's employment rules and regulations.
- f. To grant to one or more members of the Board of Directors or to one more employees of BCA, either alone or together with other persons or entities, to represent BCA inside and outside the Court.
- g. To execute other actions, both on management and ownership, in accordance to the provisions stipulated by the Board of Commissioners with regards to prevailing legislative provisions.

In carrying out its duties, responsibilities and authority, the Board of Directors shall take into account BCA's Articles of Association and Board of Directors Charter, as well as the prevailing laws and regulations.

### 5. Segregation of Duties and Responsibilities of the Board of Directors

Each Director performs his/her duties and makes decision according to the segregation of duties and authorities as governed by the Decision of Board of Commissioner No. 197/SK/KOM/2016 dated 31 August 2016 concerning Segregation of Duties and Responsibilities and Main Organization Framework of PT Bank Central Asia Tbk as explained below:

No.	Name	Position	Duties and Responsibilities	Alternate Director I	Alternate Director II	Alternate Director III
1.	Jahja Setiaatmadja (JS)	President Director (PD)	<ul style="list-style-type: none"> <li>• Audit Internal <sup>****</sup>)</li> <li>• Anti Fraud</li> <li>• Corporate Social Responsibility</li> </ul>	WP1 DHC WP2	DCR DCR DCR	DJW DJW DJW
2.	Eugene K. Galbraith (EG)	Deputy President Director (WP1) <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Finance &amp; Planning</li> <li>• Corporate Secretary</li> <li>• Enterprise Security</li> </ul>	PD PD DCR	DKR DBK DBI	DBK DBI DHC
3.	Armand W. Hartono (AH)	Deputy President Director (WP2)	<ul style="list-style-type: none"> <li>• Operation Strategy Development</li> <li>• Information Technology</li> <li>• Domestic Payment Services</li> <li>• Electronic Banking Services</li> <li>• International Banking Services</li> </ul>	DJW  DBI DKR DTP DBK	DHC  DHC DJW DJW DTP	DKS  DTP DKS DHC DHC
4.	Subur Tan (ST)	Compliance & Risk Director (DCR) <sup>***)</sup>	<ul style="list-style-type: none"> <li>• Compliance<sup>****)</sup></li> <li>• Legal</li> <li>• Risk Management<sup>****)</sup></li> </ul>	DHC DJW DJW	WP1 WP1 WP1	PD PD PD
5.	Rudy Susanto (RS)	Corporate Banking Director (DBK) <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Corporate Banking</li> <li>• Corporate Branch</li> <li>• Treasury</li> <li>• International Banking</li> <li>• BCA Finance Ltd. (Hong Kong)</li> <li>• BCA Sekuritas</li> </ul>	DKS DKS PD WP1 WP1 WP1	DBI DBI WP1 PD DTP PD	WP1 WP1 DBI DBI DKR DKR
6.	Henry Koenafi (HK)	SME & Commercial Banking Director (DKS) <sup>*)</sup>	<ul style="list-style-type: none"> <li>• SME Commercial Banking</li> <li>• Cash Management</li> <li>• Credit Services</li> <li>• Central Santosa Finance</li> <li>• BCA Finance</li> </ul>	DBK DBK DJW DBI DBI	DTP DTP DKR DKR DKR	DBI DBI DTP DTP DTP
7.	Suwigno Budiman (SB)	Individual Banking Director (DBI) <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Consumer Finance (KPR, KKB)</li> <li>• Individual Customer Business Development</li> <li>• BCA Syariah</li> <li>• BCA Insurance</li> <li>• Asuransi Jiwa BCA</li> </ul>	DKS DKS  DTP DKR DHC	DTP DTP  DJW DKS DKS	DBK WP2  WP2 DTP DTP
8.	Erwan Yuris Ang (EY)	Network Distribution Director (DJW) <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Regional &amp; Branch Banking Management</li> <li>• Network &amp; Regional Planning</li> <li>• Procurement &amp; Facility Management</li> </ul>	WP2  WP2 DKR	DHC  DHC DHC	DKS  DKS WP1
9.	Inawaty Handoyo (IH)	Credit Director (DKR)	<ul style="list-style-type: none"> <li>• Credit Analysis</li> <li>• Credit Recovery</li> </ul>	DJW DJW	WP1 WP1	PD PD
10.	Santoso (SL)	Transaction Banking Director (DTP)	<ul style="list-style-type: none"> <li>• Transaction Banking Business Development</li> <li>• Transactions Banking Partnership Solution Development</li> <li>• Transaction Banking Product Development</li> <li>• Transaction Banking Business Support &amp; Service</li> </ul>	DKS  DBI WP2 DBI	WP2 WP2 DBI DKS	DBI DKS DKS WP2
11.	Lianawaty Suwono (LS)	Human Capital Management Director (DHC)	<ul style="list-style-type: none"> <li>• Human Capital Management</li> <li>• Learning &amp; Development</li> </ul>	DCR DCR	PD WP2	WP2 WP1

**Notes:**

1. Alternate Director reports to the respective (functional) Director all actions/decisions made during the period of acting in place of the Director.

2. The management of Subsidiary Companies is set as follows:

<sup>\*)</sup> To perform the overall monitoring and alignment of the management of Subsidiary Companies.

<sup>\*\*)</sup> To monitor the business progress of Subsidiary Companies.

<sup>\*\*\*)</sup> To perform the risk monitoring of Subsidiary Companies in order to have an integrated risk management.

<sup>\*\*\*\*)</sup> To perform the monitoring of internal audit/risk management/compliance function at Subsidiary Companies in order to implement integrated corporate governance and risk management.

Implementation of the above functions shall always consider the principles in Limited Liability Companies, where the Subsidiary Company is an independent/ separate legal entity.

The Board of Directors and/or Commissioners of Subsidiary Companies are responsible to the GMS of the Subsidiary Company.

The Parent Company as shareholder carries out its authorities and functions through the GMS held by the Subsidiary Company.

3. <sup>\*)</sup> The Network Distribution Director is responsible for daily implementation, development and monitoring. The Head of Regional Office is responsible to the Board of Directors.

## 6. Number, Composition, and Criteria of Members of the Board of Directors

As of 31 December 2016, there are 11 (eleven) members of the Board of Directors of BCA, comprising of 1 (one) President Director, 2 (two) Deputy President Director, 1 (one) Compliance Director, 1 (one) Independent Director, and 6 (six) Directors. 1 (one) member of the Board of Directors also serves as the Compliance Director. The President Director is an independent party to the controlling shareholders.

The term of duty of Directors is 5 (five) years. The current period will expire at the conclusion of the Annual General Meeting of Shareholders will be held on 2021 by BCA (AGMS), without prejudice to the authority of the General Meeting of Shareholders to dismiss one or more Director at any time before the term ends. All Directors have passed the Fit and Proper Test and have acquired Approval Letters of Bank Indonesia/ Indonesia Financial Services Authority. All of Board of Directors reside in Indonesia.

Those who can be appointed as members of the Board of Directors are individuals who comply with the requirement as referred to Financial Service Authority Regulation No.33/POJK.04/2014 dated 8 December 2014 regarding Board of Directors and Board of Commissioners of Issuer or Public Company, as follows:

1. The general criteria in the selection of Directors are among others:
  - a. Has good character, morals, and integrity;
  - b. Capable of performing legal actions;
  - c. Within 5 (five) years before appointment and when in charge of the position:
    - 1) Never been declared bankrupt;
    - 2) Never been a member of Board of Directors and/or Board of Commissioners that was found guilty in causing a company to become bankrupt;
    - 3) Never been convicted of any criminal offense that is detrimental to a country's or financial sector's financial position; and
    - 4) Never been a member of the Board of Directors and/or Board of Commissioners which during the terms of office:
      - i. Did not hold an AGMS;
      - ii. His/her accountability as a member of the Board of Directors and/or

Board of Commissioners was not accepted by the GMS or he/she did not submit his/her accountability as a member of the Board of Directors and/or Board of Commissioners to the GMS; and

- iii. Had caused a company that obtained license, approval, or registration from the Financial Services Authority not complying with its obligation to submit the annual report and/or financial report to the Financial Services Authority.
  - d. Has commitment to comply with the law and regulations.
  - e. Possesses knowledge and skills in the area required by the company.
2. Complies with the requirements of integrity, competency, and financial reputation as referred to in Regulation of Bank Indonesia No.12/23/PBI/2010 dated 29 December 2010 concerning Fit and Proper Test, namely:
    - a. Integrity requirements include:
      - i. Has good character and morals among others shown by the attitude to adhere the regulatory requirement, including never been convicted a specific crime within the last 20 (twenty) prior to nomination;
      - ii. Committed to comply with the applicable laws and regulations;
      - iii. Committed to the development of health Bank operations;
      - iv. Not included in the Disqualified List (DTL);
      - v. Committed not to conduct and/or to repeat offenses and/or actions as referred to in Article 27 and Article 28, for candidates of Board of Directors who once had Disqualified predicate in a fit and proper test and have been undergoing a period of sanction as referred to in Article 35 paragraph (1), Article 40 paragraph (4) letter a and Article 40 paragraph (5) of Regulation of Bank Indonesia as mentioned here in above.

- b. Competency requirements include:
- knowledge in banking sector which is adequate and relevant to the position;
  - experience and expertise in banking sector and/or finance;
  - capability to perform strategic management in the framework of development of health Bank.
- c. Financial reputation requirements include:
- has no bad credit; and
  - never been stated bankrupt or become a member of the Board of Directors/ the Board of Commissioners who is convicted to cause a company to be declared bankrupt, within the last 5 (five) years prior to the nomination.

## 7. Composition of BCA's Board of Directors as of 31 December 2016

Based on the Annual GMS of BCA in 2016, there were changes to the membership composition of BCA's Board of Directors. The membership composition of BCA's Board of Directors is contained in the Deed of Minutes of Meeting of PT Bank Central Asia Tbk No. 216 dated 26 August 2016, made before Irawan Soerodjo, SH, Msi, Notary in Jakarta.

### Composition of Membership of the Board of Directors of BCA as of 31 December 2016:

No	Position	Name
1.	President Director	Jahja Setiaatmadja
2.	Deputy President Director	Eugene Keith Galbraith
3.	Deputy President Director	Armand Wahyudi Hartono
4.	Director (concurrently as Compliance Director)	Tan Ho Hien/ Subur/ Subur Tan
5.	Director	Rudy Susanto
6.	Director	Henry Koenafi
7.	Director	Suwignyo Budiman
8.	Independent Director	Erwan Yuris Ang
9.	Director	Lianawaty Suwono
10.	Director	Santoso
11.	Director	Inawaty Handoyo

**Notes:**

- Based on Letter of Appointment from the Financial Services Authority No. SR-106/D.03/2016, dated 21 June 2016 Mr. Armand Wahyudi Hartono was appointed as Deputy President Director of PT Bank Central Asia Tbk.
- Based on Letter of Appointment from the Financial Services Authority No. SR-137/D.03/2016, dated 27 July 2016 Mrs. Lianawaty Suwono was appointed as Director of PT Bank Central Asia Tbk.
- Based on Letter of Appointment from the Financial Services Authority No. SR-143/D.03/2016, dated 8 August 2016 Mr. Santoso was appointed as Director of PT Bank Central Asia Tbk.
- Based on Letter of Appointment from the Financial Services Authority No. SR-144/D.03/2016, dated 8 August 2016 Mrs. Inawaty Handoyo was appointed as Director of PT Bank Central Asia Tbk.

Profile of members of the Board of Directors of BCA is presented at Corporate Data section, page 60 – 69 of this 2016 Annual Report.

Based on Circular Letter of the Financial Services Authority No. 30/SEOJK.04/2016 concerning Format and Contents of Annual Reports of Issuers or Listed Companies, following is the latest composition of the Board of Directors of the Bank, prior to the changes to such Board of Directors as based on the Deed of Minutes of the Annual General Meeting of Shareholders No. 80 dated 14 August 2014.

#### Composition of Membership of the Board of Directors of BCA as of 31 December 2015:

No	Position	Name
1.	President Director	Jahja Setiaatmadja
2.	Deputy President Director	Eugene Keith Galbraith
3.	Director	Dhalia Mansor Ariotedjo
4.	Director	Anthony Brent Elam
5.	Director	Suwignyo Budiman
6.	Director (concurrently as Compliance Director)	Tan Ho Hien/ Subur/ Subur Tan
7.	Director	Rudy Susanto
8.	Director	Henry Koenafi
9.	Independent Director	Erwan Yuris Ang
10.	Director	Rudy Susanto

#### 8. Diversity in the Composition of Members of the Board of Directors

The composition of members of the Board of Commissioners of BCA reflects the diversity of its members, both in terms of education, working experience, age, gender, and expertise. Each members of Board of Directors holds a high degree of competence in favor of increasing the performance of the Company.

In line with the Bank of Indonesia Regulation No.12/23/PBI/2010 dated 29 December 2010 concerning Fit and Proper Test and Bank of Indonesia Circular Letter No.13/8/DPNP dated 28 March 2011 concerning Fit and Proper Test which has been amended by the Bank of Indonesia Circular Letter No.13/26/DPNP dated 30 November 2011, all members of the Board of Directors of BCA passed the Fit and Proper Test and obtained approval letter from the Bank Indonesia/Financial Services Authority.

#### Diversity in the Composition of Members of the Board of Directors can be seen in the following table:

No	Diversity	Description
1	Independent Director	BCA has 1 (one) Independent Director out of 11 (eleven) members of Board of Directors.
2	Skill/Education	The level of education of members of the Board of Directors varies, starting from Bachelor, Master, and Doctorate degrees with different competence including Economics, Accountancy, Information Technology, Legal, Technology, and Business.
3	Work Experiences	Diversity in work experiences of members of the Board of Directors, such as banking professionals as well as national/multinational financial institution, consultant, lecturer.
4	Age	The age of members of the Board of Directors varies within productive age range 41-66 years old.
5	Gender	Out of 11 (eleven) members of the Board of Directors, BCA has 2 (two) female Directors and 9 (nine) male Directors.

## 9. Nomination of Members of the Board of Directors

The Remuneration and Nomination Committee recommends candidates for members of the Board of Directors to the Board of Commissioners. After considering this recommendation, the Board of Commissioners proposes the Director candidate(s) for appointment at the General Meeting of Shareholders (GMS). The GMS appoints the candidate as member(s) of the Board of Directors by considering the recommendation from the Board of Commissioners.

## 10. The Board of Directors Statement of Independence

The majority of members of the Board of Directors of BCA have no financial, management, stock ownership and/or family relationships until second layer with members of the Board of Commissioners, fellow members of the Board of Directors and/ or Controlling Shareholders or relationship with BCA that may affect their ability to act independently.

Name	Position	Relationship with:						Financial Relation 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	-	√	-	√	-	√	-	√	-	√	-	√
Eugene Keith Galbraith	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Suwigno Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Henry Koenaifi	Director	-	√	-	√	-	√	-	√	-	√	-	√
Tan Ho Hien/Subur atau Subur Tan	Director (concurrently as Compliance Director)	-	√	-	√	-	√	-	√	-	√	-	√
Erwan Yuris Ang	Independent Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Inawaty Handoyo	Director	-	√	-	√	-	√	-	√	-	√	-	√

## 11. Share Ownership of Members of the Board of Directors that amounts to 5% or Above of the Paid-up Capital

Name	Share Ownership of Members of the Board of Directors that amounts to 5% or Above of the Paid-up Capital:			
	BCA	Other Bank	Non-Bank Financial Institution	Other Company
Jahja Setiaatmadja	-	-	-	√
Eugene Keith Galbraith	-	-	-	-
Armand Wahyudi Hartono	-	-	-	√
Suwigno Budiman	-	-	-	-
Henry Koenaifi	-	-	-	-
Subur Tan	-	-	-	-
Erwan Yuris Ang	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Inawaty Handoyo	-	-	-	-

## 12. Dual Functions of Members of the Board of Directors

None of the Directors holds positions as a member of a Board of Commissioners, member of a Board of Directors, or executive officer at another bank, company, and/or institution.

Name	Position at BCA	Position at Other Bank	Position at Company/Institution	Type of Business
Jahja Setiaatmadja	President Director	-	-	-
Eugene Keith Galbraith	Deputy President Director	-	-	-
Armand Wahyudi Hartono	Deputy President Director	-	-	-
Suwignyo Budiman	Director	-	-	-
Henry Koenafi	Director	-	-	-
Tan Ho Hien/Subur atau Subur Tan	Director (concurrently as Compliance Director)	-	-	-
Erwan Yuris Ang	Independent Director	-	-	-
Rudy Susanto	Director	-	-	-
Lianawaty Suwono	Director	-	-	-
Santoso	Director	-	-	-
Inawaty Handoyo	Director	-	-	-

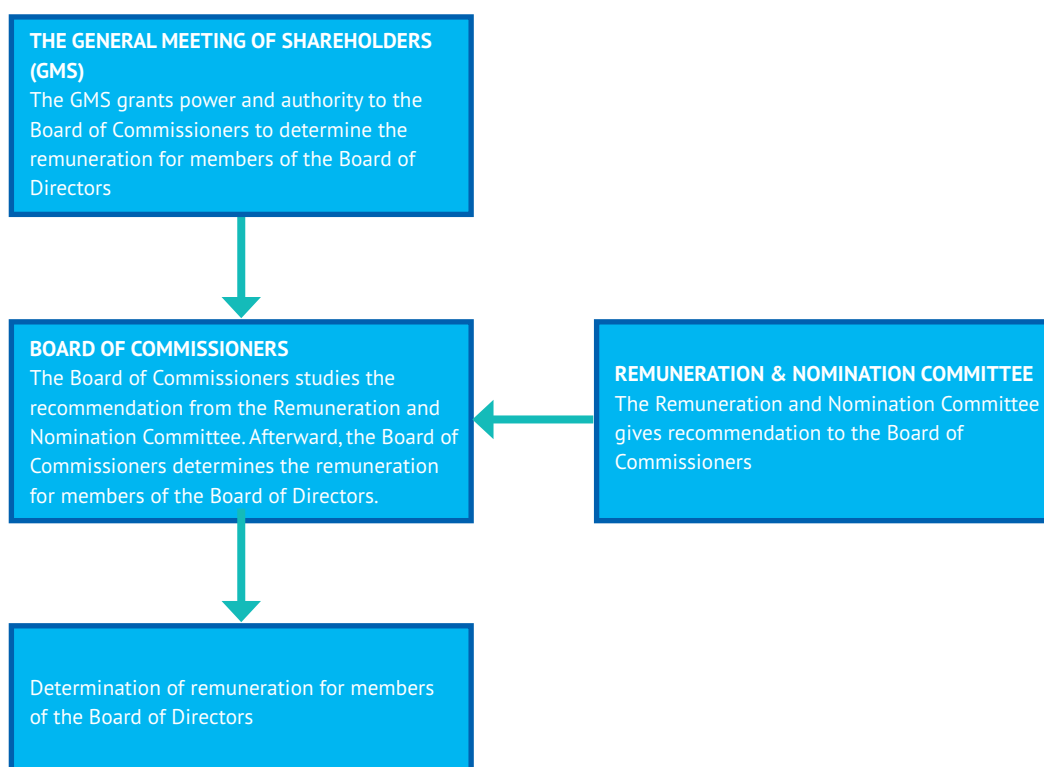
## 13. Procedure for Determining the Remuneration of the Board of Directors

Based on the decision of the 2016 AGMS will be held on 2016, the 2016 GMS has granted the power and authority to:

- (i) The Board of Commissioners to determine the amount of salary and other benefits for members of the Board of Directors;
- (ii) The controlling shareholders to determine the distribution of tantiem for the Board of Commissioners and Board of Directors.

In exercising its power and authority, the Board of Commissioners will consider the recommendation of the Remuneration and Nomination Committee.

### Scheme of the Board of Directors' Remuneration Determination Procedure



#### 14. Remuneration Structure of the Board of Directors

The Remuneration Structure showing the remuneration components and nominal value for each component for all members of the Board of Directors in 2016 is as follows:

Type of Remuneration and Other Facilities	Amount Received in 1 year	
	BOARD OF DIRECTORS	
	Person	In Million Rupiah
1. Remuneration (salary, bonus, routine allowance, tantiem, and other non-natura facilities)	13	324,308
2. Other natura facilities:		
a. Business Remuneration Travel Allowance	11	573
b. Health Benefits	13	1,047
c. Health & Golf Club Memberships	10	700
d. Option for purchasing service vehicles at the end of leasing period	-	-
3. Retirement benefit (owned at the end of term)	-	-
<b>Total</b>		<b>326,628</b>

**Notes :**

The amount in the table of Remuneration Structure include remuneration for members of the Board of Directors that were not re-appointed, as well as the newly appointed Directors based on the resolution of the AGMS in 2016.

The amount of remuneration received in cash throughout 2016 is in excess of Rp 2 Billion for each member of the Board of Directors in 1 (one) year.

#### Indicators for Determining Remuneration for the Board of Directors

The indicators for determining remuneration for the Board of Directors among others are as follows:

- a. Individual performance of Director.
- b. Financial performance and fulfillment of reserve fund as stated in Constitution No. 40 Year 2007 concerning Limited Liability Company.
- c. Fairness with peer group. Equality of position within BCA organization and with other similar banks in terms of assets and characteristics.
- d. Consideration of BCA's long term goals and strategies.

#### 15. The Board of Directors Meetings, Joint Meetings, and Attendance of Members of the Board of Directors

The Board of Directors meeting schedule is set at the beginning of the year. Throughout 2016 the Board of Directors held 55 (fifty five) meetings, as follows:

- 38 (thirty eight) Board of Directors Meetings
- 17 (seventeen) Joint Meetings between the Board of Directors and Board of Commissioners.

BCA is in compliance with Bank Indonesia regulations and Financial Services Authority Regulations regarding minimum mandatory Board of Directors Meetings and Joint Meetings between the Board of Directors and the Board of Commissioners.

Decision making is conducted through consensus agreement. In the event when consensus agreement does not occur, decision making is carried out based on majority vote. All decisions taken in the meeting of the Board of Directors is binding. Differences of opinion (dissenting opinion) that occur in Board of Directors meetings shall be clearly stated in the minutes of the meeting along with the reasons for dissent.



## Frequency of Board of Directors Meetings and Attendance of the Member of the Board of Directors in 2016:

Position (Name)	Number of Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja)	38	35	92%
Deputy President Director (Eugene Keith Galbraith)	38	32	84%
Deputy President Director (Armand Wahyudi Hartono) <sup>1)</sup>	38	25	66%
Corporate Banking Director (Dhalia Mansor Ariotedjo) <sup>1)</sup>	11	8	73%
Risk Management Director (Anthony Brent Elam) <sup>1)</sup>	11	11	100%
Compliance & Risk Director (Subur Tan)	38	28	74%
Corporate Banking Director (Rudy Susanto)	38	27	71%
SME & Commercial Banking Director (Henry Koenafi)	38	30	79%
Individual Banking Director (Suwignyo Budiman)	38	33	87%
Network Distribution Director (Erwan Yuris Ang)	38	25	66%
Human Capital Management Director (Lianawaty Suwono) <sup>2)</sup>	20	10	50%
Transaction Banking Director (Santoso) <sup>3)</sup>	18	11	61%
Credit Director (Inawaty Handoyo) <sup>4)</sup>	18	17	94%

### Notes :

<sup>1)</sup> By the resolutions of the Annual GMS on 7 April 2016, Ms. Dhalia Mansor Ariotedjo and Mr. Anthony Brent Elam were not re-appointed as Director of the Bank

<sup>1)</sup> Based on Letter of Appointment from the Financial Services Authority No. SR-106/D.03/2016 dated 21 June 2016 Mr. Armand Wahyudi Hartono was appointed as Deputy President Director of PT Bank Central Asia Tbk.

<sup>2)</sup> Based on Letter of Appointment from the Financial Services Authority No. SR-137/D.03/2016 dated 27 July 2016 Mrs. Lianawaty Suwono was appointed as Director of PT Bank Central Asia Tbk.

<sup>3)</sup> Based on Letter of Appointment from the Financial Services Authority No. SR-143/D.03/2016, dated 8 August 2016 Mr. Santoso was appointed as Director of PT Bank Central Asia Tbk.

<sup>4)</sup> Based on Letter of Appointment from the Financial Services Authority No. SR-144/D.03/2016, dated 8 August 2016 Mrs. Inawaty Handoyo was appointed as Director of PT Bank Central Asia Tbk.

## Schedule and Agenda of the Meetings of the Board of Directors in 2016:

Month	Date	Several of the Meeting Agenda were:
January	14	<p><b>Business Continuity</b></p> <ul style="list-style-type: none"> <li>• Discussion and reports from work units and Regional Office, among others:               <ul style="list-style-type: none"> <li>o Discussion and reports from the Division of Finance and Planning, among others:                   <ul style="list-style-type: none"> <li>- Update on cost allocation and profitability analysis</li> <li>- Update on the development of CASA</li> <li>- Performance Management Review</li> <li>- Update on cost allocation and profitability analysis project</li> <li>- Portfolio update &amp; marketing budget</li> <li>- Dividend on Profit</li> <li>- Proposal for Interest Rate of Deposits</li> <li>- Purchase of securities YTD 2016 &amp; plan for purchase of securities</li> </ul> </li> <li>o Discussion of Regional Offices: economic, business and performances of regional offices.</li> <li>o Reports from the Division of Logistic &amp; Warehousing, Consumer Credit Business Unit, etc.</li> </ul> </li> <li>• Discussion on the development of banking solution, among others:               <ul style="list-style-type: none"> <li>o Branchless banking update, low cost banking network</li> <li>o Product proposition for BCA Credit Card.</li> <li>o Improvement on BCA relationship</li> <li>o Tax amnesty, among others preparation for socialization and branch office operational, credit cash collateral scheme</li> <li>o UBC promotion to commemorate the 59th BCA Anniversary.</li> <li>o Cyber crime insurance</li> <li>o Customer engagement program BCA K1 study, active &amp; passive K1 customer</li> <li>o Banking on demographic change</li> <li>o Password e-statement RDN</li> <li>o Development of Bancassurance</li> <li>o Management of branch office business.</li> <li>o Underwriting for SME loan</li> </ul> </li> <li>• Development of business potential, among others:               <ul style="list-style-type: none"> <li>o BCA the next fifteen years</li> <li>o Discourses on business development, such as Discourses on Acquisition, Capital Inclusion, investment in consortium, BCA Venture Capital</li> </ul> </li> <li>• Discussion on the Development of the Organization, among others:               <ul style="list-style-type: none"> <li>o Organizational development, among others Job Description of Board of Directors, / Updating Employee Name Card, Review on mapping of officials, Officials rotation, KPI PKKC 2017, planning session 2017 &amp; mini company</li> <li>o Internal engagement, such as BCA Award, Porseni Jabodetabek, Porseni for the 60th Anniversary of BCA, Rakernas 2017, launching of green office</li> <li>o External engagement, such as organizing IKF</li> </ul> </li> <li>• Discussion on IT development, among others:               <ul style="list-style-type: none"> <li>o BCA Hackathon</li> <li>o IT Blue print for BCA subsidiaries</li> <li>o Security swift and security assessment result</li> <li>o Future banking, overview from demographical &amp; technological point of view</li> <li>o Online business forum</li> </ul> </li> <li>• Discussion on results of survey, among others:               <ul style="list-style-type: none"> <li>o Internal survey results: economic survey on customers semester 1 and 2</li> <li>o Survey report from independent party.</li> </ul> </li> <li>• Risk Management, Governance, Internal Control and Compliance               <ul style="list-style-type: none"> <li>o Internet banking attack update</li> <li>o Security of Klik BCA</li> <li>o Regulation on the Submission of Foreign Customers' Information Related to Taxes</li> <li>o Affiliated transaction</li> <li>o Potential and risk of infrastructure financing</li> </ul> </li> </ul>
February	4, 18, 23, 25	
March	3, 8, 14, 22, 24	
April	6, 21, 26	
May	19, 24	
June	2, 23	
July	21, 28	
August	4, 9, 11 <sup>1)</sup> , 18, 25	
September	1, 13, 22, 27	
October	6, 13, 24	
November	10, 22, 24	
December	8, 15, 22	

<sup>1)</sup> On 11 August 2016, there were 2 (two) meetings of the Board of Directors, each with different agenda and minutes of meeting.

**Frequency of Joint Meetings between the Board of Commissioners and the Board of Directors and Attendance of the Member of Board of Directors in 2016:**

Position (Name)	Number of Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja)	17	15	88%
Deputy President Director (Eugene Keith Galbraith)	17	13	76%
Deputy President Director (Armand Wahyudi Hartono)	17	12	71%
Corporate Banking Director (Dhalia Mansor Ariotedjo)	3	3	100%
Risk Management Director (Anthony Brent Elam)	3	3	100%
Compliance & Risk Director (Subur Tan)	17	15	88%
Corporate Banking Director (Rudy Susanto)	17	14	82%
SME & Commercial Banking Director (Henry Koenafi)	17	10	59%
Individual Banking Director (Suwignyo Budiman)	17	16	94%
Network Distribution Director (Erwan Yuris Ang)	17	14	82%
Human Capital Management Director (Lianawaty Suwono)	9	7	78%
Transaction Banking Director (Santoso)	9	8	89%
Credit Director (Inawaty Handoyo)	9	8	89%

**Schedule and Agenda of Joint Meetings between the Board of Directors and Board of Commissioners in 2016:**

Month	Date	Several of the meeting agenda were:
January	21	Discussions on the following: 1. Bank organization structure 2. Overall strategy of the Bank 3. Bank Business Plan and Annual Work Plan & Budget 4. Proposal for profit utilization and amount of interim dividend 5. Financial and Performance Statements of the Bank 6. Banking industry market share mapping 7. Result of Bank financial soundness evaluation 8. Implementation of Anti Money Laundering and Prevention of Terrorism Funding (APU & PPT) Program
February	-	
March	2	
April	6, 14, 20	
May	-	
June	8, 9	
July	14	
August	18, 31	
September	8, 21	
October	12, 19, 26	
November	23	
December	7	

## 16. Assessment on the Performance of the Committees under of the Board of Directors

In discharging its management duties, the Board of Directors established a number of Executive Committees in accordance with the business needs of the Bank and the relevant regulations, to improve operational effectiveness and efficiency.

Executive Committee members are appointed by the Board of Directors to provide input in the respective areas of responsibilities of the Board of Directors. In 2016, the Executive Committees under the Board of Directors have performed their duties and functions. Following are the 7 (seven) Executive Committees under the Board of Directors and their performance in 2016:

1. Asset & Liability Committee (ALCO).
2. Risk Management Committee.
3. Integrated Risk Management Committee.
4. Credit Policy Committee.
5. Credit Committee.
6. Information Technology Steering Committee.
7. Personnel Case Advisory Committee.

### 1. Asset and Liability Management Committee (ALCO)

ALCO is a permanent Committee under the Board of Directors with the mission of achieving an optimum level of profitability for BCA as well as ensuring that liquidity risks, interest rate risks, and foreign exchange risks are controlled through the implementation of policies and strategies for BCA's asset and liability management.

#### ALCO Work Realization Program in 2016

In performing its duties throughout 2016, ALCO held 14 (fourteen) meetings with the following agenda:

1. Report of follow-ups of previous ALCO meeting decisions.
2. Review of economic parameters including inflation rates, Bank Indonesia Term Deposit interest rates, yield curves of Rupiah and USD, Rupiah & USD market liquidity and exchange rate of Rupiah.
3. Liquidity reserves comprising Primary and Secondary Rupiah and Foreign Exchange Reserves, Rupiah and Foreign Exchange Fund Structure, Credit Projection, Liquidity Projection and losses due to liquidity risk.

4. Interest rate risks, including Repricing Gap and Sensitivity Analysis, both for Rupiah and Foreign Exchange.
5. Foreign Exchange Risk, in regard with development of the Net Open Position (NOP) and the related risks.
6. Loan Portfolio, which comprises limit and outstanding loans and type of debtors.
7. Yield and Cost of Fund of Rupiah and Foreign Exchange.
8. Analysis of Assets/Liabilities Management.
9. Comparison of the composition of Bank Funds to the banking sector.
10. Discussion and decision of changes in interest rates for Funds and Loans, Prime Lending Rates and limits relating to the Asset Liability Management (ALM).
11. Review of the results of profit/loss simulations in accordance with the strategy applied by the ALM BCA.

### 2. Risk Management Committee

The Risk Management Committee was established to ensure that the enterprise-wide risk management framework provides adequate protection against all risks faced by BCA.

#### Risk Management Committee Work Realization Program in 2016

In performing its duties throughout 2016, Risk Management Committee conducted 4 (four) meetings with the realization of Risk Management Committee work programs as follows:

1. To presents and discuss the Law of Financial System Crisis Prevention and Management.
2. To presents and discuss POJK No. 42/POJK.03/2015 concerning the Requirements of Liquidity Coverage Ratio and analysis of LCR.
3. To presents and discuss the proposed additional limit of USD loan (Cash Facility).
4. To review of limit of secondary reserves.
5. To review the Stop Loss and Holding Period of traded securities portfolio and proposed limit of available for sale securities.
6. To presents and discuss the results of Bottom Up Stress Test (BUST) FSAP for Solvency Stress Test and Liquidity Stress Test.

7. To identify strategic risks impacting the business model and sustainability of the bank in the future and the mitigating actions for such risks.

### 3. Integrated Risk Management Committee

The Integrated Risk Management Committee was established to ensure the risk management framework has provided an integrated and adequate coverage over all risks faced by BCA as well as its Subsidiary Companies.

#### Integrated Risk Management Committee Work Realization Program in 2016

In performing its duties throughout 2016, Integrated Risk Management Committee held 2 (two) meetings, by discussing a number of topics pertaining to the implementation of Integrated Risk Management such as:

1. Integrated Minimum Reserve Requirements or KPMM (Policy and Reporting).
2. Report of Integrated Risk Profile (LPRT) Semester II in 2015.
3. Proposed Review Mechanism of New and Strategic Business Line in Financial Conglomeration of BCA.
4. Integrated Stress Test in Financial Conglomeration in 2016.

### 4. Credit Policy Committee

The Credit Policy Committee was established to direct the provision of loans through formulation of credit policy designed in order to achieve prudent lending target.

#### Credit Policy Committee Work Realization Program in 2016

In performing its duties throughout 2016, Credit Policy Committee has carried out the following programs:

1. Formulate the segregation of duties of the Board of Directors during transition period.
2. Recommend the authority given to approve credit restructuring.
3. Prepare the Accountability and Work Realization Report of the Credit Policy Committee and submit it to the Board of Directors with copies to the Board of Commissioners.

### 5. Credit Committee

The mission of the Credit Committee is to assist the Board of Directors in making loan evaluation and/or loan approval decisions within the authorized limits set by the Board of Directors as stipulated in the Company's Articles of Association with regards to BCA's business development in adherence to prudent in lending principles.

#### Corporate Credit Committee and Commercial Credit Committee Work Realization Program in 2016

In performing its duties throughout 2016, the Corporate Credit Committee held 8 (eight) meetings, and the Commercial Credit Committee held 7 (seven) meetings.

### 6. Information Technology Steering Committee

The Information Technology Steering Committee was established to ensure the implementation of an information technology (IT) system in line with BCA's strategy. Information Technology Steering Committee mission is to improve the Company's competitive advantage through the utilization of appropriate IT functions.

#### Information Technology Steering Committee Work Realization Program in 2016

In performing its duties throughout 2016, Information Technology Steering Committee has carried out the following program:

- To evaluate and monitor the implementation of strategic information technology (IT) projects aligned with strategic corporate objectives and BCA business direction.
- To evaluate the implementation of process and technology in IT project development.
- To review and to monitor strategic measures in minimizing the IT investment risk.
- To monitor the use of IT budget in 2016.
- To review and to evaluate new IT strategic projects, namely:
  - a. Development of banking service through chatting platform in social media for customers.
  - b. Development of sub-account to serve corporate, commercial and personal needs.

- c. Development of Mini Core Banking to support sub-account projects.
- d. Development of express checkout to service payment transactions in various merchants (apps based/e-commerce website).
- To evaluate and to monitor IT initiative which is carried out to support delivery of the IT strategic projects. The initiatives are:
  - a. Preparing new technology architecture.
  - b. Improving server capacity for banking service.
  - c. Preparing the additional capacity of bandwidth network.
  - d. Preparing human resources to develop business model, business process, IT design, IT development related to the new technology architecture.
  - e. Establishing dedicated Scrum project team as a part of continuous learning culture.
  - f. Monitoring IT human resource allocation to establish a reliable and competent IT team.

## 7. Personnel Case Advisory Committee

The Personnel Case Advisory Committee was established with the mission to provide recommendations to the Board of Directors regarding the settlement of personnel cases based on the principles of justice and equality by analyzing cases of violations of policy and/or possible illegal activity undertaken by employees.

### Personnel Case Advisory Committee Work Realization Program in 2016

In performing its duties throughout 2016, Personnel Case Advisory Committee has carried out the following program: Personnel Case Advisory Committee held 5 (five) meetings. Realization of the Personnel Case Advisory Committee work program is to provide input in the form of information, analysis and judgment to make recommendations to the Board of Directors for

action to be taken to resolve offenses committed by employees that required the Board of Directors decision for settlement, including the imposition of sanctions and/or improvement of systems and operational procedures and/or legal proceedings.

## 17. Orientation Programs for New Members of the Board of Directors

An orientation program is organized for new members of the Board of Directors in order to assist them in carrying out the relevant duties and responsibilities as a Director.

The orientation program includes:

1. Information regarding BCA such as the vision, missions, medium and long term strategy and plans, performance, as well as financial aspects BCA;
2. Understanding the duties and responsibilities as a member of the Board of Directors, limits of authority, working time, relationship with the Board of Commissioners, rules and regulations, etc.

Directors who are participating in the orientation may do the following:

- a. Request presentations to obtain explanation of various aspects deemed necessary, by involving the management under the Board of Directors.
- b. Organize meetings with fellow Directors and with Commissioners to discuss various issues in BCA or other information deemed necessary.
- c. Conduct visits to business locations/ branches of BCA with fellow Directors or Management.

## 18. Training Programs to Enhance the Competence of Members of the Board of Directors

The Member of The Board of Directors must attend at least 1 (one) training program in a year to help them in carrying out their duties and responsibilities. Training seminar and conferences programs attended by Member of the Board of Directors in 2016 were as follows:

Name	Training Program	Organizer	Location	Date
Jahja Setiaatmadja	Risk Management Refreshment Program: - Moderate Corporate Risk Management & Case Study on Interest Rate Risk Management Using Duration Gap Methodology.  - Operational Risk - The Collapse of Baring	Risk Forum School of Finance	Jakarta	24 January
	Public Dialogue with the President Republic of Indonesia "Developing a Competitive Indonesian Economy"	ISEI	Jakarta	30 March
	ASEAN Central Bank Governors and Financial Institutions CEO Dialogue	Bank of LAO – PDR	Laos	2-4 April
	Exclusive Round Table Insight "Outstanding Challenge of Indonesia Macroeconomic Management"	ILUNI FEB UI	Jakarta	28 April
	The 55 <sup>th</sup> ACI World Congress	ACI	Jakarta	29 April
	Indonesia CEO Talk "The Role of Financial Services Industry as a Driving Force of the Nation's Economy in MEA Era"	OMG (Obsession Media Group)	Jakarta	17 May
	Agro Sector Financing Innovation in Supporting Financial Inclusion Implementation for Farmers	Kadin; ISEI; PISAGRO	Jakarta	23 May
	IMC Meeting	IMC	Singapore	5-7 June
	CalGems Investor Conference	BOA-Merryl Lynch	California	14-16 June
	The XVIII ISEI National Seminar & Plenary Session "Realizing the Potential of Tourism Sector for Sustainable and Inclusive Economic Development"	ISEI	Gorontalo	28-29 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October

Name	Training Program	Organizer	Location	Date
Eugene K. Galbraith	Mandiri Investment Forum 2016	Mandiri Sekuritas	Jakarta	28 January
	Risk Management Refreshment Program: - Moderate Corporate Risk Management & Case Study on Interest Rate Risk Management Using Duration Gap Methodology. - Operational Risk - The Collapse of Baring	The Risk Forum School of Finance	Jakarta	24 February
	BAIN Sea Transformation Leader Forum	BAIN	Singapore	2 March
	NDR Morgan Stanley 2016	Morgan Stanley	New York	9-11 March
	Nomura Indonesia All Access 2016	Nomura	Jakarta	13 April
	55 <sup>th</sup> ACI World Congress	ACI	Jakarta	28-30 April
	Citi Indonesia Investor Conference 2016	Citi	Jakarta	11 May
	National Seminar Winning the AEC War Competing or Collaborating	Morgan Stanley	Jakarta	25 May
	JP Morgan Asia Pacific CEO-CFO Conference	JP Morgan	New York	7-8 September
	Indonesia in a Digital World	McKinsey	Jakarta	27 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
	Focus 16 - Security Conference	Intel Security	Las Vegas	1-3 November
	Morgan Stanley Fifteenth Annual Asia Pacific Summit	Morgan Stanley	Singapore	16-18 November
10 <sup>th</sup> Financial Services CEO Roundtable	Temasek	Singapore	17 November	
Armand W. Hartono	Risk Management Refreshment Program: - Moderate Corporate Risk Management & Case Study on Interest Rate Risk Management Using Duration Gap Methodology. - Operational Risk - The Collapse of Baring	The Risk Forum School of Finance	Jakarta	24 February
	Asia Leaders in Financial Institutions (ALFI)	National University of Singapore (NUS)	Beijing (China)	29 February - 2 March
			New York (USA)	25-28 April
			Singapore	27-28 June
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
	MasterCard Asia Pacific Advisory Board Meeting	MasterCard	Barcelona (Spain)	9-13 October
Subur Tan	Risk Management Refreshment Program: - Moderate Corporate Risk Management & Case Study on Interest Rate Risk Management Using Duration Gap Methodology. - Operational Risk - The Collapse of Baring	The Risk Forum School of Finance	Jakarta	24 February
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October

Name	Training Program	Organizer	Location	Date
Rudy Susanto	Associate Cambiste Internasionale (ACI) World Congress 2016	ACI FMA	Jakarta	29 April
	Maybank Investor Forum	Maybank	Jakarta	14 September
	23 <sup>rd</sup> CLSA Investor Forum	CLSA	Hong Kong	19-21 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
Henry Koenafi	Risk Management Refreshment Program: - Moderate Corporate Risk Management & Case Study on Interest Rate Risk Management Using Duration Gap Methodology.  - Operational Risk - The Collapse of Baring	The Risk Forum School of Finance	Jakarta	24 February
	Asia Leaders in Financial Institutions (ALFI)	National University of Singapore (NUS)	Beijing (China)	29 February - 2 March
			New York (USA)	25-28 April
			Singapore	27-28 June
	Indonesia Knowledge Forum	BCA	Jakarta	6-7 October
Suwignyo Budiman	Risk Management Refreshment Program: - Moderate Corporate Risk Management & Case Study on Interest Rate Risk Management Using Duration Gap Methodology.  - Operational Risk - The Collapse of Baring	The Risk Forum School of Finance	Jakarta	24 February
	OJK International Conference Islamic Finance	OJK	Jakarta	29 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
Erwan Yuris Ang	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
Lianawaty Suwono	Bali - HR Summit	PT. Inti Pesan Pariwara	Bali	25-26 August
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
	McKinsey Gallup Organizational Science Summit	Gallup & McKinsey	Singapore	26 October
	Binus Industry Partnership Program 2016	Bina Nusantara (Binus)	Cina	6-10 November
	Seminar Economic Outlook 2017	IBI	Jakarta	9 December
Santoso	Mobile World Congress 2016	Global System for Mobile Communications Association (GSMA)	Barcelona (Spain)	22-25 February
	ASEAN Marketing Summit	Markplus INC	Jakarta	15 September
	Money 20/20 Conference	Money 20/20	Las Vegas (USA)	23-26 October
Inawaty Handoyo	Credit Fundamental for Senior Decision Maker	Omega Training	Jakarta	19-20 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October



## THE GENERAL MEETING OF SHAREHOLDERS

### 1. The General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is a company organ possessing exclusive authority not granted to the Board of Directors and the Board of Commissioners as stipulated in the applicable regulations and/or the Company's Articles of Association.

### 2. 2016 Annual General Meeting of Shareholders Procedure

The procedure of BCA's 2016 Annual General Meeting of Shareholders (2016 AGMS) will be held on 2016 was as follows:

1. As a public company, in accordance with Financial Service Authority Regulation No.32/POJK.04/2014 dated 8 December 2014 concerning Plan and Implementation of the General Meeting of Shareholders of Public Company. BCA delivered the agenda of the 2016 AGMS in a clear and detailed manner to the Financial Services Authority not later than 5 (five) working days prior to the notification, as referred to in the letter No. 111/ DIR/2016 dated 23 February 2016.
2. Before conducting the 2016 AGMS notification, BCA conveyed that the AGMS announcement would be conducted, 14 (fourteen) days prior to the 2016 AGMS notification, excluding the date of announcement and the date of the 2016 AGMS notification. The 2016 AGMS announcement was published in *Bisnis Indonesia* and *The Jakarta Post* daily newspapers, all on 1 March 2016.
3. The 2016 AGMS notification was conducted by advertising in newspapers 21 (twenty one) days prior to the date of the 2016 AGMS, excluding the date of the notification and the date of the AGMS. The 2016 AGMS notification was published in *Bisnis Indonesia* and *The Jakarta Post* newspapers, all dated 16 March 2016.
4. Entitled to attend and vote in the 2016 AGMS are shareholders whose names are recorded in the Register of Shareholders, which was closed on the last working day of the Indonesia Stock Exchange before the advertised 2016 AGMS notification.
5. Each share issued has 1 one (one) voting right unless the Articles of Association of BCA state otherwise.
6. BCA conveyed the summary of the 2016 AGMS 2 (two) business days after the 2016 AGMS to the Financial Services Authority and the Indonesia Stock Exchange, and announced it to the public in *Bisnis Indonesia* and *The Jakarta Post* daily newspapers, all dated 11 April 2016.

### 3. Implementation of the 2016 AGMS

In 2016, BCA held the AGMS on 7 April 2016 at the Grand Ballroom, Hotel Indonesia Kempinski 11<sup>th</sup> floor, Jalan MH. Thamrin No. 1, Jakarta 10310.

The materials and agenda (including explanation of each agenda item) discussed in the AGMS was available from the Corporate Secretary – BCA Head Office, and had been uploaded in the BCA's website on the same date as the 2016 Annual GMS Notification.

### 4. Attendance of Management and Shareholders

The 2016 AGMS was attended by the President Commissioner and members of the Board of Commissioners, President Director, Deputy President Director, and all members of the Board of Directors, the Chairman and members of Committees under the Board of Commissioners (Audit Committee, Remuneration & Nomination Committee, Risk Oversight Committee, and Integrated Governance Committee) as well as the shareholders or their proxies.

Members of the Board of Commissioners and Board of Directors of BCA were present in the 2016 AGMS, as stated below:

Board of Commissioners	
Name	Position
Ir. Djohan Emir Setijoso	President Commissioner
Tonny Kusnadi	Commissioner
Cyrellus Harinowo	Independent Commissioner (concurrently as Chairman of Audit Committee)
Dr. Ir. Raden Pardede	Commissioner Independent (concurrently as Chairman of Remuneration and Nomination Committee)

Board of Directors	
Name	Position
Jahja Setiaatmadja	President Director
Eugene Keith Galbraith	Deputy President Director
Dhalia Mansor Ariotedjo	Director
Anthony Brent Elam	Director
Ir. Suwignyo Budiman	Director
Tan Ho Hien/Subur Tan	Director (concurrently as Compliance Director)
Henry Koenafi	Director
Armand Wahyudi Hartono	Director
Erwan Yuris Ang	Independent Director
Rudy Susanto	Director

The number of shares with voting rights represented at the 2016 Annual GMS was 20.758.854.962 shares or 84,197% of the total shares issued and paid up by the shareholders; therefore, the quorum provisions as stipulated in Article 23, paragraph 1 (a) of BCA's Articles of Association were met.

#### 5. Chairman of the 2016 AGMS

The 2016 AGMS was chaired by Ir. Djohan Emir Setijoso as President Commissioner, in accordance with Article 22, paragraph 1 (a) of BCA's Articles of Association.

#### 6. Agenda of the AGMS

The 2016 AGMS Agenda is as follows:

1. Approval of the Annual Report, including the Financial Statements of BCA and the Reports of the Supervisory Duties of the Board of Commissioners of BCA for the financial year ended on 31 December 2015 and to provide liability release and discharge (acquiesce et discharge) to members of the Board of Directors and Board of Commissioners of BCA for the actions of management and supervision

2. Determination of the utilization of BCA's profit for the financial year ended on 31 December 2015.
3. Confirmation of the expiration of the term of duty, and appointment of members of the Board of Commissioners and Board of Directors of the Company.
4. Determination of salary or honorarium and allowances in financial year 2016 and tantien in financial year 2015 for the members of the Board of Directors and Board of Commissioners.
5. Appointment of Registered Public Accountant to examine BCA books for the financial year ended 31 December 2016.
6. Giving power and authority to the Board of Directors to pay an interim dividend for the financial year ended 31 December 2016.

#### 7. Vote Calculation Mechanism in the 2016 AGMS

Each shareholder or proxy of the shareholder has a right to ask and/or present opinions to the Chairman of the AGMS before a vote is held for each AGMS agenda.

In any discussion of the agenda of the AGMS, the Chairman of AGMS provides an opportunity for the shareholders or the proxies of the shareholders to ask questions before a vote is held.

Based on Article 23 clause 8 of BCA's Articles of Associations, any decisions concerning the submitted proposals in every AGMS agenda item will be made through deliberation. If no agreement is reached, the decision will be taken by voting.

Based on Article 23 clause 6 of BCA's Articles of Associations, voting on every proposal submitted in each AGMS will be conducted orally using pooling method, wherein the shareholders or proxies who do not agree or provide abstention will raise their hands to submit the ballot papers. The ballot papers are counted by PT Raya Saham Registra as BCA's Share Registrar and further be verified by a Notary as an independent party, in accordance with the Order of the 2016 AGMS.

## 8. Comparison between the 2016 AGMS Resolution and Realization with the 2015 AGMS Resolution and Realization

2016 AGMS Resolution and Realization			2015 AGMS Resolution and Realization		
First Agenda					
in 2016			in 2015		
I	Approving the Annual Report, including the Board of Commissioners' Report on its Supervisory Duties for the financial years ended on 31 December 2015 as contains in the 2015 Annual Report.		I	Approving the Annual Report, including the Board of Commissioners' Report on its Supervisory Duties for the financial years ended on 31 December 2014 as contains in the 2014 Annual Report.	
II	Ratifying the Financial Statements which include the Balance Sheet and Loss and Profit Statement for the financial year ended on 31 December 2015 as had been audited by the Public Accountant Firm Siddharta Widjaja & Partner, member of KPMG International as evident in Company's 2015 Annual Report.		II	Ratifying the Financial Statements which include the Balance Sheet and Loss and Profit Statement for the financial year ended on 31 December 2014 as had been audited by the Public Accountant Firm Siddharta Widjaja & Partner, member of KPMG International, and presented in the Bank's 2014 Annual Report.	
III	Granting release and discharge of responsibilities (acquitt et decharge) to members of Board of Directors and Board of Commissioners for their respective management and supervisory actions during the financial year ended on 31 December 2015, to the extent that such actions were set out in Company's Annual Report and Financial Statements for the financial year ended on 31 December 2015 and any relevant supporting documents thereof.		III	Granting release and discharge of responsibilities (acquitt et decharge) to members of Board of Directors and Board of Commissioners for their respective management and supervisory actions during the financial year ended on 31 December 2014, to the extent that such actions were set out in Company's Annual Report and Financial Statements for the financial year ended on 31 December 2014 and any relevant supporting documents thereof.	
<b>Result of the Vote Calculation of 2016 AGMS is as follows:</b>			<b>Result of the Vote Calculation of 2015 AGMS is as follows:</b>		
<b>Approve</b>	<b>Disapprove</b>	<b>Abstain</b>	<b>Approve</b>	<b>Disapprove</b>	<b>Abstain</b>
20,741,362,947 (99.916%)	4,392,100 (0.021%)	13,099,915 (0.063%)	21,579,092,293 (99.897%)	- (Nihil)	22,217,500 (0.103%)
Description: Realized			Description: Realized		

2016 AGMS Resolution and Realization	2015 AGMS Resolution and Realization
Second Agenda	
In 2016	In 2015
<p>I Resolve to accept that the Balance Sheet and the Company's net income for the financial year ended on 31 December 2015, which had been audited by the Public Accountant Firm Siddharta Widjaja &amp; Partner, member of KPMG International, amounted to Rp18,018,653,583,210 (eighteen trillion eighteen billion six hundred and fifty-three million five hundred and eighty-three thousand two hundred and ten Rupiah) ("Net Income for 2015").</p> <p>II Stipulate the use of Net Profit 2015, namely in the amount of Rp18,018,653,583,210 (eighteen trillion eighteen billion six hundred and fifty-three million five hundred and eighty-three thousand two hundred and ten Rupiah) shall be appropriated as follows:</p> <ol style="list-style-type: none"> <li>1. Rp180,186,535,832 (one hundred eighty billion one hundred and eighty six million five hundred and thirty-five thousand eight hundred and thirty-two Rupiah) shall be appropriated for reserve fund.</li> <li>2. Rp3,944,801,600,000,- (three trillion nine hundred forty-four billion eight hundred and one million six hundred thousand Rupiah) or Rp160 (one hundred and sixty Rupiah) per share shall be distributed as cash dividends for the financial year ended on 31 December 2015 to the shareholders entitled to receive the cash dividends, the amount of which included the interim dividends amounted to Rp1,356,025,550,000 (one trillion three hundred fifty-six billion twenty-five million five hundred and fifty thousand Rupiah) or Rp55 (fifty five Rupiah) per share which had been paid by BCA on 8 December 2015, so that the remaining amount of Rp2,588,776,050,000 (two trillion five hundred and eighty-eight billion seven hundred and seventy-six million fifty thousand Rupiah) or Rp105 (one hundred and five Rupiah) per share.</li> </ol> <p>As regards the payment of dividends, the following terms and conditions shall apply:</p> <ol style="list-style-type: none"> <li>(i) the remaining dividend for the financial year 2015 will be paid for each share issued by the Company recorded in the Company's Register of Shareholders on the recording date will be determined by the Board of Directors.</li> <li>(ii) as regards to payment of the remaining dividends for the financial year 2015, Board of Directors will withhold tax thereon pursuant to the tax regulations in force.</li> <li>(iii) Board of Directors is granted power of attorney and authority to determine matters concerning or relating to the payment of the remaining dividends for the financial year 2015, including (but not limited to): <ol style="list-style-type: none"> <li>(aa) determining the recording date as referred to in clause (i) determining shareholders which entitled to receive payment of the remaining dividends for the financial year 2015; and</li> </ol> </li> </ol>	<p>I Resolve to accept that the Balance Sheet and the Company's net income for the financial year ended on 31 December 2014, which had been audited by the Public Accountant Firm Siddharta Widjaja &amp; Partner, member of KPMG International, amounted to Rp 16,485,857,485,058 (sixteen trillion four hundred and eighty-five billion eight hundred and fifty-seven million four hundred and eighty-five thousand fifty-eight Rupiah) ("Net Income for 2014").</p> <p>II Stipulate the use of Net Profit 2014, namely in the amount of Rp 16,485,857,485,058, (sixteen trillion four hundred and eighty-five billion eight hundred and fifty- seven million four hundred eighty-five thousand fifty- eight Rupiah) shall be appropriated as follows:</p> <ol style="list-style-type: none"> <li>1. Rp164,858,574,851 (one hundred sixty-four billion eight hundred and fifty eight million five hundred and seventy-four thousand eight hundred and fifty- one Rupiah) shall be appropriated for reserve fund.</li> <li>2. Rp3,648,941,480,000 (three trillion six hundred forty-eight billion nine hundred and forty-one million four hundred and eighty thousand Rupiah) or Rp148 (one hundred and forty eight Rupiah) per share shall be distributed as cash dividends for the financial year ended on 31 December 2014 to the shareholders entitled to receive the cash dividends, the amount of which included the interim dividends amounted to Rp1,232,750,500,000 (one trillion two hundred thirty-two billion seven hundred fifty million five hundred thousand Rupiah) or Rp50 (fifty Rupiah) per share which had been paid by BCA on 23 December 2014, so that the remaining amount of Rp2,416,190,980,000 (two trillion four hundred and sixteen billion one hundred and ninety million nine hundred and eighty thousand Rupiah) or Rp98 (ninety-eight Rupiah) per share.</li> </ol> <p>As regards the payment of dividends, the following terms and conditions shall apply:</p> <ol style="list-style-type: none"> <li>(i) the remaining dividend for the financial year 2014 will be paid for each share issued by the Company recorded in the Company's Register of Shareholders on the recording date will be determined by the Board of Directors.</li> <li>(ii) as regards to payment of the remaining dividends for the financial year 2014, Board of Directors will withhold tax thereon pursuant to the tax regulations in force.</li> <li>(iii) Board of Directors is granted power of attorney and authority to determine matters concerning or relating to the payment of the remaining dividends for the financial year 2014, including (but not limited to): <ol style="list-style-type: none"> <li>(aa) determining the recording date as referred to in clause (i) determining shareholders which entitled to receive payment of the remaining dividends for the financial year 2014; and</li> </ol> </li> </ol>

(bb) determining the payment date of the remaining dividends for the financial year 2015, other technical matters without prejudice to regulations of the Stock Exchange where the Company's shares are listed;

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(bb) determining the payment date of the remaining dividends for the financial year 2014, other technical matters without prejudice to regulations of the Stock Exchange where the Company's shares are listed.

granting power of attorney and authority to FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (q.q.) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the controlling shareholders of the Company currently, to determine the mentioned tantieme distribution amongst the members of Board of Commissioners and Board of Directors who served over the financial year 2014, by taking into account of this meeting's resolution and to determining the mentioned tantieme distribution amongst the members of Board of Commissioners and Board of Directors who served over the financial year 2014, including all matters relating to payment of the tantieme, with provision of the amount of tantieme which will be paid to Board of Commissioners and Board of Directors will be reported in the Annual Report for the financial year 2015.

3. The remaining Net Profit for 2015 that has not allocated for specific use, shall be determined as retained earnings.

3. The remaining Net Profit for 2014 that has not allocated for specific use, shall be determined as retained earnings.

III Resolving that such power as described in point II number 2 of this resolution shall be effective on the date on which the proposal put forward under this point is approved by the AGMS.

III Resolving that such power as described in point II number 2 and 3 of this resolution shall be effective on the date on which the proposal put forward under this point is approved by the 2015 AGMS.

#### Result of the Vote Calculation of 2016 AGMS is as follows:

Approve	Disapprove	Abstain
20,671,824,763 (99.581%)	58,540,099 (0.282%)	28,490,100 (0.137%)
Description: Realized		

#### Result of the Vote Calculation of 2015 AGMS is as follows:

Approve	Disapprove	Abstain
21,506,661,207 (99.562%)	53,866,786 (0.249%)	40,781,800 (0.189%)
Description: Realized		

#### 2016 AGMS Resolution and Realization

#### 2015 AGMS Resolution and Realization

#### Third Agenda

##### In 2016

I Confirming the expiration of term of duty of the Board of Commissioners and Board of Directors member starting the closing of this AGMS, and granting release and discharge of responsibilities (acquit et decharge) to members of Board of Directors and Board of Commissioners for their respective management and supervisory actions when assuming the position, to the extent that such actions were set out in Company's reports and any relevant supporting documents thereof.

##### In 2015

-

- 
- II a. Re-appointing members of the Board of Commissioners and Board of Directors of the Company, with the following composition:

**Board of Commissioners**

President Commissioner : Mr. Engineer DJOHAN EMIR SETIJOSO;

Commissioner: Mr. TONNY KUSNADI;

Independent Commissioner : Mr. CYRILLUS HARINOWO;

Independent Commissioner : Mr. Doctor RADEN PARDEDE;

**Board of Directors**

President Director : Mr. JAHJA SETIAATMADJA;

Deputy President Director : Mr. EUGENE KEITH GALBRAITH;

Director : Mr. SUWIGNYO BUDIMAN;

Director (concurrently Compliance Director) : Mr. TAN HO HIEN/SUBUR, also called as SUBUR TAN;

Director : Mr. HENRY KOENAIFI;

Independent Director: Mr. ERWAN YURIS ANG;

Director : Mr. RUDY SUSANTO;

the term of duty of the Board of Commissioner and Board of Directors is effective as of the closing of this Meeting until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one).

- b. Appointing Mr. SUMANTRI SLAMET Ph.D, as an Independent Commissioner of the Company, effective if and as of the date of approval from the Financial Securities Authority, with term of duty until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one).
- c. Appointing Mr. ARMAND WAHYUDI HARTONO, as a Deputy President Director of the Company, effective if and as of the date of approval from the Financial Securities Authority, with term of duty until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one). Under the condition that as long as the approval from the Financial Services Authority has not been accepted, Mr. ARMAND WAHYUDI HARTONO is appointed as a Director, effective since the closing of this AGMS up to and if he has been approved by the Financial Services Authority to be appointed as Deputy President Director; in the event that his appointment as Deputy President Director is not approved by the Financial Services Authority, Mr. ARMAND WAHYUDI HARTONO will stay in his position as Director of the Company until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one).
- d. Appointing Mrs. INAWATY HANDOYO as a Director of the Company, effective if and as of the date of approval from the Financial Securities Authority, with term of duty until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one).
-

- e. Appointing Mrs. LIANAWATY SUWONO as a Director of the Company, effective if and as of the date of approval from the Financial Securities Authority, with term of duty until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one).
- f. Appointing Mr. SANTOSO as a Director of the Company, effective if and as of the date of approval from the Financial Securities Authority, with term of duty until the conclusion of the AGMS of the Company to be held in 2021 (two thousand and twenty-one).

Appointment of members of the Board of Commissioners and Board of Directors with the above term of duty, without prejudice to the right of the GMS to amend the composition of members of the Board of Commissioners and Board of Directors of the Company within and during the ongoing period.

In accordance with the provision of Article 12 paragraph 9 of the Company's Articles of Association, the AGMS furthermore authorizes the Board of Commissioners to assign duties and responsibilities of member of the Board of Directors.

III	Expressing highest appreciation and thankfulness to Mr. SIGIT PRAMONO for services that has been given during his tenure as an Independent Commissioner of the Company.	-
IV	Expressing highest appreciation and thankfulness to Mrs. DHALIA MANSOR ARIOTEDJO for services that has been given during her tenure as a Director of the Company.	-
V	Expressing highest appreciation and thankfulness to Mr. ANTHONY BRENT ELAM for services that has been given during his tenure as a Director of the Company.	-
VI	Granting power and authority to the Board of Directors of the Company, with the rights of substitution, to state such resolution on the composition of the Board of Commissioners and the Board of Directors before a Notary to be expressed in a Notarial deed, and also express in a notarial deed the composition of the Board of Commissioners and the Board of Directors upon the Financial Services Authority approval in connection with such resolution of AGM, and further provide a notice to the competent authorities, and take any and all necessary actions in relation to such resolution in accordance with the prevailing laws and regulations.	-
VII	Confirming the granting of power in point VI of this resolution is effective since the proposal submitted in this agenda is approved by the AGMS.	-

#### Result of the Vote Calculation of 2016 AGMS is as follows:

Approve	Disapprove	Abstain
20,217,977,812 (97.395%)	318,310,050 (1.533%)	222,567,100 (1.072%)

Description : Realized

**2016 AGMS Resolution and Realization****2015 AGMS Resolution and Realization****Fourth Agenda in 2016****Third Agenda in 2015**

- I (i) Granting full power and authority to FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (q.q.) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the Company's controlling shareholders, to determine the amount of honorarium and other allowances which will be paid by to the members of Board of Commissioners who served in the Company over the financial year 2016.

- I (i) Granting full power and authority to FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (q.q.) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the Company's controlling shareholders, to determine the amount of honorarium and other allowances which will be paid by to the members of Board of Commissioners who served in the Company over the financial year 2015.

- (ii) Granting full power and authority to the Board of Commissioners of BCA to determine the amount of salary and other allowances which will be paid by BCA to the members of Board of Directors who served in the Company over the financial year 2016.

- (ii) Granting full power and authority to the Board of Commissioners of BCA to determine the amount of salary and other allowances which will be paid by BCA to the members of Board of Directors who served in the Company over the financial year 2015.

In exercising the power and authority as above mentioned:

In exercising the power and authority as above mentioned:

- i. FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (q.q.) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the Company's controlling shareholders currently, shall consider the recommendation of the Board of Commissioners, which shall consider the recommendation of the Remuneration and Nomination Committee.

- i. FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (q.q.) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the Company's controlling shareholders currently, shall consider the recommendation of the Board of Commissioners, which shall consider the recommendation of the Remuneration and Nomination Committee.

- ii. Board of Commissioners shall consider the recommendation of the Remuneration and Nomination Committee.

- ii. Board of Commissioners shall consider the recommendation of the Remuneration and Nomination Committee.

- II By considering the performance of members of the Board of Commissioners and Board of Directors who served in and during the financial year 2015, and with regard to the Bank Indonesia Regulation No. 8/4/PBI/2006 dated 30 January 2006 concerning the Implementation of Good Corporate Governance for Commercial Banks along with its amendment juncto Article 71 paragraph 1 of Law No. 40 year 2007 concerning Limited Liability Companies, and consideration from the Board of Commissioners after taking into account the input from the Remuneration and Nomination Committee, AFTERWARD the AGMS decided a maximum of Rp270,279,803,748 (two hundred and seventy billion two hundred and seventy-nine million eight hundred three thousand seven hundred and forty-eight rupiah), calculated based on 1.5% of the Company's Net Profit in financial year 2015, to be paid as tantiem to the members of Board of Commissioners and Board of Directors of the Company who served in and during financial year 2015.

- II Confirming the granting of power and authority as contained in point I of this decision is effective since the proposal submitted in this agenda is approved by the 2015 Annual GMS.

In connection with the distribution of tantiem, the AGMS hereby grants full power and authority to FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (q.q.) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as majority shareholders in the Company, to decide the amount of tantiem that will be distributed to members of the Board of Commissioners and Board of Directors who served in and during financial year 2015, and to decide the distribution of tantiem among members of the Board of Commissioners and Board of Directors who served in and during financial year 2015, including any matters related to the distribution of tantiem.



III Resolving that such power and authority as described in point I and point II of this resolution shall be effective on the date on which the proposal put forward under this point is approved by the AGMS.

IV The amount of salary or honorarium and allowances that will be paid by the Company to the members of the Board of Directors and Board of Commissioners who served during financial year 2016, as well as the amount of tantiem to be paid by the Company to the members of the Board of Directors and Board of Commissioners who served during financial year 2015 will be included in the Annual Report for financial year 2016.

-

III The amount of salary or honorarium and allowances to be paid by BCA to the members of the Board of Directors and the Board of Commissioners who served during financial year 2015 will be included in Annual Report 2015.

#### Result of the Vote Calculation of 2016 AGMS is as follows:

Approve	Disapprove	Abstain
20,489,315,203 (98.702%)	124,380,844 (0.599%)	145,158,915 (0.699%)

Description : Realized

#### Result of the Vote Calculation of 2015 AGMS is as follows:

Approve	Disapprove	Abstain
21,195,994,420 (98.124%)	90,555,286 (0.419%)	314,760,087 (1.457%)

Description : Realized

### 2016 AGMS Resolution and Realization

#### Fifth Agenda in 2016

- I Granting power and authority to the Board of Commissioners to appoint a Registered Public Accountant Firm which has international reputation (including a Registered Public Accountant joined in such Registered Public Accountant Firm) which will audit books and records of BCA for the financial year ended on 31 December 2016 and to set out the amount of honorarium and other conditions regarding appointment of the Registered Public Accountant Firm which has international reputation (including a Registered Public Accountant joined in such Registered Public Accountant Firm) by considering the recommendation of the Audit Committee and the applicable legislation among other things is regulation in the field of Capital Market.
- II Confirming the granting of power and authority is effective since the proposal submitted in this agenda is approved by the 2016 Annual GMS.

#### Result of the Vote Calculation of 2016 AGMS is as follows:

Approve	Disapprove	Abstain
20,446,878,461 (98.497%)	269,810,116 (1.300%)	42,166,385 (0.203%)

Description: Realized

Board of Commissioners has appointed a registered public accountant firm, namely Siddharta Widjaja & Partner (including Registered Public Accountant, namely Kusumaningsih Angkawijaya who is joined in the Registered Public Accountant) which will audit the Company's bookkeeping for the financial year 2016.

### 2015 AGMS Resolution and Realization

#### Fourth Agenda in 2015

- I Granting power and authority to the Board of Commissioners to appoint a Registered Public Accountant Firm which has international reputation (including a Registered Public Accountant joined in such Registered Public Accountant Firm) which will audit books and records of BCA for the financial year ended on 31 December 2015 and to set out the amount of honorarium and other conditions regarding appointment of the Registered Public Accountant Firm which has international reputation (including a Registered Public Accountant joined in such Registered Public Accountant Firm) by considering the recommendation of the Audit Committee and the applicable legislation among other things is regulation in the field of Capital Market.
- II Confirming the granting of power and authority is effective since the proposal submitted in this agenda is approved by the 2015 Annual GMS.

#### Result of the Vote Calculation of 2015 AGMS is as follows:

Approve	Disapprove	Abstain
21,227,905,982 (98.271%)	313,121,548 (1.45%)	60,282,263 (0.279%)

Description: Realized

Board of Commissioners has appointed a registered public accountant firm, namely Siddharta Widjaja & Partner (including Registered Public Accountant, namely Kusumaningsih Angkawijaya who is joined in the Registered Public Accountant) which will audit the Company's bookkeeping for the financial year 2015.

2016 AGMS Resolution and Realization			2015 AGMS Resolution and Realization														
Sixth Agenda in 2016			Fifth Agenda in 2015														
I	Granting power and authority to the Board of Directors of BCA (under the approval of the Board of Commissioners), if the Company's financial condition is possible, to determine and to pay interim dividends for the financial year ended on 31 December 2016, provided that, to comply with Article 72 of Law Number 40 year 2007 regarding Limited Liability Company, Constitution Number 40 Year 2007 regarding Limited Liability Companies, if the interim dividend will be distributed, then the distribution shall be performed prior to the expiration of the financial year 2016, to the shareholders, including to determine the form, amount and the payment method of such interim dividends, without prejudice to the competent authority and the applicable legislation.		I	Granting power and authority to the Board of Directors of BCA (under the approval of the Board of Commissioners), if the Company's financial condition is possible, to determine and to pay interim dividends for the financial year ended on 31 December 2015, provided that, to comply with Article 72 of Constitution Number 40 Year 2007 regarding Limited Liability Company, if the interim dividend will be distributed, then the distribution shall be performed prior to the expiration of the financial year 2015, to the shareholders, including to determine the form, amount and the payment method of such interim dividends, without prejudice to the competent authority and the applicable legislation.													
II	Confirming the granting of power and authority is effective since the proposal submitted in this agenda is approved by the 2016 AGMS.		II	Confirming the granting of power and authority is effective since the proposal submitted in this agenda is approved by the 2015 AGMS.													
<b>Result of the Vote Calculation of 2016 AGMS is as follows:</b> <table border="1"> <thead> <tr> <th>Approve</th> <th>Disapprove</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,672,283,374 (99.583%)</td> <td>58,081,488 (0.280%)</td> <td>28,490,100 (0.137%)</td> </tr> </tbody> </table>			Approve	Disapprove	Abstain	20,672,283,374 (99.583%)	58,081,488 (0.280%)	28,490,100 (0.137%)	<b>Result of the Vote Calculation of 2015 AGMS is as follows:</b> <table border="1"> <thead> <tr> <th>Approve</th> <th>Disapprove</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>21,506,667,707 (99.562%)</td> <td>53,860,286 (0.249%)</td> <td>40,781,800 (0.189%)</td> </tr> </tbody> </table>			Approve	Disapprove	Abstain	21,506,667,707 (99.562%)	53,860,286 (0.249%)	40,781,800 (0.189%)
Approve	Disapprove	Abstain															
20,672,283,374 (99.583%)	58,081,488 (0.280%)	28,490,100 (0.137%)															
Approve	Disapprove	Abstain															
21,506,667,707 (99.562%)	53,860,286 (0.249%)	40,781,800 (0.189%)															
Description: Realized The distribution of interim dividends for the financial year 2016 has been performed on 22 December 2016.			Description: Realized The distribution of interim dividends for the financial year 2015 has been performed on 8 December 2015.														

## 9. 2015 Extraordinary GMS Resolution and Realization

In 2016, BCA convened the 2016 Annual General Meeting of Shareholders (2016 AGMS). Whereas in 2015, BCA convened the 2015 Annual General Meeting of Shareholders (2015 AGMS) and the 2015 Extraordinary General Meeting of Shareholders (2015 EGMS).

The 2015 EGMS was attended by shareholders and/or their proxy/representatives representing 21.627.119.036 shares or equal with 87.719% of total shares with valid voting rights that have been issued by the Company.

The 2015 EGMS has adopted resolutions, the highlights of which shall be herein below described:

- I. To approve the amendments to:
  1. Article 12 paragraph 3 letters c and g of the company's Articles of Association; and
  2. Other articles of the Articles of Association in a bid to adjust to the Financial Service Authority Regulation regarding the Plan and Implementation of General Meeting of Shareholders of the Public Company and Financial Service Authority Regulation regarding The Board of Directors and The

Board of Commissioners of Issuer or Public Listed Company.

- II. To restate the entire of the company's Article of Association which are not amended as presently contained in the State Gazette of the Republic Indonesia dated May 12, 2009 number 38, Supplement number 12790 and the State Gazette of the Republic of Indonesia dated November 29, 2013 number 96, Supplement number 7583/L;
  - as contained in the Draft of Amendments and Restatement of the Article of Association already distributed to the shareholders or its proxy present in the Meeting and the summary thereof has been presented in the Meeting.
  - subsequently to grant power and authority to the company's Board of Directors, with the right of substitution, to do anything and to take any necessary actions in connection with such resolution, including but no limited to stating/declaring such resolution in deeds drawn up before a Notary Public, to amend and/or to recompile all provisions of Article 12 paragraph 3 letters c and g and other articles of the company's Article of Association in

accordance with the resolution (including confirming the composition of shareholders in a deed, if necessary), as required by the pursuant to the provisions of the prevailing laws and regulations, to draw up or to have the documents drawn up as well as to sign the deeds and letters or documents required, and further to apply for approval and/or to notify the relevant authorities of the Meeting's

resolutions and/or the amendments to the company's Articles of Association, and to make any amendments and/or additions there to in any form whatsoever as required to obtain the said approval and/or receipt of such notification and also to submit and sign all applications and other documents, to choose a place of legal domicile and to take any other actions which may be required.

Result of the Vote Calculation:		
Approve	Disapprove	Abstain
21.342.080.243 (98,68%)	253.161.206 (1,17%)	31.877.587 (0,15%)
Realization description: Realized		

## 10. Statement Concerning the Unrealized AGMS Resolution

There is no resolution of the 2016 AGMS that has not been realized or has been delayed.

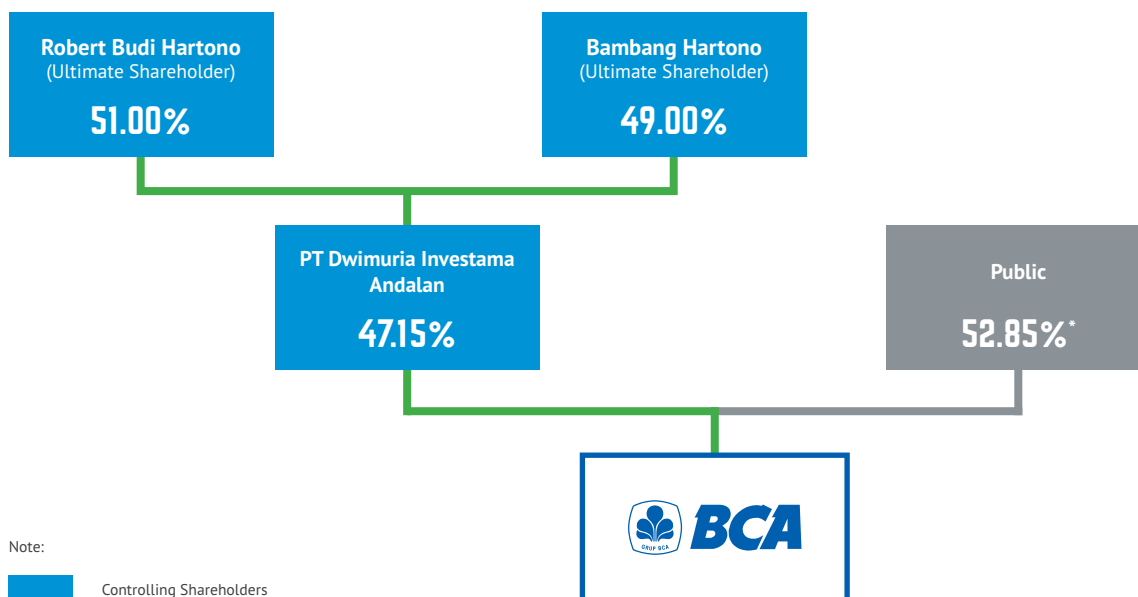
## 11. Major/Controlling Shareholders

As of 11 November 2016, PT Dwimuria Investama Andalan became the Bank's Controlling Shareholder. The Financial Services Authority approved the change in the Bank's Controlling Shareholder through letter No. KEP-15/D.03/2017 dated 1 February 2017 concerning Result of Fit and Proper Test on PT Dwimuria Investama Andalan as Potential Controlling Shareholder of PT Bank Central Asia Tbk.

The change in the Bank's Controlling Shareholder does not result in a change of control of the Bank, whereby Robert Budi Hartono and Bambang Hartono remain as the Ultimate Shareholders of the Bank.

### Information diagram/scheme on the Major/Controlling Shareholders of BCA

As of 31 December 2016



Note:

■ Controlling Shareholders

— Controlling Line

\* Of the portion of shares belonging to public shareholders, 11.02% is owned by affiliated parties of PT Dwimuria Investama Andalan, 1.76% is owned by Anthoni Salim, and 0.20% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.

## THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

In carrying out their duties, the Board of Directors is supported by 7 (seven) Executive Committees appointed by the Board of Directors. The Executive Committees are in charge of providing the Board of Directors with objective opinion and help with the effectiveness of the implementation of the duties of the Board of Directors in a systematically manner and to contribute in line with their duties and responsibilities. The Executive Committee under the Board of Directors are as follow:

1. Asset & Liability Committee
2. Risk Management Committee
3. Integrated Risk Management Committee
4. Credit Policy Committee
5. Credit Committee
6. Information Technology Steering Committee
7. Personnel Case Advisory Committee

### 1. ASSET & LIABILITY COMMITTEE

The Asset & Liability Committee (ALCO) is a permanent committee under the Board of Directors with the mission of achieving an optimum level of profitability for BCA as well as ensuring that liquidity risk, interest rate risk and foreign exchange risk are controlled through the establishment of policies and strategies for Bank asset and liability management. ALCO was established based on the Board of Directors Decision Letter No. 148/SK/DIR/2016 dated 12 October 2016 concerning the Structure of Asset & Liability Committee (ALCO) and the Board of Commissioners Decision Letter No. 197/SK/KOM/2016 dated 31 August 2016 of Segregation of Duties of the Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

### Main Functions of ALCO

- To establish and evaluate policies and liquidity management strategies to maintain liquidity in accordance with the applicable rules, to meet BCA liquidity needs, including unexpected funds requirements, while minimizing idle funds.
- To establish and evaluate policies and strategies related to market risks, including interest rate risk and foreign exchange risk.
- To establish and evaluate pricing policies and strategies for products such as funding, credit, and inter-office accounts.
- To establish and evaluate policies and strategies for managing the investment portfolio.
- To establish and evaluate policies and strategies for arranging balance sheet structure by anticipating changes in interest rates to achieve an optimum net interest margin.

### Authorities of ALCO

ALCO has the authority to take strategic decisions in the management of Bank assets and liabilities within parameters set by the Board of Directors, as follows:

- To establish interest rates on time deposits, savings, and current account;
- To establish lending rates;
- To establish funding and investment strategies;
- To establish hedging strategy where necessary;
- To establish limits relating to liquidity risk, interest rate risk, and foreign exchange risk according to the overall risk management policy

## Membership of ALCO and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as member)	President Director	Reserve Voting Rights
Members	<ul style="list-style-type: none"> <li>• Deputy President Director 1</li> <li>• Deputy President Director 2</li> <li>• Compliance and Risk Director</li> <li>• Corporate Banking Director</li> <li>• SME &amp; Commercial Director</li> <li>• Individual Banking Director</li> <li>• Network Distribution Director</li> <li>• Credit Director</li> <li>• Transaction Banking Director</li> <li>• International Banking Division Head</li> <li>• Treasury Division Head</li> <li>• Financial and Planning Division Head</li> <li>• Corporate Banking &amp; Corporate Finance Group Head</li> <li>• SME &amp; Commercial Business Division Head</li> <li>• Transaction Banking Product Development Division Head</li> <li>• Business Development &amp; Marketing of Banking Transaction Division Head</li> <li>• Joint Banking Transaction Solution Division Head</li> <li>• Consumer Credit Business Division Head</li> <li>• Risk Management Unit Head</li> </ul>	Reserve Voting Rights
Secretary	Senior Adviser at Risk Management Unit which covers Asset Liability Management (ALM)	No Voting Rights

### Duties and Responsibilities of ALCO

ALCO, among others tasks, functions to establish the liquidity management policies and strategies to meet the liquidity needs of BCA and minimize idle funds. In addition, ALCO establishes policies and strategies related to market risk, pricing strategy, and the investment portfolio strategy, and balance sheet structuring strategies by anticipating market rate movements so as to optimize the net interest margin (NIM). ALCO reports initiatives and activities through regular monthly and special smaller meetings held to discuss specific issues.

### Main Duties of ALCO Members

Voting ALCO members have main duties as follows:

- To provide input to the ALCO secretary for the preparation of the agenda and meeting materials.
- To provide input in the form of information and analysis on the ALCO meeting, regarding:
  - Methodology of product pricing and loan funds.
  - Methodology of measuring liquidity risk, interest rate risk and foreign exchange risk.
  - Determination of product price and loan funds.

- The competitiveness of interest rates and funding products.
- Strategies of Bank competitors.
- Constraints, if any, in the implementation of ALCO decisions.
- The behavior of customers and market changes.

### Meetings of ALCO

- ALCO meetings are held as necessary and at least once every month.
- ALCO meetings meet quorum if attended by at least ½ (half) plus one of the members of ALCO including the Chairman or alternate, or attended by 6 (six) Directors, including the Chairman or alternate.

### Decision Making

- Decision making in relation with the exercise of ALCO authorities will only be taken through legitimate ALCO meeting decisions.
- ALCO meeting decisions are valid and binding if approved by half plus 1 (one) of the members with voting rights present plus 1 (one) vote.

## Frequency of Asset & Liability Committee Meetings in 2016

Position (Name of Director)	Number of Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja) <sup>1)</sup>	14	13	93%
Deputy President Director (Eugene K. Galbraith)	14	10	71%
Deputy President Director (Armand W. Hartono) <sup>2)</sup>	7	5	71%
Risk Management Director (Anthony B. Elam) <sup>3)</sup>	5	5	100%
Corporate Business Director (Dhalia M. Ariotedjo) <sup>4)</sup>	5	3	60%
Compliance & Risk Director (Subur Tan) <sup>5)</sup>	9	8	89%
Corporate Banking Director (Rudy Susanto) <sup>6)</sup>	14	12	86%
SME & Commercial Business Director (Henry Koenafi)	14	10	71%
Individual Banking Director (Suwignyo Budiman)	14	13	93%
Network Distribution Director (Erwan Yuris Ang)	14	10	71%
Credit Director (Inawaty Handoyo) <sup>7)</sup>	5	4	80%
Transaction Banking Director (Santoso) <sup>7)</sup>	5	4	80%
<b>Members Division Head or representative:</b>			
International Banking Division	14	12	86%
Treasury Division	14	14	100%
Finance and Planning Division	14	12	86%
Corporate Banking & Corporate Finance Group	14	13	93%
SME & Commercial Business Division	14	10	71%
Transaction Banking Product Development Division	14	14	100%
Business Development & Marketing of Banking Transaction Division	14	9	64%
Joint Banking Transaction Solution Development <sup>8)</sup>	3	1	33%
Consumer Credit Business Division	14	11	79%
Risk Management Unit	14	14	100%

<sup>1)</sup> Head of ALCO.

<sup>2)</sup> Serving as Deputy President Director since 21 June 2016, previously served as Operation and Information Technology Director (not a member of ALCO)

<sup>3)</sup> Served as Risk Management Director up to 7 April 2016.

<sup>4)</sup> Served as Corporate Business Director up to 7 April 2016.

<sup>5)</sup> Served as Compliance and Risk Management Director based on Decision Letter Transition Period since 8 April 2016 replaced on Decision Letter Concerning Segregation of Duties and Responsibilities since 31 August 2016, previously serving as Compliance Director (not a member of ALCO)

<sup>6)</sup> Served as Corporate Business Director since 1 September 2016, previously as Credit Director.

<sup>7)</sup> Serving as Director since 8 August 2016.

<sup>8)</sup> Being ALCO member since 12 October 2016.

### Notes :

- Non-member Director also attends ALCO Meeting as resource person.
- In addition, units from Head Office, Regional or Branch Offices, as well as parties outside BCA may be invited as a resource person to provide input related to certain issues.

## Accountability/Work Realization Reporting of ALCO

Realization of the Committee's work is reported through:

- Minutes of regular meetings.
- Minutes of special meetings held to discuss specific issues.
- Data and information related to the areas covered.
- Notes and ALCO's opinion regarding the minutes of meetings and relevant data and information.

## ALCO Work Realization Program in 2016

ALCO Work Realization Program in 2016 can be found at page 324 of this 2016 Annual Report.

## 2. RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established to ensure that the enterprise-wide risk management framework provides adequate protection against all risks encountered by BCA. BCA Risk Management Committee was established based on the Board of Directors Decision Letter No. 150/SK/DIR/2016 dated 12 October 2016 of Structure of Risk Management Committee. In addition, the establishment of Risk Management Committee refers to:

- Financial Services Authority Regulation No. 18/POJK/03/2016 concerning Implementation of Risk Management for Commercial Banks.

- The Board of Commissioners Decision Letter No. 197/SK/KOM/2016 dated 31 August 2016 concerning the Segregation of Duties of the Board of Directors and main Organizational Framework of PT Bank Central Asia Tbk.

### Main Functions of the Risk Management Committee

- To develop policies, strategies, and guidelines for the implementation of enterprise-wide risk management.
- To improve the implementation of risk management based on the results of evaluations on the implementation process and effective risk management system.
- To determine matters related to business decisions that deviate from normal procedures (irregularities).

### Membership of the Risk Management Committee and Voting Rights

Position	Served By	Voting Right Status
Chairman (concurrently as permanent member)	Compliance & Risk Management Director	Reserve Voting Rights
Permanent member <sup>1)</sup>	<ul style="list-style-type: none"> <li>• All the Board of Directors members</li> <li>• Head of Compliance Working Unit</li> <li>• Head of Credit Risk Analysis Group</li> </ul>	Reserve Voting Rights
Non-permanent member <sup>2)</sup>	<ul style="list-style-type: none"> <li>• Executive Vice President of Information Technology</li> <li>• All Head of Division/Unit/Group, other than Permanent Member</li> </ul>	Reserve Voting Rights
Secretary (concurrently as permanent member)	Head of Risk Management Unit/Alternate	Reserve Voting Rights

**Notes :**

<sup>1)</sup> If there is any concurrent position, the person only reserves the right of 1 (one) vote.

<sup>2)</sup> Relevant with the topics discussed.

### Main Duties of the Risk Management Committee Members

- To provide input to the secretary of Risk Management Committee in form of topics and meeting materials to be discussed in the Risk Management Committee meetings.
- To provide input in form of information and analysis related to topics to be discussed in the Risk Management Committee meetings. Topics that can be discussed in the Risk Management Committee meetings include:
  - Directions and targets of BCA in formulating policies, strategies, and guidelines for risk management, with adjustments if deemed necessary.
  - Assessment of the effectiveness of the implementation of the risk management framework.
  - The development and trend of the total risk exposure of BCA and proposal of the overall risk tolerance level (risk appetite).
  - Results of the review on total risk exposure faced by BCA and its possible impacts.
  - Assessment of BCA's capital adequacy in responding to the resulting impact under different stress test scenarios.
  - Proposed risk measurement methods, contingency plans for abnormal conditions

(worst case scenario) as well as other methods related with risk management.

- Matters which need justifications associated with business decisions that deviate from normal procedures (irregularities).
- Limit of authority, exposures, and the concentration of the loan portfolio as well as other parameters designed to limit risk.

### Risk Management Committee Meetings

Following are some provisions concerning the Risk Management Committee meetings:

- Are held necessary, with a minimum of once in 3 (three) months or 4 (four) times in 1 (one) year.
- Meet quorum if attended by at least 2/3 (two thirds) of the number of permanent members or ½ (half) of total number of permanent members but with the approval of all permanent members.

### Decision Making

Following are provisions concerning decision making:

- Decision making related to the exercise of Risk Management Committee authority will only be carried out through legitimate the Risk Management Committee meeting decisions.
- Risk Management Committee meeting decisions are valid and binding if approved by more than half the number of present members.

### Frequency of Risk Management Committee Meetings in 2016

Position (Name of Director)	Number of Meetings <sup>1)</sup>	Attendance	Percentage
President Director (Jahja Setiaatmadja)	4	4	100%
Deputy President Director (Eugene K. Galbraith)	4	4	100%
Deputy President Director (Armand W. Hartono)	4	3	75%
Risk Management Director (Anthony B. Elam) <sup>2)</sup>	NA	NA	NA%
Compliance & Risk Director (Subur Tan) <sup>3)</sup>	4	4	100%
Corporate Banking Director (Dhalia M. Ariotedjo) <sup>4)</sup>	NA	NA	NA%
Individual Banking Director (Suwignyo Budiman)	4	4	100%
SME & Commercial Banking Director (Henry Koenafif)	4	3	75%
Network Distribution Director (Erwan Yuris Ang)	4	4	100%
Corporate Banking Director (Rudy Susanto)	4	4	100%
Credit Director (Inawaty Handoyo) <sup>5)</sup>	3	3	100%
Transaction Banking Director (Santoso) <sup>6)</sup>	3	3	100%
Human Capital Management Director (Lianawaty Suwono) <sup>7)</sup>	3	1	33%
Head of Compliance Working Unit	4	3	75%
Credit Risk Analysis Group Head (GARK)	4	4	100%
Risk Management Unit Head (Secretary)	4	4	100%
Treasury Division Head (Non-permanent member) <sup>8)</sup>	1	1	100%
Head of Subdivision of International Business Development (Non permanent member) <sup>9)</sup>	1	1	100%
SR Adviser of Investor Relations & Corporate Strategic Alliances (Non-permanent member) <sup>10)</sup>	1	1	100%

**Notes :**

<sup>1)</sup> Chairman

<sup>2)</sup> Effective as the Board of Directors member since 27 July 2016.

<sup>3)</sup> Effective as the Board of Directors member since 8 August 2016.

<sup>4)</sup> Effective in position at BCA as Risk Management Director up to 7 April 2016

<sup>5)</sup> Effective in position at BCA as Director up to 7 April 2016

<sup>8)</sup> Total meetings for non-permanent member correspond to invitations for relevant topic.

### Accountability/Work Realization Reporting of Risk Management Committee

Accountability and work realization of Risk Management Committee are reported through the following:

- A written report on a regular basis at least once in 1 (one) year to the Board of Directors, regarding the results of regular Risk Management Committee meetings.
- A written report to the Board of Directors concerning the results of special meetings held to discuss specific issues.
- Special reports or activity reports (if necessary).

### Risk Management Committee Work Realization Program in 2016

Risk Management Committee Work Realization Program in 2016 can be found at page 324 – 325 of this 2016 Annual Report.

### 3. INTEGRATED RISK MANAGEMENT COMMITTEE

The Integrated Risk Management Committee was established to ensure the risk management framework has provided an integrated and adequate coverage over all risks faced by BCA and its Subsidiary Companies. BCA Integrated Risk Management Committee was established based on the Board of Directors Decision Letter No.061/SK/DIR/2015 dated 4 May 2015 concerning the Structure of Integrated Risk Management Committee. The establishment of Integrated Risk Management Committee refers to OJK Regulation No. 17/POJK.03/2014 of the Implementation of Integrated Risk Management for Financial Conglomeration.

### Main Duties of the Integrated Risk Management Committee

To give recommendation to the Board of Directors, which at least includes:



- Development of an integrated risk management policy.
- Improvements on the integrated risk management policy based on evaluation results.

### Authorities of the Integrated Risk Management Committee

Integrated Risk Management Committee has authority to review and give recommendation on matters associated with the integrated risk management to be approved by the Board of Directors.

### Membership of the Integrated Risk Management Committee and Voting Rights

Position	Served by	Voting Right Status
Chairman (concurrently as Permanent Member)	Director who heads the Integrated Risk Management function	Reserve Voting Right
Permanent member <sup>1)</sup>	<ul style="list-style-type: none"> <li>• All Member of the Board of Directors</li> <li>• Head of Compliance Working Unit Information Technology</li> </ul>	Reserve Voting Right
Non-permanent member <sup>2)</sup> 1. Executive Officer <sup>3)</sup>	<ul style="list-style-type: none"> <li>• Executive Vice President</li> <li>• All Heads of Division/Business Unit/Group/Work Unit related to Subsidiary Companies, other than Permanent Members</li> </ul>	Reserve Voting Right
2. Director at Subsidiary Companies <sup>7)</sup>	<p>Director who represents and is appointed by Subsidiary Companies</p> <p>Note<sup>7)</sup>: The number and composition are determined by needs and efficiency and effectiveness of the Integrated Risk Management Committee implementation of duties, by considering among others, the representation of each financial sector</p>	
Secretary (concurrently as permanent member)	Head of Risk Management Unit/Alternate	Reserve Voting Right

**Notes:**

<sup>1)</sup> If there is any concurrent position, the person only reserves the right of 1 (one) vote

<sup>2)</sup> Based on the topics discussed.

<sup>3)</sup> If Internal Audit Division Head attends the Integrated Risk Management Committee meeting, (s)he reserves no right to vote

### Main Duties of the Integrated Risk Management Committee Members

- To provide recommendation to the Secretary of Committee regarding the topics and meeting materials to be discussed in the Committee meeting.
- To provide recommendation in form of information and analysis related with the topics discussed in the Committee meeting. The topics may cover, among others:
  - Direction and target of the Company in developing policy, strategy, and guidelines for the integrated risk management application, and its amendment when necessary.
  - Assessment on the effectiveness of the integrated risk management framework application.
  - Report on the development and tendency of integrated risk exposure and recommendation on risk appetite and risk tolerance.
  - The result of review on the total exposure of integrated risk and its impact.
- Assessment on the Bank's capital adequacy in handling the risk of loss incurred by using various stress test scenarios.
- Recommendation on developing risk measurement methods, contingency plans in the worst case scenario, and other methods in regard with the integrated risk management.
- Other matters that require justification as related with business decisions taken out of normal procedure (irregularities).
- Limit of authority, exposure, and credit portfolio concentration as well as other parameters to limit risks.
- Improvement of the integrated risk management both regularly and incidentally as a result of changes in internal and external conditions that may affect capital adequacy, risk profile, and ineffectiveness of the current integrated risk management application based on evaluation.

## Meetings of the Integrated Risk Management Committee

Integrated Risk Management Committee meetings:

- Are held as necessary, with a minimum of once in a semester.
- Meet quorum if attended by at least 51% (fifty one percent) of the number of permanent members.

## Decision Making

Following are provisions concerning decision making:

- Decision making related with the use of the the Integrated Risk Management Committee authority will only be carried out through a legitimate the Integrated Risk Management Committee meeting decisions.
- Integrated Risk Management Committee meeting decisions are valid and binding if approved by more than ½ (half) the number of present members.

## Frequency of Meetings of the Integrated Risk Management Committee in 2016

Position (Name of Director/Membership)	Number of Meetings <sup>*)</sup>	Attendance	Percentage
President Director (Jahja Setiaatmadja) <sup>1)</sup>	2	2	100%
Deputy President Director (Eugene Keith Galbraith) <sup>1)</sup>	2	2	100%
Deputy President Director (Armand W. Hartono) <sup>1)</sup>	2	2	100%
Corporate Banking Director (Dhalia M. Ariotedjo) <sup>1) 3)</sup>	1	1	100%
Risk Management Director (Anthony Brent Elam) <sup>*) 3)</sup>	1	1	100%
Individual Banking Director (Suwignyo Budiman) <sup>1)</sup>	2	2	100%
Compliance & Risk Director (Subur Tan) <sup>1) #)</sup>	2	2	100%
SME & Commercial Banking Director (Henry Koenafif) <sup>1)</sup>	2	1	50%
Network Distribution Director (Erwan Yuris Ang) <sup>1)</sup>	2	1	50%
Corporate Banking Director (Rudy Susanto) <sup>1)</sup>	2	2	100%
Credit Director (Inawaty Handoyo) <sup>1) 5)</sup>	1	1	100%
Human Capital Management Director (Lianawaty Suwono) <sup>1) 4)</sup>	1	0	0%
Transaction Banking Director (Santoso) <sup>1) 5)</sup>	1	0	0%
Compliance Unit Head <sup>1)</sup>	2	2	100%
Risk Management Unit Head (Secretary) <sup>1)</sup>	2	2	100%
Finance and Planning Division Head <sup>2)</sup>	2	1	50%
Internal Audit Division Head <sup>2)</sup>	2	1	50%
BCA Finance Director <sup>2)</sup>	2	2	100%
CS Finance Director <sup>2)</sup>	2	2	100%
BCA Syariah Director <sup>2)</sup>	2	2	100%
BCA Finance Limited Hong Kong Director <sup>2)</sup>	2	2	100%
BCA Sekuritas Director <sup>2)</sup>	2	1	50%
BCA Insurance Director <sup>2)</sup>	2	2	100%
BCA Life Director <sup>2)</sup>	2	2	100%

### Notes :

<sup>\*)</sup> Chairman: Anthony Brent Elam until April 2016; while Anthony Brent Elam not serving as Director, the Integrated Risk Management Committee headed by Subur Tan.

<sup>\*)</sup> Total meetings for non-permanent members correspond to the invitation for relevant topics.

<sup>1)</sup> Permanent Member.

<sup>2)</sup> Non permanent member.

<sup>3)</sup> Not serving as BCA Director since April 2016.

<sup>4)</sup> Serving as BCA Director since July 2016.

<sup>5)</sup> Serving as BCA Director since August 2016.

### Accountability/Work Realization Reporting of the Integrated Risk Management Committee

Accountability and work realization of the Integrated Risk Management Committee are reported through the following:

- A written report on a regular basis at least once in 1 (one) year to the Board of Directors, regarding the results of regular the Integrated Risk Management Committee meetings.
- A written report to the Board of Directors concerning the results of special meetings held to discuss specific issues.
- Special reports or activity reports (if necessary).

### Integrated Risk Management Committee Work Realization Program in 2016

Integrated Risk Management Committee Work Realization Program in 2016 can be found on page 325 in 2016 Annual Report.

## 4. CREDIT POLICY COMMITTEE

The Credit Policy Committee was established to direct the provision of loans through the credit policy formulation in order to achieve prudent lending targets. The BCA Credit Policy Committee was established based on the Board of Directors Decision Letter No.149/SK/DIR/2016 dated 12 October 2016 of Structure of Credit Policy Committee.

The establishment of the Credit Policy Committee refers to:

- Decision Letter of Bank Indonesia No. 27/162/KEP/DIR dated 31 March 1995 concerning Requirements to Prepare and Implement Bank Credit Policy for Commercial Banks.
- The Board of Commissioners Decision Letter No. 197/SK/KOM/2016 dated 31 May 2016 concerning Segregation of Duties of the Board of Directors and Organizational Framework of PT Bank Central Asia Tbk.

### Main Duties of the Credit Policy Committee

- To assist the Board of Directors in formulating the credit policies, primarily with regard to the prudent lending principle.
- To monitor and evaluate the conduct of credit policies to be implemented consistently and consequently.
- To perform periodic reviews on BCA's Banking Basic Credit Policy of BCA.
- To monitor the progress and condition of the credit portfolio.
- To provide advice and steps to improve the results of monitoring and evaluation that has been done.

### Authorities of the Credit Policy Committee

Credit Policy Committee has the authority to provide advice and improvement steps to the Board of Directors associated with the credit policy.

### Membership of the Credit Policy Committee and Voting Rights

Position	Served By	Voting Right Status
Chairman (concurrently as a member)	President Director	Reserve Voting Right
Member <sup>1)</sup>	<ul style="list-style-type: none"> <li>• Deputy President Director 1</li> <li>• Credit Director</li> <li>• Compliance &amp; Risk Director</li> <li>• Corporate Banking Director<sup>2)</sup></li> <li>• SME &amp; Commercial Banking Director<sup>2)</sup></li> <li>• Individual Banking Director<sup>2)</sup></li> <li>• Transaction Banking Director<sup>2)</sup></li> <li>• Head of Credit Risk Analysis group and/or Head of SME &amp; Commercial Business and/or Head of Corporate Banking and Corporate Finance and/or Head of Consumer Credit Business and/or Head of Units under Banking Transaction Directorate<sup>3)</sup> or Alternates<sup>2)</sup></li> <li>• Head of Internal Audit Division or Alternate</li> <li>• Head of Compliance Unit or Alternate</li> </ul>	Reserve Voting Right
Secretary (concurrently as a member)	Head of Risk Management Unit or Alternate	Reserve Voting Right

**Notes:**

<sup>1)</sup> Other Directors may attend the Credit Policy Committee, yet without voting rights.

<sup>2)</sup> Based on the topics being discussed.

<sup>3)</sup> Based on scope of policy (business/product/operation)

### Main Duties of the Credit Policy Committee Members

The main duties of the Credit Policy Committee members are, among others:

- To provide input to the secretary of the Credit Policy Committee in the preparation of meetings agenda and materials.
- To provide input in form of information and analysis at the Credit Policy Committee meetings in order to make a the Credit Policy Committee decision regarding the following:
  - Development of credit policies (corporation, commercial, SME, KUK, consumer, and credit card) in accordance with the Bank's mission and business plan.
  - Compliance to the provisions of law in granting credit.
  - Overall development and quality of credit portfolio.
  - Proper implementation of loan approval authority.
  - Proper process of lending, development, and quality of loan given to related parties and certain large borrowers.

- Proper implementation of the Legal Lending Limit (LLL).
- Handling of Non-Performing Loans in accordance with the credit policies.
- Adequacy on the allowance for Bank loan losses.
- Results of oversight on the implementation of the Basic Credit Policy (KDPB).

### Meetings of the Credit Policy Committee

Below are the provisions in the Credit Policy Committee meetings:

- Credit Policy Committee meetings are held as necessary at a minimum of once a year.
- Credit Policy Committee meetings meet quorum if attended by at least 2/3 (two-thirds) of the number of members.

### Decision Making

Following are the provisions in decision making.

- Decision making in regard with the exercise of the Credit Policy Committee authority can be done through circulars to the Credit Policy Committee members or a valid the Credit Policy Committee meeting.
- A decision of the Credit Policy Committee meeting is valid and binding if approved by more than half the number of present members.

### Frequency of the Credit Policy Committee Meetings in 2016

Position (Name)	Number of meetings <sup>(1)</sup>	Attendance	Percentage	Remarks
President Director (Jahja Setiaatmadja)	1	1	100%	-
Deputy President Director 1 (Eugene K. Galbraith)	1	1	100%	-
Deputy President Director 2 <sup>1)</sup> (Armand W. Hartono)	1	1	100%	Attended the KKP meeting in his prior capacity as Operations & Information Technology Director
Credit Director (Inawaty Handoyo)	NA	NA	NA	At the time of the KKP meeting (6 April 2016), Inawaty Handoyo has yet to assume the position of Credit Director, which at that time was held by Rudy Susanto.
Corporate Banking Director (Rudy Susanto)	1	1	100%	At the time of the KKP meeting KKP, Rudy Susanto served as Credit Director.

Position (Name)	Number of meetings <sup>1)</sup>	Attendance	Percentage	Remarks
Risk Management Director <sup>#</sup> (Anthony Brent Elam)	1	0	0%	-
Compliance and Risk Director (Subur Tan)	1	1	100%	-
Corporate Business Director <sup>^</sup> (Dhalia Mansor Ariotedjo)	1	0	0%	-
SME & Commercial Banking Director <sup>1)</sup> (Henry Koenafi)	1	1	100%	At the time of the KKP meeting, Henry Koenafi served as Individual Banking Director.
Individual Banking Director (Suwigno Budiman)	1	1	100%	At the time of the KKP meeting, Suwigno Budiman served as Commercial and SME Business Director.
Transaction Banking Director <sup>1)</sup> (Santoso)	1	NA	-	At the time of the KKP meeting, Banking Transaction was a division under the Commercial and SME Business Director, and there was no Transaction Banking Director yet.
Head of Credit Risk Analysis Group or alternate <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in Credit Risk.
Head of SME & Commercial Business Division or alternate <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in SME & Commercial Business.
Head of Corporate Banking and Corporate Finance (Group or alternate) <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in Corporate Banking and Corporate Finance.
Head of Consumer Credit Business Division or alternate <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in consumer credit business.
Head of Business Unit under Banking Transaction Directorate or alternate <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in Banking Transaction business.
Head of Internal Audit Division or alternate	1	1	100%	-
Head of Compliance Unit or alternate	1	1	100%	-
Head of Risk Management Unit or alternate	1	1	100%	-

**Notes:**

<sup>-</sup> Meeting held on 6 April 2016

<sup>#</sup> Effectively in position as Risk Management Director up to 7 April 2016, subsequently replaced by Subur Tan, currently effective in position as Compliance and Risk Management.

<sup>^</sup> Effectively in position as Corporate Business Director up to 7 April 2016, subsequently replaced by Rudy Susanto, previously Credit Director, and currently effective in position as Corporate Business Director.

<sup>1)</sup> based on the topics being discussed

<sup>7)</sup> non member

### Accountability /Work Realization Reporting

- A written report is submitted to the Board of Directors on a regular basis, with copies to the Board of Commissioners regarding the results of controlling, monitoring, and evaluating the Basic Bank Credit Policy (KDPB), as well as advice for necessary improvement.
- Other data and information related with the results of controlling, monitoring, and evaluating of activities.

### Credit Policy Committee Work Realization Program in 2016

Credit Policy Committee Work Realization Program in 2016 can be found at page 325 of this 2016 Annual Report.

## 5. CREDIT COMMITTEE

The Credit Committee was established to assist the Board of Directors in making loan evaluations and/or loan approval decisions within the authorized limits set by the Board of Directors as stipulated in the Company's Articles of Association with regards to BCA's business development without abandoning the prudence principles. Credit Committee was established based on the Board of Directors Decision Letter No. 151/SK/DIR/2016 dated 12 October 2016 of Structure of Credit Committee.

In addition, the establishment of Credit Committee refers to:

- The Board of Commissioners Decision Letter No. 197/SK/KOM/2016 dated 31 August 2016 of Segregation of Duties of the Board of Directors and Organizational Framework of PT Bank Central Asia Tbk.
- Corporate Credit Manual.
- Commercial Credit Manual.

### Main Duties of the Credit Committee

- To provide credit guidance and to conduct a more intensive and comprehensive credit analysis when necessary.
- To provide decisions or recommendations on credit approval proposals submitted by the referral/proposal associated with:
  - Large Loans;
  - Specific Industries; and,
  - Special requests from the Board of Directors.

- To coordinate with the Asset & Liability Committee (ALCO) on funding and adjustments of interest rates for corporate loans.

### Level of the Credit Committee

In carrying out its duties, the KK is grouped under the following credit categories:

1. Corporate Credit Committee
2. Commercial Credit Committee.

### Authorities of the Credit Committee

The authority of the Credit Committee includes making credit decisions or providing recommendations for the draft of credit decisions, by referring to the provision concerning the Authority to Approve Credit as contained in the Corporate Credit Policy Manual and Commercial Credit Policy Manual.

Following is the scope of authority vested in the Credit Committee:

- In terms of the magnitude of authority:  
The Credit Committee has the authority to approve credit in accordance with the authorized maximum amounts specified for each type of borrower.
- In terms of the object of credit decisions:
  - Making credit decisions for corporate and commercial categories above a certain value.
  - Providing a decision on proposed credit facilities.
  - Determining the take-over/purchase of loans that have or have not been restructured from other financial institutions.

### Membership of Corporate the Credit Committee and Voting Rights

Position	Served by	Voting Right Status <sup>1)</sup>
Chairman (concurrently as a permanent member)	Credit Director (DKR)	Reserve voting rights
Permanent member	<ul style="list-style-type: none"> <li>• President Director (PD)</li> <li>• Deputy President Director 1</li> <li>• Corporate Banking Director</li> </ul>	No voting rights
Non-permanent member	<ul style="list-style-type: none"> <li>• Head of Group of Corporate Planning and Finance</li> <li>• Other Directors having the authorities to approve credit</li> <li>• Compliance &amp; Risk Director (DCR)<sup>2)</sup></li> </ul>	Reserve voting rights
Secretary (concurrently as a permanent member)	Head of Credit Risk Analysis Group	No voting rights

**Notes:**

<sup>1)</sup> decision made through voting mechanism

<sup>2)</sup> with voting rights in terms of credit settlement and other matters related to risk management.

## Membership of Commercial the Credit Committee and Voting Rights

Position	Served by	Voting Right Status <sup>1)</sup>
Chairman <sup>2)</sup> (concurrently as permanent member)	Head of Credit Risk Analysis Group	Reserve voting rights
Permanent Member	<ul style="list-style-type: none"> <li>SME &amp; Commercial Banking Director</li> <li>Credit Director</li> <li>Head of Regional Office</li> </ul>	
Non Permanent Member	Compliance & Risk Director (DCR) <sup>3)</sup>	
Secretary (concurrently as a permanent member)	Credit Adviser of Credit Risk Analysis Group	No voting rights

### Notes:

<sup>1)</sup> decision made through voting mechanism

<sup>2)</sup> Chairman duties are shared in turns among Group Heads based on the appropriate commercial credit exposure being handled

<sup>3)</sup> with voting rights in terms of credit settlement and other matters related to risk management

## Main Duties of the Credit Committee Members

The main duties of Credit Committee are stated below:

- To provide direction for more comprehensive credit analysis of specific credit when necessary, should information presented be insufficient for decision making;
- To give consideration to draft decisions, proposals and recommendations submitted by the provider of the recommendation/proposer;
- To decide on credit based on professional skills in an honest, objective, accurate, and thorough fashion;
- To provide input to the Credit Committee secretary regarding the meeting needs.

## Credit Committee Meetings

The following are several provisions on Credit Committee Meetings:

- Credit Committee Meetings are held as necessary with at least 6 (six) meetings per year;
- Meetings can be held and declared to meet quorum if attended by at least 3 (three) members with voting rights;
- Meetings can be conducted through teleconference;
- For the Corporate Credit Committee, the Compliance and Risk Management Director or his alternate shall attend every Credit Committee meeting;
- Commercial Credit Committee meetings can be done both at the Head Office and Regional Offices;
- Details of each Credit Committee meeting must be noted in minutes of meetings.

## Decision Making

The following are provisions on decision making:

- Decision making on credit approval can be made in a draft decision, which is circulated in writing or memo circulation by email to the members of the Committee or through legitimate Credit Committee meetings. If a circulated draft decision is not approved by one member of the Committee, then the secretary needs to schedule a Credit Committee meeting immediately;
- For the Corporation Credit Committee, if the credit decision that was made at a Credit Committee meeting has not complied with the required authority of Board Credit of Directors in such loan approval; the draft credit decision is circulated to seek approvals from other Director and/or Board of Commissioners;
- Monitoring and Resource Persons do not have voting rights in the credit decision.

## Accountability of the Credit Committee

Accountability of Credit Committee can be delivered through the minutes of Credit Committee meeting, circulated decision memorandum, and periodic Credit Committee reports.

### Frequency of the Corporate Credit Committee Meetings and Attendance of the Board of Directors and the Corporate Credit Committee Members in 2016

Position (Name)	Number of meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja)**	8	7	88%
Deputy President Director (Eugene Keith Galbraith)**	8	4	50%
Deputy President Director (Armand W. Hartono)**** <sup>1</sup>	8	3	38%
Credit Director (Inawaty Handoyo) <sup>2</sup>	5	5	100%
Corporate Banking Director (Rudy Susanto)**	8	8	100%
SME & Commercial Banking Director (Henry Koenafi)**	8	5	63%
Individual Banking Director (Suwignyo Budiman)**	8	3	38%
Compliance & Risk Director (Subur Tan)****	8	4	50%
Network Distribution Director (Erwan Yuris Ang)**	8	1	13%
Transaction Banking Director (Santoso)**** <sup>2</sup>	5	2	40%
Human Capital Management Director (Lianawaty Suwono)**** <sup>3</sup>	5	2	40%
Risk Management Director (Anthony Brent Elam)****	3	2	67%
Corporate Banking Director (Dhalia M. Ariotedjo)****	3	2	67%

**Notes:**

\* Chairman (concurrently as Permanent Member)

\*\* Permanent Member

\*\*\* Non-permanent member

\*\*\*\* Other the Board of Directors members

\*\*\*\* Based Annual GMS on 7 April 2016, term of duty has ended and not re-appointed

<sup>1</sup> Effective per 21 June 2016 based on Competence and Feasibility Test Decision from Financial Services Authority

<sup>2</sup> Effective per 8 August 2016 based on Competence and Feasibility Test Decision from Financial Services Authority

<sup>3</sup> Effective per 27 July 2016 based on Competence and Feasibility Test Decision from Financial Services Authority

### Frequency of the Commercial Credit Committee Meetings and Attendance of the Board of Directors and the Commercial Credit Committee Members in 2016

Position (Name)	Number of meetings	Attendance	Percentage
Credit Director (Inawaty Handoyo)** <sup>1</sup>	4	4	100%
SME & Commercial Banking Director (Henry Koenafi)**	4	4	100%
Corporate Banking Director (Rudy Susanto)****	4	4	100%
Individual Banking Director (Suwignyo Budiman)****	4	3	75%
Head of Credit Risk Analysis Group *	7	7	100%
Head of Small and Medium Enterprise Division ***	7	5	71%
Head of Compliance Unit ****	7	3	43%
Regional Head**	7	7	100%

**Notes:**

\* Chairman (concurrently as permanent member)

\*\* Permanent Member

\*\*\* Resource Person

\*\*\*\* Monitoring Personnel

\*\*\*\* Other the Board of Directors members

<sup>1</sup> Effective 8 August 2016 based on Competence and Feasibility Test Decision from Financial Services Authority

### Credit Committee Work Realization Program in 2016

Credit Committee Work Realization Program in 2016 can be found on page 325 in 2016 Annual Report.

## 6. INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee was established to ensure the implementation of an information technology (IT) system is in line with BCA's strategy. The Information Technology Steering Committee mission is to improve the Company's competitive advantage through the utilization of appropriate IT functions. The Information Technology Steering Committee was established based on the Board of Directors Decision Letter No. 110/SK/DIR/2014 dated 24 September 2014.



In addition, the establishment of Information Technology Steering Committee refers to:

- Bank Indonesia Regulation No. 9/15/PBI/2007 dated 30 November 2007 concerning the Implementation of Risk Management in the Utilization of Information Technology by Commercial Banks.
- Circular Letter of Bank Indonesia No. 9/30/DPNP dated 12 December 2007 concerning the Implementation concerning Risk Management in the Utilization of Information Technology by Commercial Banks.
- The Board of Commissioners Decision Letter No. 184/SK/KOM/2014 dated 11 August 2014 of

Segregation of Duties of Board of Directors and Organizational Framework of PT Bank Central Asia Tbk.

- Basic Manuals of Risk Management in IT Utilization

#### Main Functions of the Information Technology Steering Committee

- Reviewing and providing recommendation for an IT strategic plan that is aligned with the business plan of BCA.
- Conducting regular evaluations of IT support for BCA's business activities.
- Ensuring that IT investments provide added values to BCA.

#### Membership of the Information Technology Steering Committee and Voting Rights

Position	Served by	Voting Right Status
Chairman (concurrently as member)	Deputy President Director	Reserve Voting Right
Secretary (concurrently as member)	Head of IT Management Office	Reserve Voting Right
Member	<ul style="list-style-type: none"> <li>• Compliance &amp; Risk Director</li> <li>• Network Distribution Director</li> <li>• IT Executive Vice President (EVP TI)</li> <li>• Strategic Information Technology Group (GSIT)<sup>1)</sup>: <ul style="list-style-type: none"> <li>- Head of IT Management Office</li> <li>- Head of IT Infrastructure &amp; Operation Management</li> <li>- Head of Core Application Management</li> <li>- Head of Delivery Channel &amp; Middleware Application Management</li> </ul> </li> <li>• Head of Enterprise Security Unit</li> <li>• Head of Risk Management Unit</li> <li>• Head of Compliance Unit</li> <li>• Head of Strategy and Development of Operation-Service Division</li> <li>• Head of IT Main User Unit <sup>2)</sup></li> </ul>	Reserve Voting Right
	<ul style="list-style-type: none"> <li>• Head of Internal Audit Division</li> </ul>	No voting right

**Notes:**

<sup>1)</sup> GSIT only has 1 (one) voting right represented by EVP TI.

<sup>2)</sup> Participation in the meeting based on the topics relevant to the respective work unit

#### Authorities and Responsibilities of the Information Technology Steering Committee

Information Technology Steering Committee has the authorities and responsibilities as follows:

- To provide recommendations to the Board of Directors for the IT strategic plan in line with BCA's business activities and strategic plan.
- To review and make recommendations on the feasibility of IT investments that will contribute to the achievement of BCA's business objectives.

- To review and recommend strategic steps to minimize the risk of BCA's investments in IT sector.
- To review and provide recommendations on major IT policies and procedures.

#### Meetings of the Information Technology Steering Committee

The following are several provisions on the Information Technology Steering Committee meetings:

- Information Technology Steering Committee Meetings are conducted as necessary for at least 4 (four) times a year.

- Information Technology Steering Committee meetings meet quorum if attended by at least 2/3 (two thirds) of the members invited with voting rights.

### Decision Making

The following are provisions in decision making:

- Decisions in relation to the Information Technology Steering Committee authority can only be made in legitimate the Information Technology Steering Committee meetings.
- Decisions of the Information Technology Steering Committee meetings are valid and binding if approved by at least ½ (half) plus 1 (one) of the members with voting rights present.

### Accountability/Work Realization Reporting

The work realization of the Information Technology Steering Committee is reported through minutes of the Information Technology Steering Committee meetings, with the provision as follows:

- Attendance of the Information Technology Steering Committee members in the meeting already meet the quorum
- Results of the Information Technology Steering Committee meeting must be written in minutes of meetings and be well documented.
- Minutes of meetings are prepared by the Secretary of the Information Technology Steering Committee and signed by the Chairman of the Information Technology Steering Committee.

### Frequency of the Information Technology Steering Committee Meetings in 2016

Position (Name)	Number of meetings	Attendance	Percentage
Deputy President Director (Armand W. Hartono) <sup>1)</sup>	4	4	100%
Compliance and Risk Director (Subur Tan) <sup>2)</sup>	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	4	100%
IT Executive Vice President	4	4	100%
Strategic Information Technology Group (GSIT) <sup>3)</sup> :			
- Head of IT Management Office <sup>7)</sup>	4	4	100%
- Head of IT Infrastructure & Operation Management <sup>7)</sup>	4	4	100%
- Head of Core Application Management	4	3	75%
- Head of Delivery Channel & Middleware Application Management	4	3	75%
Head of Enterprise Security Unit	4	2	50%
Head of Risk Management Unit	4	4	100%
Head of Compliance Unit	4	4	100%
Head of Strategy and Development of Operation-Service Division	4	3	75%
Head of Internal Audit Division <sup>4)</sup>	4	3	75%

**Notes:**

<sup>1)</sup> Chairman.

<sup>2)</sup> Risk Management Director combined with Compliance Director based on Decision Letter No. 075/SK/KOM/2016 of Approval on Segregation of Duties of The Board of Directors during Transition Period.

<sup>3)</sup> GSIT only has 1 (one) voting right represented by EVPTI.

<sup>4)</sup> No voting right.

<sup>7)</sup> Combined with IT Executive Vice President

### Work Programs in 2016

- To provide recommendations to the Board of Directors regarding the IT strategic plan.
- To monitor the performance of Information Technology and its improvement efforts.
- To evaluate and monitor the application of IT in accordance with the business requirements of BCA.
- To ensure that IT investments deliver optimal investment value.

- To ensure the effectiveness of risk minimization on BCA IT investments.

### Information Technology Steering Committee Work Realization Program in 2016

Information Technology Steering Committee Work Realization Program in 2016 can be found on page 325-326 in 2016 Annual Report.

## 7. PERSONNEL CASE ADVISORY COMMITTEE

The Personnel Case Advisory Committee was established with the mission to provide recommendations to the Board of Directors regarding the settlement of personnel cases based on the principles of justice and equality by analyzing cases of violations of policy and/or possible illegal activity undertaken by employees. The Personnel Case Advisory Committee was established based on the Board of Directors Decision Letter No. 181/SK/DIR/2013 dated 24 December 2013.

In addition, the establishment of Personnel Case Advisory Committee refers to:

- The Board of Directors Decision Letter No. 021/SK/DIR/2012 of the Amendments in Management of Violations.
- The Board of Directors Decision Letter No. 018/SK/DIR/ 2013 of Revised Decision Letter of Authorities of Human Resources at Head Office.
- The Board of Commissioners Decision Letter No. 089/SK/KOM/2013 of Segregation of Duties of the Board of Directors and Organizational Framework of PT Bank Central Asia Tbk.
- Guidelines of Standardized Authorities of Branch Office and Regional Office.

### Main Functions of the Personnel Case Advisory Committee

- To review cases of violations and/or crime committed by employees, which require decision by the Board of Directors for follow-up of settlement.
- To provide recommendation to the Board of Directors in determining follow-ups of settlement of cases of violations and/or crime, which includes the sanctions imposed, system & operational operational procedures improvements and legal proceedings if necessary.
- To periodically review the settlement of violations and/or crime implemented by the Heads of Branch Offices and Regional Office.
- To provide advice and guidance (if necessary) to branches and regions in handling cases of violations and/or crime.

### Authorities of the Personnel Case Advisory Committee

The Personnel Case Advisory Committee has the authority to make suggestions/recommendations to the Board of Directors concerning the settlement of violations and/or crime committed by employees.

### Membership of the Personnel Case Advisory Committee and Voting Rights

Position	Served by	Voting Right Status <sup>1)</sup>
Chairman (concurrently as member)	Head of Human Capital Management Division	Reserve Voting Right
Member	<ul style="list-style-type: none"> <li>• Head of Internal Audit Division</li> <li>• Head of Legal Group</li> <li>• Head of Strategy and Development of Operation-Service Division</li> </ul>	Reserve Voting Right
Non-permanent member	Head of Regional Network and Planning Management Unit	Reserve Voting Right
Secretary	Head of Branch Audit Sub-Division	No voting right

### Main Duties of the Personnel Case Advisory Committee

The Personnel Case Advisory Committee members have voting rights, with the main tasks of providing inputs in the form of information, analysis, and consideration at the meetings in order to provide suggestions/ recommendations with regard to:

- Sanctions to be imposed;
- Improvements of systems and operational procedures;
- Legal proceedings.

The Personnel Case Advisory Committee members who are unable to attend the meeting can be represented by other officials with a level equal to the (Deputy Head or Department Head) appointed by the member concerned.

### Meetings of the Personnel Case Advisory Committee

The following are several provisions of the Personnel Case Advisory Committee Meetings:

- The Personnel Case Advisory Committee meetings are held as necessary.
- Voting rights are held by members.
- The Personnel Case Advisory Committee meetings meet quorum if attended by at least 2/3 (two thirds) of the number of members.

### Decision Making

The following are several provisions of the Personnel Case Advisory Committee meetings and decision making:

- Decisions in relation to the exercise of authority of the Committee can only be made in legitimate the Personnel Case Advisory Committee meetings.

- Decisions made in the Personnel Case Advisory Committee meetings can be in the form of:
  - A recommendation to the Board of Directors agreed upon by all members, or
  - More than one recommendation (if consensus is not reached).

### Accountability/Work Realization Reporting

Realization of the Personnel Case Advisory Committee work is reported in:

- Minutes of the Personnel Case Advisory Committee regular meetings.
- Minutes of the Personnel Case Advisory Committee special meetings held to discuss specific issues.

### Frequency of the Personnel Case Advisory Committee Meetings in 2016

Position (Name of Director/Membership)	Number of meetings	Attendance	Percentage
Human Capital Management Director (Lianawaty Suwono) <sup>¶)</sup>	4	4	100%
Head of Human Capital Management Division (Hendra Tanumihardja) <sup>‡)</sup>	1	1	100%
Head of Internal Audit Division (Sindu Adisuwono) <sup>‡)</sup>	5	5	100%
Head of Legal Group (Hermanto) <sup>‡)</sup>	5	4	80%
Head of Legal Group (Theresia Endang) <sup>‡)</sup>	5	4	80%
Head of Strategy and Development of Operation-Service Division (Lilik Winarni) <sup>‡)</sup>	5	3	60%

**Notes:**

<sup>‡)</sup> Chairman, effective as of 10 August 2016, Mr. Hendra Tanumihardja replaced Ms. Lianawaty Suwono as Head of Human Resources Division.

<sup>‡)</sup> Member

<sup>¶)</sup> At the time of the KPKK meeting, Ms. Lianawaty Suwono was the Head of Human Resources Division.

### Personnel Case Advisory Committee Work Realization Program in 2016

Personnel Case Advisory Committee Work Realization Program in 2016 can be found on page 326 in 2016 Annual Report.

## THE BOARD OF COMMISSIONERS

The Board of Commissioners is the organ of the Company in charge of providing general and/or specific oversight and advice to the Board of Directors as stated in the Articles of Association. The Board of Commissioners also has the duty of ensuring the implementation of GCG (Good Corporate Governance) principles in every business activity conducted by BCA at all the levels of the organization. The Board of Commissioners conducts their duties and responsibilities independently.

### 1. Legal References

- Constitution Number 40 Year 2007 regarding Limited Liability Companies.
- Bank Indonesia Regulation No.12/23/PBI/2010 concerning the Fit and Proper Test.
- Bank Indonesia Circular Letter No.13/8/ DPNP dated 28 March 2011 concerning the Fit and Proper Test which was amended by Bank Indonesia Circular Letter No.13/26/ DPNP dated 30 November 2011.
- Bank Indonesia Circular Letter No.15/15/ DPNP concerning the Implementation of Good Corporate Governance for Commercial Banks.

- Financial Service Authority Regulation No.18/POJK.03/2014 concerning the Implementation of Integrated Governance For Financial Conglomerate.
- Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Commissioners and the Board of Directors of Issuers or Public Companies.
- Financial Services Authority Circular Letter No.15/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerates.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.

## 2. Charter of the Board of Commissioners

The Board of Commissioners operates under a Code of Conduct (Board of Commissioners Charter) which covers:

- Composition and criteria of members of the Board of Commissioners.
- Independent Commissioners.
- Tenure of members of the Board of Commissioners.
- Dual positions of members of the Board of Commissioners.
- Obligations, Duties, Responsibilities and Authorities of the Board of Commissioners.
- Transparency and prohibitions for the Members of Board of Commissioners.
- Orientation Program and training of members of the Board of Commissioners.
- Ethics and working hours of Board of Commissioners.
- Meetings of the Board of Commissioners.

The Board of Commissioners Charter is published in the GCG BCA Manual and can be viewed on BCA's website ([www.bca.co.id](http://www.bca.co.id)) under Good Corporate Governance.

## 3. Duties and Responsibilities of the Board of Commissioners

The duties and responsibilities of the Board of Commissioners are as follows:

- To supervise the management policies of BCA and the running of the management and to provide advice to the Board of Directors. The supervision by the Board of Commissioners is in the interest of BCA and accordance with the purposes and objectives as stated in BCA's Articles of Associations.

- To ensure the implementation of GCG principles in all BCA's business activities at all levels of the organization.
- To direct monitor, and evaluate the implementation of BCA's strategic policies.
- To ensure that the Board of Directors has taken follow-up actions on audit findings and heeded recommendations of the Internal Audit Division, External Auditor, monitoring reports of the authorities including but not limited to the Financial Services Authority, Bank Indonesia, and/or the Indonesian Stock Exchange.
- To inform Bank Indonesia/Financial Services Authority no later than 7 (seven) working days of discovering violations of the laws and regulations in the field of finance and banking, and a state or an indication of a state which may harm the business continuity of BCA.
- To establish the:
  - Audit Committee;
  - Risk Oversight Committee; and
  - Remuneration and Nomination Committee;
  - Integrated Governance Committee.
- To ensure that the Committees formed by the Board of Commissioners perform their duties effectively.
- To provide sufficient time to perform their duties and responsibilities in an optimal manner.
- To organize Board of Commissioners meetings periodically, no less than 1 (once) every 2 (two) months. At least 2 (two) meetings in a year shall be attended in person by all members of the Board of Commissioners.
- To prepare the minutes of the Board of Commissioners meetings, signed by all members of the Board of Commissioners attending the Board of Commissioners meeting.
- To distribute a copy of the minutes of Board of Commissioners meetings to all members of the Board of Commissioners and related parties.
- To convene joint meeting of Board of Directors periodically at least 1 (one) time within 4 (four) months.
- To submit a report on the monitoring tasks that have been carried out during the financial year prior to the AGMS.

## 4. Authorities of the Board of Commissioners

The Board of Commissioners, among other tasks, is authorized:

- a. To enter buildings or other places used or controlled by BCA.
- b. To inspect all books, correspondence and other data.
- c. To request explanation from the Board of Directors regarding any aspect of BCA.
- d. Temporarily dismiss one or more members of the Board of Directors in the event the member of the Board of Directors' action contradicts the Articles of Association of BCA, is detrimental to BCA, is malpractice and/or violates the applicable laws and regulations.
- e. To evaluate and decide on requests of the Board of Directors relating to transactions that require the approval of the Board of Commissioners in accordance with the Articles of Association of BCA, among others:
  - 1) Lending money or providing credit or other banking facilities that resemble or result in loans:
    - i. To related parties as stipulated in Bank Indonesia regulations concerning Lending Limit of Commercial Banks.
    - ii. That exceed a certain amount which from time to time will be determined by the Board of Commissioners.
  - 2) Providing guarantees or underwriting debt (borgtocht):
    - i. To guarantee the payment obligations of related parties to other parties as stipulated in regulations by Bank Indonesia or the Financial Services Authority or other authority concerning Legal Lending Limit of Commercial Banks;
    - ii. To guarantee the obligations of other parties for the amount that exceeds a certain amount which from time to time will be determined by the Board of Commissioners.
  - 3) Purchasing, or otherwise acquiring immovable property, except in order to implement what is established in point (q) paragraph 2 Article 3 of the Articles of Associations of BCA, namely in performing activities commonly conducted by a bank as long as not contrary to the prevailing laws and regulations, including, among other measures for restructuring or rescuing loans

- including collateral purchase, either all or in part, by auction or otherwise, in the event the debtor does not fulfill its obligations to the bank, with the provision that the collateral purchased shall be disbursed;
- 4) Establishing a new company, conducting or releasing or reducing or increasing its equity capital, except:
    - i. Increase in capital from stock dividends of BCA, or;
    - ii. Equity in order to rescue credit by constantly taking into account the prevailing laws;
  - 5) Borrowing money that is not included in point (a) paragraph 2 Article 3 of the Articles of Associations of BCA, namely collecting funds from the public through savings in the form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent.
  - 6) Forms transferring or releasing BCA's right to collect amounts written off, either in part or in whole, the amount to be determined from time to time by the Board of Commissioners.
  - 7) Selling or otherwise transferring or disposing or pledging/offering, property of BCA which is worth less than or equal to 1/2 (one half) of the total net assets of BCA as listed on the balance sheet of BCA, both in 1 (one) transaction or in multiple transactions which stand alone or are related to each other in one (1) fiscal year.
  - 8) Taking legal actions or transactions that are strategic and can have a significant impact on the continuity of BCA's business, the type of legal action or transaction from time to time to be determined by the Board of Commissioners.

In carrying out their duties, responsibilities and authorities, the Board of Commissioners shall consider BCA's Articles of Association, the Board of Commissioners Charter, and prevailing legislation.

## 5. The Board of Commissioner Membership Number, Composition and Criteria

As of 31 December 2016, the Board of Commissioners of BCA consisted of 5 (five) members, comprising 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of members of the Board of Commissioners does

not exceed the number of members in the Board of Directors. The number of Independent Commissioners is 60% (sixty percent) of the total number of members of the Board of Commissioners. All BCA Commissioners are domiciled in Indonesia.

The term of duty of members of the Board of Commissioners is 5 (five) years. The term of duty of Commissioners for the current period will expire at the conclusion of the 2021 BCA AGMS, without prejudice to the authority of the General Meeting of Shareholders to dismiss one or more Commissioners at any time before the term ends.

Members of the Board of Commissioners must meet the requirements as referred to in Financial Services Authority Regulation No.33/ POJK.04/2014 dated 8 December 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.

1. The requirements are as follows:
  - a. Having good character, morals, and integrity;
  - b. Capable of performing legal actions;
  - c. Within 5 (five) years before appointment and when in charge of the position:
    - 1) Not been declared bankrupt;
    - 2) Not a member of the Board of Directors and/or the Board of Commissioners that was found guilty in causing a company to become bankrupt;
    - 3) Not having been convicted of any criminal offense that is detrimental to a country's or financial sector's financial position; and
    - 4) Not a member of the Board of Directors and/or the Board of Commissioners which during the terms of office:
      - i. Did not hold an AGMS;
      - ii. His/her accountability as a member of the Board of Directors and/or Commissioners was not accepted by the GMS or he/she did not submit his/her accountability as a member of the Board of Directors and/or the Board of Commissioners to the GMS.
      - iii. Had caused a company that obtained license, approval, or registration from the Financial Services Authority in not complying with its obligation to submit the

annual report and/or financial report to the Financial Services Authority.

- d. Has a commitment to comply with the regulations.
  - e. Possesses knowledge and skill in the area required by the company.
2. Meet the integrity, competence, and financial reputation requirements as referred to the Bank Indonesia Regulation No.12/23/PBI/2010 dated 29 December 2010 concerning Fit and Proper Test, as follows:
    - a. Integrity requirements:
      - i. Having a good character and morals, which among others are shown by complying to the applicable regulations, including not having been convicted of certain criminal offense in the 20 (twenty) years before nomination;
      - ii. Having a commitment to comply with the prevailing regulations.
      - iii. Having a commitment towards development of a sound banking operations.
      - iv. Is not on the Disqualified List (DTL).
      - v. Having a commitment not to conduct and/or repeat any actions as referred to Article 27 and Article 28, this applies to candidates of the Board of Commissioners who were in the Disqualified List in the Fit and Proper test, and had passed the sanction period as referred to Article 35 paragraph (1), Article 40 paragraph (4) point a and Article 40 paragraph (5) of the Bank Indonesia Regulation mentioned above.
    - b. Competence requirements:
      - i. Adequate knowledge in banking, relevant to his/her position; and/or
      - ii. Experience and expertise in banking and/or finance.
    - c. Financial reputation:
      - i. Does not have bad debt; and/or
      - ii. Not having been declared bankrupt or a member of Board of Directors or Board of Commissioners who was found guilty of causing a bankruptcy of a company in the 5 (five) years before the nomination.

## 6. Composition of Members of the Board of Commissioners as of 31 December 2016

Based on the Annual GMS of BCA in 2016, there were changes to the composition of BCA's Board of Commissioners. The membership composition of BCA's Board of Commissioners is contained in the Deed of Minutes of Meeting of PT Bank Central Asia Tbk No, 216 dated 26 August 2016, made before Irawan Soerodjo, SH, Msi, Notary in Jakarta.

### The composition of the Board of Commissioners of BCA 2016 is the following:

Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrellus Harinowo
Independent Commissioner	Raden Pardede
Independent Commissioner	Sumantri Slamet <sup>*)</sup>

**Notes:**

<sup>\*)</sup> Based on the Letter of Appointment from the Financial Services Authority No. SR-117/D.03/2016 dated 11 July 2016 Mr. Sumantri Slamet was appointed as a member of the Board of Commissioners to replace Mr.Sigit Pramono.

Profiles of the members of 2016 BCA's Board of Commissioners are presented in the Corporate Data Section, page 70 -73 of this 2016 Annual Report.

Based on Circular Letter of the Financial Services Authority No. 30/SEOJK.04/2016 concerning Format and Contents of Annual Reports of Issuers or Listed Companies, following is the latest composition of the Board of Commissioners of the Bank, prior to the changes to such Board of Commissioners as based on the Deed of Minutes of the Annual General Meeting of Shareholders No. 80 dated 14 August 2014.

### The composition of the Board of Commissioners of BCA 2015 is the following:

Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrellus Harinowo
Independent Commissioner	Raden Pardede
Independent Commissioner	Sigit Pramono <sup>*)</sup>

**Notes:**

<sup>\*)</sup> Based on the Letter of Appointment from the Financial Services Authority No. SR-117/D.03/2016 dated 11 July 2016 Mr. Sumantri Slamet was appointed as a member of the Board of Commissioners to replace Mr.Sigit Pramono.

## 7. Diversity in the Composition of Members of the Board of Commissioners

The composition of the Board of Commissioners of BCA reflects the diversity of its members, both in terms of expertise/education (field of study), working experience, age and members of Board of Commissioners holds a high degree of competence in favour of increasing the performance of the Company.

Pursuant to Bank of Indonesia Regulation No.12/23/PBI/2010 dated 29 December 2010 concerning the Fit

and Proper Test and Bank of Indonesia Circular Letter No. 13/8/DPNP dated 28 March 2011 concerning Fit and Proper Test as amended by Bank of Indonesia Circular Letter No.13/26/DPNP dated 30 November 2011, all members of the Board of Commissioners of BCA has passed the Fit and Proper Test and obtained the approval letter from the Bank Indonesia / Financial Services Authority.



### Diversity in the Composition of Members of the Board of Commissioners is reflected in the following table:

No	Factor/Diversity	Description
1	Independent Commissioners	Out of 5 (five) members of the Board of Commissioners of BCA, 3 (three) of them are Independent Commissioners.
2	Skill/Education	Level of education of members of the Board of Commissioners varies, starting from Bachelor, Magister, and Doctoral degree with different competences such as Economics, Technology, and Business.
3	Experience	Diversity in work experiences of members of the Board of Commissioners, such as banking professionals and national/multi national financial institutions, consultant, lecturer, and government official.
4	Age	The age of members of the Board of Commissioners varies within productive age range of 56-75 years.

#### Notes:

Composition of the Board of Commissioners has met criteria of diversity. This can be seen from independence aspects wherein BCA has 3 (three) Independent Commissioners, expertise/deduction from different field of study both from domestic and overseas institutions, experiences from banking professionals as well as other financial institutions and government official, and age diversity. The Board of Commissioners of BCA consists of professionals who are highly competent in its field. Complete information on the biodata of the Board of Commissioners can be seen at the Company Profile section, page 70 – 73 of this 2016 Annual Report.

### 8. Nomination of Members of the Board of Commissioners

The Remuneration and Nomination Committee recommends candidates for members of the Board of Commissioners to the Board of Commissioners. Furthermore, with regard to the recommendation of the KRN, the Board of Commissioners proposes the appointment of candidates for members of the Board of Commissioners to be submitted in the GMS. The GMS appoints candidates for the Board of Commissioners to be members of the Board of Commissioners, with regards to the recommendation of the Board of Commissioners.

### 9. Information Concerning Independent Commissioners

Independent Commissioner is a member the Board of Commissioners who does not have any financial, management, share ownership and/or family relationship with members of the Board of Directors, other members of the Board of Commissioners, and/or Controlling Shareholders or BCA itself that may affect his/her capability to act independently.

#### • Requirements the Board of Commissioners

Pursuant to the Financial Service Authority Regulation No. 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of an Issuer or a Public Company, an Independent Commissioner must comply with the following requirements:

- 1) not a person who works or has authority and responsibility to plan, to lead, to control, or to supervise BCA activities within the last 6 (six) months, except for re-assignment as an Independent Commissioner of BCA for the next period.

- 2) does not have share either directly or indirectly in BCA.
- 3) does not have affiliation relation with BCA, members of Board of Commissioners, members of Board of Directors, or primary shareholders of BCA.
- 4) has no either direct or indirect business relation related to BCA business activities.

#### • Statement of Independence of the Board of Commissioners

All members of the Board of Commissioners of BCA have no family connection to the second degree or financial relationships with fellow members of the Board of Commissioners, members of the Board of Directors and/or controlling shareholders, or a relationship with BCA that may affect their ability to act independently.

All Independent Commissioners of BCA have no family connection to the second degree or financial relationships with fellow members of the Board of Commissioners, members of the Board of Directors or Controlling Shareholders, or relationships with BCA that may affect their ability to act independently.

All members of the Board of Commissioners of BCA is in compliance with financial Services Authority Regulating Number 33/ POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies.

## Independence of Members of the Board of Commissioners

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

## 10. Share Ownership of Members of the Board of Commissioners that amounts to 5% or Above of the Paid-up Capital

Name	Share Ownership of Members of the Board of Commissioners that amounts to 5% or Above the Paid-up Capital at:			
	BCA	Other Bank	Non-Bank Financial Institution	Other Companies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrellus Harinowo	-	-	-	-
Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

**Note:**

√ owns share that amounts to 5 % (five per cent) or above of the paid-up capital

## 11. Dual Functions of Members of the Board of Commissioners

Members of the Board of Commissioners do not hold dual positions except on matters set out by:

- Bank of Indonesia Circular Letter No.15/15/DPNP concerning the Implementation of Good Corporate Governance for Commercial Banks.
- Financial Services Authority Regulation No.33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers and Public Companies.

- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.

Name	Position in BCA	Position in Other Banks	Position in Company/Institution	Field of Business
Djohan Emir Setijoso	President Commissioner	-	-	-
Tonny Kusnadi	Commissioner	-	President Commissioner of PT Sarana Menara Nusantara Tbk	Telkom Tower Operator
Cyrellus Harinowo	Independent Commissioner	-	Independent Commissioner of PT Unilever Indonesia Tbk	Consumer Goods
Raden Pardede	Independent Commissioner	-	Independent Commissioner of PT Adaro Energy Tbk	Coal Mining
Sumantri Slamet	Independent Commissioner	-	- Independent Commissioner of PT Multibintang Indonesia Tbk - Member of Board of Trustee University of Indonesia	- Beverages Company - Education

## 12. Procedure of Determining the Remuneration of the Board of Commissioners

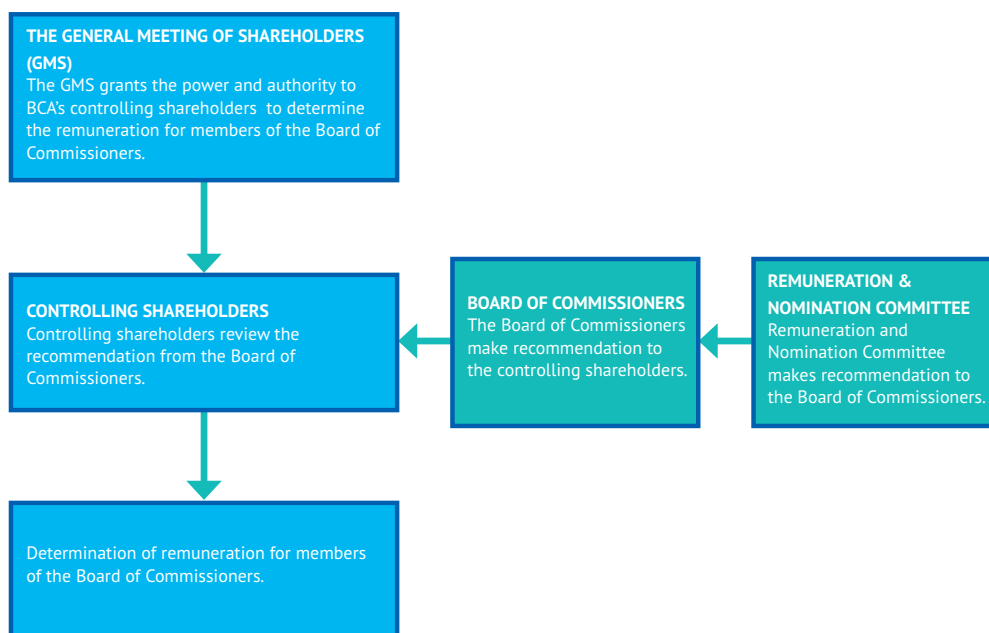
Based on the decision of the 2016 AGMS will be held on 2016, the 2016 AGMS has granted the power and authority to the controlling shareholders of BCA to do the following:

- (i) determine the amount of salary and other benefits for members of the Board of Commissioners;

- (ii) determine the distribution of tantiem for members of the Board of Commissioners and Board of Directors.

In exercising its power and authority, the controlling shareholders will consider the recommendation of the Board of Commissioners which will be based on the recommendation of the Remuneration and Nomination Committee.

### Scheme of the Board of Commissioners' Remuneration Determination Procedure



## 13. The Remuneration Structure of the Board of Commissioners

The Remuneration Structure shows the components of remuneration and nominal amount per component for all Commissioners in 2016, as follows:

Type of Remuneration and Other Facilities	Amount Received in 1 Year	
	BOARD OF COMMISSIONERS	
	Person	In million Rupiah
1. Remuneration (salary, bonus, routine allowance, tantiem, and other non-natura facilities)	6	89,849
2. Other natura facilities:		
a. Business remuneration travel allowance	5	110
b. Health benefit	6	622
c. Health and golf club membership	2	295
d. Option of purchasing service vehicles at the end of the leasing period	-	-
3. Retirement Benefits (eligible at the end of serving term)	-	-
<b>Total</b>		<b>90,876</b>

**Notes:**

The amount in the table of Remuneration Structure include remuneration for members of the Board of Commissioners that were not re-appointed, as well as the newly appointed Commissioner based on the resolution of the AGMS in 2016.

The amount of remuneration received in cash during 2016 for each Commissioner for 1 (one) year is in excess of Rp 2 billion.

#### 14. The Board of Commissioners Meetings, Joint Meetings and the Attendance of Members of the Board of Commissioners

The Board of Commissioners meeting schedule is set at the beginning of the year. Throughout 2016, the Board of Commissioners held 58 (fifty eight) meetings, which consists of:

- 41 (forty one) Board of Commissioners meetings, and;
- 17 (seventeen) Joint Meetings between the Board of Commissioners and the Board of Directors.

Decision-making is conducted through consensus agreement. In the event consensus agreement does not occur, decision-making is carried out based on majority vote. All decisions taken in the meeting of the Board of Commissioners shall be binding. Differences of opinion (dissenting opinions) that occur in the Board of Commissioners meetings shall be clearly stated in the minutes of the meeting along with the reasons for dissent.

#### Frequency of the Board of Commissioners Meetings and Attendance of Members of the Board of Commissioners in 2016:

Position (Name)	Number of meetings	Attendance	Percentage
President Commissioner (Djohan Emir Setijoso)	41	40	98 %
Commissioner (Tonny Kusnadi)	41	38	93 %
Independent Commissioner (Cyrillus Harinowo)	41	35	85 %
Independent Commissioner (Raden Pardede)	41	37	90 %
Independent Commissioner (Sigit Pramono) <sup>1)</sup>	9	7	78 %
Independent Commissioner (Sumantri Slamet) <sup>2)</sup>	21	20	95 %

**Notes:**

<sup>1)</sup> Per 7 April 2016, Mr. Sigit Pramono was not reappointed as Independent Commissioner

<sup>2)</sup> Based on the Letter of Appointment by the Financial Services Authority No. SR-117/D03/2016 dated 11 July 2016, Mr. Sumantri Slamet was appointed as Independent Commissioner.

#### The Agenda of Board of Commissioners Meetings in 2016 is as follows:

Month	Date	Several of the meeting agenda:
January	6, 13, 27	<p><b>1. In relation to business continuity</b></p> <ul style="list-style-type: none"> <li>- Discussion of corporate action plan</li> <li>- Update on the developments, among others related to CASA, SME loans, Laku Pandai, ecommerce transactions</li> <li>- Decision on the provision of credit facilities is made by the Board of Directors and requires approval from the Board of Commissioners.</li> </ul> <p><b>2. In relation to risk management</b></p> <ul style="list-style-type: none"> <li>- Bank liquidity conditions including secondary reserves</li> <li>- Discussion of NPL (Non Performing Loan) and credit restructuring.</li> <li>- Discussion on the business development of major debtors.</li> <li>- Report from the Risk Monitoring Committee on a quarterly basis.</li> </ul> <p><b>3. In relation to Governance, Internal Control, and Compliance</b></p> <ul style="list-style-type: none"> <li>- Review the duties and responsibilities of the Board of Commissioners</li> <li>- Discussion of legal actions / transactions of strategic nature which require approval from the Board of Commissioners.</li> <li>- Discussion on the agenda related to the applications having conflict of interest with the members of Board of Commissioners.</li> <li>- Membership of the Committee under the Board of Commissioners</li> <li>- Discussion on Realization of Internal Audit and Audit Work Plan for the current year</li> <li>- Reporting from the Audit Committee on a quarterly basis</li> </ul>
February	10, 17, 24	
March	16, 23, 30	
April	13, 20 <sup>3)</sup> , 27	
May	4, 11, 18, 26	
June	1, 15, 22	
July	20	
August	3, 10, 24, 31	
September	14, 21, 28	
October	5, 11, 18, 19, 26	
November	1, 2, 9, 16, 23, 30	
December	7, 14	

<sup>3)</sup> On 20 April 2016, there were 2 (two) meetings of the Board of Commissioners, each with different agenda and minutes of meeting.

### Frequency of the Joint Meetings between the Board of Commissioners and the Board of Directors and Attendance of the Members of the Board of Commissioners in 2016:

Position (Name)	Number of meetings	Attendance	Percentage
President Commissioner (Djohan Emir Setijoso)	17	16	94 %
Commissioner (Tonny Kusnadi)	17	15	88 %
Independent Commissioner (Cyrillus Harinowo)	17	17	100 %
Independent Commissioner (Raden Pardede)	17	11	65 %
Independent Commissioner (Sigit Pramono) <sup>1)</sup>	3	3	100 %
Independent Commissioner (Sumantri Slamet) <sup>2)</sup>	10	7	70 %

**Notes:**

<sup>1)</sup> Per 7 April 2016, Mr. Sigit Pramono was not reappointed as Independent Commissioner

<sup>2)</sup> Based on the Letter of Appointment by the Financial Services Authority No. SR-117/D03/2016 dated 11 July 2016, Mr. Sumantri Slamet was appointed as Independent Commissioner.

### Agenda of the Joint Meetings between the Board of the Commissioners and the Board of Directors in 2016:

Month	Date	Several of the meeting agenda:
January	21	Discussions on the following: 1. Bank organization structure 2. Overall strategy of the Bank 3. Bank Business Plan and Annual Work Plan & Budget 4. Proposal for profit utilization and amount of interim dividend 5. Financial and Performance Statements of the Bank 6. Banking industry market share mapping 7. Result of Bank financial soundness evaluation 8. Implementation of Anti Money Laundering and Prevention of Terrorism Funding (APU & PPT) Program
February	-	
March	2	
April	6, 14, 20	
May	-	
June	8, 9	
July	14	
August	18, 31	
September	8, 21	
October	12, 19, 26	
November	23	
December	7	

#### 15. Performance Assessment of the Board of Directors, the Board of Commissioners, and the Committees under the Board of Commissioners

##### a. Performance Assessment of the Board of Directors

Performance assessment of the Board of Directors and its implementation must at least include the following:

- **Performance Assessment Implementation Procedure**

Performance assessment of the Board of Directors is carried out annually based on self-assessment and reviewed by the Board of Commissioners.

- **Performance Assessment Criteria**

The general criteria utilized to assess the performance of Board of Directors are, among others:

1. How the Board of Directors implement BCA's vision and mission in the current year's work program by sticking to the BCA values.

2. Implementation of Good Corporate Governance.

- **Who Performs the Assessment**

Assessment on the performance of the Board of Directors is carried out by the Board of Commissioners and the GMS. The Board of Commissioners do this by referring to duties and responsibilities of the Board of Directors according to BCA's Articles of Association and/or the applicable law. The Board of Directors is accountable for its performance achievement in 2016.

##### b. Performance Assessment of the Board of Commissioners

Performance assessment of the Board of Commissioners and its implementation must at least include the following:

- **Performance Assessment Implementation Procedure**

The implementation procedure for evaluating performance of the Board of Commissioners is performed once in a year by applying the Self Assessment indicator.

- **Performance Assessment Criteria**

1. Contribution and support of the Board of Commissioners in implementing the vision and mission of BCA in the current year's work program by sticking to the BCA values.
2. Monitoring the implementation of Good Corporate Governance.

- **Who Performs the Assessment**

The Shareholders are involved in the performance assessment of the Board of Commissioners. The assessment is held during the GMS. The Board of Commissioners will be accountable for its performance in 2016.

**c. Performance Assessment of Committees under the Board of Commissioners**

Throughout 2016 the Committees under the Board of Commissioners have performed their function and responsibility properly. Among the Committees are:

1. Audit Committee
2. Risk Oversight Committee
3. Remuneration and Nomination Committee
4. Integrated Governance Committee

**1) Audit Committee**

In 2016 the Audit Committee performed its duties effectively and held 19 (nineteen) meetings. In addition, the Audit Committee also realized the following work program:

1. To conduct meetings with Siddharta Widjaja & Rekan Public Accounting Firm to discuss the final audit result on BCA's Financial Statements in 2015 along with the Management Letter.
2. To evaluate and approve the proposal for contract extension with Siddharta Widjaja & Rekan Public Accountant Firm, member of KPMG International, and recommend the Board of Commissioners to perform audit on BCA's Financial Statements for financial year 2016.

3. To conduct meetings with Siddharta Widjaja & Rekan Public Accountant Firm to discuss plans and scope of audit on BCA's Financial Statements for financial year 2016.
4. To conduct meetings with the Finance and Planning Division to review BCA's Financial Statements to be published quarterly.
5. To conduct 8 (eight) meetings with the Internal Audit Division for the following purposes:
  - a. Evaluating the annual plan;
  - b. Evaluating the implementation of internal audit every semester;
  - c. To discuss significant audit results.
6. To attend the internal audit exit meetings at 4 (four) Main Branch Offices and 1 (one) subsidiary company, and inspection to 1 (one) Supporting Branch Office as part of internal audit quality assessment process as well as assessment of the internal audit adequacy and effectiveness.
7. To review internal audit result reports (more than 155 reports) and monitor the follow-ups.
8. To review BCA's compliance towards the applicable provision, regulation, and law in banking through the review of the compliance report and prudent principles reported quarterly.
9. To review the credit portfolio report issued each semester.
10. To monitor the implementation of risk management through the BCA's Risk Profile quarterly report and Operation Risk Management Information System (ORMIS) monthly report.
11. To conduct reviews on:
  - a. Examination results by the Financial Services Authority and its follow-ups;
  - b. Examination results by the Bank of Indonesia and its follow-ups;
  - c. Management Letter from Siddharta Widjaja & Rekan Public Accountant Firm and its follow-ups.

12. To report the result of reviews and regular evaluation on aspects of governance, risk management, compliance and control to the Board of Commissioners every quarter.
13. Together with the Risk Oversight Committee, Strategic Information Technology Group, and Internal Audit Division discuss the Application Programming Interface.
14. To attend an interview with external reviewer – Price Waterhouse Cooper in accordance with the re-review on the internal audit functions (as stated in the Audit Function Implementation Standard), and approve the update of internal audit charter.
15. To attend the GMS, Analyst Meeting, and the 2017 National Meeting of BCA to monitor the GCG implementation.

## 2) Risk Oversight Committee

In 2016 the Risk Oversight Committee held 7 (seven) meetings and performed the following work program:

1. To monitor the implementation of duties of the Risk Management Committee.
2. To monitor the implementation of duties of the Risk Management Work Unit.
3. Reviewing and updating the Risk Monitoring Committee Charter.
4. To review BCA's Risk Profile for Quarter IV – 2015, and Quarter I, II and III – 2016.
5. To review the result of ICOS SME rating analysis.
6. To review the risk assessment and grading in the Risk Profile Report.
7. To review the impact of declining interest rate to NIM and liquidity.
8. To monitor BCA readiness to face the Financial Technology and the API (Application Programming Interface) service cooperation.
9. To monitor the adequacy of CKPN with NPL of BCA.
10. To review the market risk stress test.
11. To review risk appetite.
12. To monitor the preparation of IFRS 9 (PSAK 71) implementation in BCA.

13. To ensure a proper implementation of GCG is in place and to attend the General Meeting of Shareholders, Analyst Meeting, and the National Work Meeting.

## 3) Remuneration dan Nomination Committee

In 2016 the Remuneration and Nomination Committee held 9 (nine) meetings and conducted the work program as follows:

1. To give recommendation to the Board of Commissioners on the proposal of the new membership of the Board of Commissioners and the Board of Directors of PT Bank Central Asia Tbk for 2016-2021 period, to be communicated at the Annual General Meeting of Shareholders (AGMS) on 07 April 2016 for approval.
2. To give recommendation to the Board of Commissioners on the distribution of tantiem in fiscal year 2015 to all members of Board of Commissioners and Board of Directors who were in charge in fiscal year 2015, to be communicated at the Annual General Meeting of Shareholders (AGMS) on 07 April 2016 for approval.
3. To give recommendation to the Board of Commissioners on the candidates of Chairman and member of Committee from independent parties, who will assist the Board of Commissioners in 2016-2021 period.
4. To submit the report on review result of the remuneration package for the Board of Commissioners and Board of Directors as stipulated at POJK No. 45/POJK. 03/2015 concerning the Implementation of Governance in Providing Remuneration in Bank.

## 4) Integrated Governance Committee

In 2016 the Integrated Governance Committee held 4 (four) meetings and conducted the work program as follows:

1. To evaluate the implementation of integrated governance within BCA Financial Conglomerate, among others

through presentation and discussion on the Integrated Internal Audit Results Report, Integrated Compliance Report, review on the transaction and interaction amongst the Financial Service Institution Subsidiary Company and discussion on the integrated risk management implementation.

2. To review the Integrated Governance Guideline.
3. To discuss and standardize the work mechanism and information flow among members of the Integrated Governance Committee.

## 16. Implementation of Duties of the Board of Commissioners

The Board of Commissioners carries out its duty to oversee the performance of the Board of Directors to ensure that the company's business is running in the right direction, to maintain the business sustainability and provide added value for all stakeholders. The Board of Commissioners believes that in 2016 the Board of Directors shall carefully observe the national economy and banking sector recovery phase in order to take various business opportunities by considering liquidity, capital adequacy, as well as credit quality.

Supervision and assessment of the performance of the Board of Directors is performed based on the annual work plan that has been submitted by the Board of Directors and approved by the Board of Commissioners. Furthermore, the Board of Commissioners ensures that BCA's achievements have been in line with its vision and mission, as well as with the strategic direction and work program that have been planned. The Board of Commissioners is also responsible for overseeing the implementation of good corporate governance principles in each business activity of BCA at all levels of organization.

The Board of Commissioners supports the strategy of the Board of Directors in performing the Bank's intermediation function by improving credit growth in accordance with economic condition and by always considering the prudent principle. In addition, the Board of Commissioners also advises the Bank to keep on maintaining its funding product excellence. In line with the development of digital banking industry, the

Board of Directors is requested to be more concerned about the Bank's business model in the future.

The Board of Commissioners actively advises the Board of Directors in decision-making process and determination of strategic steps. Following are some recommendation and advise provided by the Board of Commissioners for the Board of Directors in 2016:

### 1. Business Strategies and Management

- To strengthen synergy and deliver insightful analysis to promote loan growth, particularly in the Small and Medium Enterprises sectors.
- To develop funding products in consideration of the product life cycle stage.
- To enhance human resource capabilities through various training programs and assignments in order to improve service quality and to better equip employees in understanding the needs of customers.

### 2. Risk Management

- To perform deeper credit risk analysis in various under-performing industries, so that preventive measures can be taken against risks that may arise.
- To review and monitor systems currently in place in an effort to manage operational risks, ensuring the sustainability of the Bank's business operations.
- To regularly review the Bank's business model in line with developments in telecommunications and information technology.

### 3. Audit and Compliance

To examine and ensure that, in facilitating redemption payments and accommodating repatriated funds related to the Government's tax amnesty program, BCA has complied with the provisions put in place by the regulators in supporting the success of the program.

## 17. Orientation Programs for New Members of the Board of Commissioners

An orientation program is organized for new members of the Board of Commissioners, in order to assure that the new members are prepared as thoroughly as possible to carry out their relevant duties and responsibilities



as a member of the Board of Commissioners. The orientation program includes:

1. Information regarding BCA such as the vision, mission, strategy and medium and long term plans, performance, as well as finances of BCA.
2. Understanding of the duties and responsibilities as a member of the Board of Commissioners such as limits of authority, working hours, the relationship with the Board of Directors, rules and regulations, etc.

Members of the Board of Commissioners who are participating in the orientation may:

- a. Request presentations to obtain explanation of various aspects deemed necessary, involving the management under it.
- b. Organize meetings with the Board of Directors to discuss issues in BCA or other information deemed necessary.
- c. Conduct visits to various BCA business locations with members of the Board of Directors/ Management.

#### 18. Training Programs to Enhance the Competence of Members of the Board of Commissioners 2016

Name	Training Program	Organizer	Location	Date
Djohan Emir Setijoso	Challenges to Global Economy Seminar	LPS	Jakarta	22 September
	Focus Group : Challenges to Global Economy	LPS	Jakarta	22 September
Tonny Kusnadi	Executing Shared Value, Delivering Positive Impact in Indonesia	Robert Kaplan, Palladium	Jakarta	31 May
	Advance Risk Based Compliance (Refreshment)	FDB Events Pte. Ltd.	Singapore	26-27 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
Cyrillus Harinowo	The Indonesia Summit 2016	The Economist	Jakarta	25 February
	Benchmarking SESPIBANK Batch 64	SESPI Bank	Dusseldorf Frankfurt Milan	22 April – 1 May
	Global Emerging Markets Conference	TD Securities & Globalsource Partners	Milan	27 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October
Raden Pardede	Commissioner Refreshment Program	Lembaga Sertifikasi Profesi Perbankan	Jakarta	15 September
	NYU Stern Executive Education : Breakthrough Strategic Thinking	NYU	New York	10-11 October
Sumantri Slamet	Macro Condition Analysis: A Strategic Direction for Banking Industry - BSMR	BSMR	Jakarta	25 April
	JP Morgan Asia Pasific CEO – CFO Conference	JP Morgan	New York, USA	7-8 September
	McKinsey Innovation Forum : Indonesia in a Digital World – McKinsey	McKinsey	Jakarta	27 September
	Indonesia Knowledge Forum V	BCA	Jakarta	6-7 October

## COMMITTEES UNDER BOARD OF COMMISSIONERS

### AUDIT COMMITTEE

#### 1. Main Duties

The Audit Committee was formed by, and is responsible to, the Board of Commissioners with the purpose assisting the Board of Commissioners to support the effectiveness of the oversight/supervision duties and functions on matters related to financial reporting, internal control systems, the implementation of Good Corporate Governance and compliance with applicable laws and regulations.

#### 2. Legal References

The formation of Audit Committee refers to:

- Financial Services Authority Regulation No. 55/POJK.04/2015 of Establishment and Guidelines of the Conduct of Audit Committee.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Bank Indonesia Circular Letter No.15/15/DPNP of the Implementation of Good Corporate Governance for Commercial Banks.

#### 3. Audit Committee Charter

In performing its duties and responsibilities to monitor internal control, BCA Audit Committee has already been equipped with work program established in the Internal Audit Charter. Audit Committee Charter and Code of Conduct of BCA has been adjusted to the OJK Regulation No. 55/POJK.04/2015 of Establishment and Guidelines for the Conduct of Audit Committee and has been approved based on the Board of Commissioners Decision No. 057/SK/KOM/2016 dated 16 March 2016 of Approval of Audit Committee Charter of PT Bank Central Asia Tbk.

The scope governed in Audit Committee Charter is as follows:

- Duties and Responsibilities.
- Authorities.
- Structure and Membership.
- Membership requirements.

- Term of Duty.
- Work mechanism.
- Work hours.
- Meetings.
- Reporting.
- The handling of complaints/reports regarding claims about infractions in financial reports.
- Code of ethics.

The Audit Committee Charter and Code of Conduct have been uploaded to the BCA website ([www.bca.co.id](http://www.bca.co.id)) under Good Corporate Governance.

#### 4. Duties and Responsibilities of the Audit Committee

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

1. Monitoring and evaluating the planning and implementation of audits as well as monitoring the follow-up actions of audit findings in order to assess the adequacy of internal controls including the adequacy of the financial reporting process.
2. Monitoring and evaluating the following in order to carry out the above-stated duties (as describe in no. 1) and to provide recommendations to the Board of Commissioners:
  - a. The implementation of tasks by the Internal Audit Division.
  - b. The adherence of the conduct of audit performed by independent auditor with the prevailing auditing standards;
  - c. The adherence of financial statements to the prevailing accounting standards.
  - d. Provision of independent opinion in the event of disagreements between management and independent auditor for the service rendered.
3. Conducting the follow up actions made by the Board of Directors on the findings of Audit Internal Division, independent auditor and supervision results of Financial Services Authority and Bank Indonesia.
4. Reviewing other financial information that will be issued by BCA to the public and/or documents such as projection, and other reports relating to the financial information of BCA.
5. Reviewing the compliance of BCA with laws and regulations in banking, capital market, and other rules and regulations pertaining to BCA business activities.

6. Providing recommendation to the Board of Commissioners concerning the appointment of Public Accountant, based on the independence, scope of work, and fees to be submitted to GMS.
7. Reviewing and reporting to the Board of Commissioners regarding complaints in relation to the accounting process and financial reporting of BCA.
8. Reviewing and providing advice to the Board of Commissioners in relation to potential conflict of interest at BCA.
9. Reviewing and monitoring the implementation of effective and sustainable GCG practices.
10. Performing other tasks relevant to the functions of the Audit Committee at the request of the Board of Commissioners.
11. Maintaining the confidentiality of documents, data and information of BCA.

#### 5. Authorities of the Audit Committee

In performing its duties, the Audit Committee has the authority to carry out the following activities:

1. To receive reports from Head of Audit Internal Division, including among others Audit Internal Division work plan, internal audit implementation report and internal audit report.

2. To access documents, data and information regarding BCA's employees, funds, assets and other resources as required.
3. To communicate directly with employees, including the Board of Directors and other parties executing internal audit functions, risk management and public accountants regarding the duties and responsibilities of the Audit Committee.
4. If needed, to involve independent parties outside the members of the Audit Committee whose services are required in order to assist the Committee in carrying out its duties.
5. To perform other actions with authority granted by the the Board of Commissioners.

#### 6. Membership of Audit Committee

BCA Audit Committee comprises 3 (three) members as follows:

- One Independent Commissioner cum Head of Audit Committee;
- One Independent Party having expertise in finance/accounting; and
- One Independent Party having expertise in banking.

#### 7. Composition of Audit Committee Members as of 31 December 2016

Name	Position
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)
Ilham Ikhsan	Member (Independent Party)
Tjen Lestari <sup>7)</sup>	Member (Independent Party)

**Notes:**

<sup>7)</sup> Effective 2 June 2016, Tjen Lestari has become a member of Audit Committee replacing Inawaty Handoyo effectively resigning from her Audit Committee membership as of 7 April 2016

BCA Audit Committee has already complied with the prevailing regulations and has been appointed based on the Board of Directors Decision Letter No. 078/SK/DIR/2016 dated 2 June 2016 and the Board of Commissioners meeting resolutions No 23/RR/KOM/2016 dated 1 June 2016.

The educational background, position and work experience of Audit Committee can be found under Company Profile page 74-75 in this Annual Report of BCA.

## 8. Term of Duty of Audit Committee Members

The term of duty of the Audit Committee members shall expire at the end of the term of the Audit Committee Chairman who is also an Independent Commissioner. The Audit Committee term of duty for this period will end at the close of the 2021 AGMS.

## 9. Independence and Requirements of Audit Committee Members

All members of the Audit Committee are independent parties, not having financial, management, share ownership and/or family relationship with members of the The Board of Commissioners, The Board of Directors, and/or Controlling Shareholders or business relationship with BCA that influence their ability to act independently.

The Independence matters of Audit Committee are depicted in the table below:

Independence Matters	Cyrellus Harinowo	Ilham Ikhsan	Tjen Lestari
Not having family relationship with The Board of Commissioners and The Board of Directors	√	√	√
Not having management relationship in in the Company, subsidiaries, and affiliates.	√	√	√
Not having share ownership in the Company.	√	√	√
Not having family relationship with The Board of Commissioners , The Board of Directors , and/or fellow members of Audit Committee.	√	√	√
Not serving as an officer in a political party, and government officer.	√	√	√

The membership of Audit Committee is as follows:

- Having good integrity, character and moral.
- Possessing the skills, knowledge and experience in accordance to his/her field of duties, and having good communication skills.
- Having the understanding of the financial statements, BCA business particularly those related to BCA services or business activities, audit process, and rules and regulation in capital market and other relevant laws and regulations.
- Complying with BCA code of ethics and audit committee's code of conduct established by BCA .
- Being willing to continuously improve competence through trainings and education.
- Having at least one member with educational background and expertise in accounting and/or finance.
- Not serving as a member of Public Accountant Firm, Law Firm, Appraiser, or other parties providing assurance service, non-assurance service, and/or other consulting services to BCA within the past 6 (six) months.
- Not working or having authorities and responsibilities to plan, lead, control, or supervise BCA activities within the past 6 (six) months, except for Independent Commissioner.
- Not serving as the Board of Directors member in other banks.
- Not having either direct or indirect share ownership in BCA.
- In the event Audit Committee member acquires shares either directly or indirectly as a result of legal event, the Member must transfer the shares to other parties within a maximum period of 6 (six) months after the shares were acquired,
- Not being affiliated with The Board of Commissioners member, The Board of Directors member, or major shareholder of BCA.
- Not having direct or indirect relationship with BCA business activities.
- For Head of Audit Committee, only having another concurrent position as Head of Committee at 1 (one) Committee in BCA.
- For Audit Committee members who are independent parties, holding more than position as an independent party at other Committees in BCA, other bank, and/or other companies is allowed, as long as he/she:

- a. Meets all the required competencies;
- b. Meets the independence criteria;
- c. Is able to keep BCA matters confidential;
- d. Observes the applicable code of conduct.
- e. Not neglecting the implementation of duties and responsibilities as a member of the Committee.

## 10. Audit Committee Meeting

Audit Committee holds at least 4 (four) meetings in a year as stipulated in the Audit Committee Charter and Code of Conduct. In 2016, Audit Committee held 19 (nineteen) meetings.

Results of the Audit Committee meeting is as follows:

1. Results of the Audit Committee meetings should be stated in the minutes of the meeting and properly documented.
2. Dissenting opinions that occurs in the meetings of the committee should be clearly stated in the minutes of the meeting along with the reasons behind such dissent.

### Attendance of the members of the Audit Committee in Audit Committee meetings during 2016 is as follows:

Name	Number of meetings	Attendance	Percentage
Independent Commissioner (Cyrillus Harinowo)	19	18	95%
Inawaty Handoyo <sup>1)</sup>	6	6	100%
Ilham Ikhsan	19	19	100%
Tjen Lestari <sup>2)</sup>	13	13	100%

Notes:

<sup>1)</sup> Effective 7 April 2016, Inawaty Handoyo resigned as Audit Committee member.

<sup>2)</sup> Effective 2 June 2016, Tjen Lestari was appointed as Audit Committee member replacing Inawaty Handoyo.

## 11. Audit Committee Work Realization Programs in 2016

Audit Committee Work Realization Programs in 2016 can be found on page 367-368 in 2016 Annual Report.

## RISK OVERSIGHT COMMITTEE

### 1. Main Duties

Risk Oversight Committee is established to assist the Board of Commissioners in monitoring and ensuring the implementation of the risk management in accordance with the regulations.

### 2. Legal References

The establishment of Risk Oversight Committee refers to the following:

- Bank Indonesia Circular Letter No. 15/15/DPNP of the Implementation of Good Corporate Governance for Commercial Banks.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by

Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.

- Decision Letter of the Board of Commissioners of PT Bank Central Asia Tbk No. 033/SK/KOM/2007 dated 22 February 2007 of Risk Oversight Committee Structure.
- Decision Letter of the Board of Directors of PT Bank Central Asia Tbk No. 108/SK/DIR/2016 dated 11 August 2016 of the Appointment and Replacement of the Chairman of Risk Oversight Committee.
- Decision Letter of the Board of Directors of PT Bank Central Asia Tbk No. 144A/SK/DIR/2016 dated 30 September 2016 of the Appointment and Replacement of the Chairman of Risk Oversight Committee.

### 3. Charter and Code of Conduct of the Risk Oversight Committee

Risk Oversight Committee adheres to Charter and Code of Conduct of Risk Oversight Committee, as stated in BCA GCG Manual and BCA website ([www.bca.co.id](http://www.bca.co.id)) under Good Corporate Governance section.

The Charter and Code of Conduct of Risk Oversight Committee covers the followings:

- Structure and Membership.
- Duties and Responsibilities.
- Work Mechanism.
- Ethics and Work Hours.
- Committee Meetings.

#### 4. Duties and Responsibilities of Risk Oversight Committee

The duties and responsibilities of Risk Oversight Committee include, among others, the following:

1. Assisting and making recommendations to the Board of Commissioners in order to improve the effectiveness of oversight duties and responsibilities in risk management and ensuring that risk management policies are properly implemented.
2. In regard with the process to provide recommendation, the Risk Oversight Committee should:

- a. Evaluate the consistency between risk management policies and policy implementation.
- b. Monitor and evaluate the implementation of duties of the Risk Management Committee and the Risk Management Unit.

#### 5. Membership of Risk Oversight Committee

BCA Risk Oversight Committee comprises 3 (three) personnel, comprising:

- One Independent Commissioner as the Chairman of the Risk Oversight Committee
- One Independent Party having expertise in risk management
- One Independent Party having expertise in finance.

#### 6. Composition of Risk Oversight Committee as of 31 December 2016

Name	Position
Sumantri Slamet <sup>1)</sup>	Chairman (concurrently as Independent Commissioner)
Endang Swasthika Wibowo	Member (Independent Party)
Lianny Somyadewi <sup>2)</sup>	Member (Independent Party)

Notes:

<sup>1)</sup> Effective 3 August 2016, the Head of Risk Oversight Committee is Sumantri Slamet replacing Bapak Cyrillus Harinowo.

<sup>2)</sup> Effective 3 October 2016, Lianny Somyadewi has been appointed as Risk Oversight Committee member replacing Wimpie Rianto.

The appointment of members of Risk Oversight Committee of PT Bank Central Asia Tbk was made based on Decision Letter of the Board of Director No. 144A/SK/DIR/2016 dated 30 September 2016, based on Board of Commissioners meeting resolutions No. 40/RR/KOM/2016 dated 28 September 2016.

Educational background, position and work experience of the members of Risk Oversight Committee can be found under Company Profile on page 76 of this 2016 Annual Report.

#### 7. Term of Duty of the Risk Oversight Committee Members

The term of duty of the Risk Oversight Committee Chairman and Members will expire upon the completion of the term of duty of the Chairman who also serves as Independent Commissioner. Accordingly, the term of duty of Risk Oversight Committee members within this period also resembles the term of duty of the Board of Commissioner which will end upon the closing of AGMS 2021.

#### 8. Independence and Requirements of Risk Oversight Committee Members

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

### The independence of Risk Oversight Committee is detailed in the table below:

Independence Aspect	Sumantri Slamet	Endang S. Wibowo	Lianny Somyadewi
Not having financial relationship with the Board of Commissioners and the Board of Directors.	√	√	√
Not having management relationship in the Bank, subsidiaries, or affiliates.	√	√	√
Not having shareholding relationship in the Bank.	√	√	√
Not having family relationship with the Board of Commissioners, the Board of Directors, and/or fellow members of Risk Oversight Committee.	√	√	√
Not serving as officer in any political party, government officer.	√	√	√

The requirements to be met by members of BCA Risk Oversight Committee are among others as follows:

- Displaying high integrity, ability, knowledge, experience in their scope of work, and the ability to communicate excellently.
- Having at least one independent member with educational background and experience in finance.
- Having at least one independent member with educational background and experience in risk management.
- Not being affiliated with the members of the Board of Commissioners, the Board of Directors, or the controlling shareholders of BCA.
- Not having either direct or indirect business relationship related to the business activities of the Bank.

- Not also serving as a member of Risk Oversight Committee in another company (issuer or public companies) within the same period.

### 9. Meetings of Risk Oversight Committee

Risk Oversight Committee meetings are held at least 4 (four) times a year as stipulated in Charter and Code of Conduct of Risk Oversight Committee. During 2016, Risk Oversight Committee already held 7 (seven) meetings. Minutes of meetings are prepared for each meeting detailing the dates of meetings, attendance of the Risk Oversight Committee members, meeting agenda, and meeting materials.

Name	Number of Meetings	Attendance	Percentage
Independent Commissioner (Sigit Pramono) <sup>1)</sup>	1	1	100 %
Independent Commissioner (Cyrillus Harinowo)	2	2	100 %
Independent Commissioner (Sumantri Slamet) <sup>2)</sup>	4	4	100 %
Endang Swasthika Wibowo	7	7	100 %
Wimpie Rianto	3	3	100 %
Lianny Somyadewi <sup>3)</sup>	4	3	75 %

Notes:

<sup>1)</sup> Effective 7 April 2016, Sigit Pramono was no longer as Independent Commissioner according to 2016 AGMS resolution

<sup>2)</sup> Effective 3 August 2016, the Chairman of Risk Oversight Committee is Sumantri Slamet replacing Cyrillus Harinowo.

<sup>3)</sup> Effective 3 October 2016, Lianny Somyadewi has been appointed as a member of Risk Oversight Committee replacing Wimpie Rianto.

### 10. Risk Oversight Committee Work Realization Program in 2016

Risk Oversight Committee Work Realization Program in 2016 can be found on page 368 in 2016 Annual Report.

## REMUNERATION AND NOMINATION COMMITTEE

### 1. Main Duties

The Remuneration and Nomination Committee was formed to enhance the quality of top management through prescribed remuneration and nomination policies.

### 2. Legal Reference

The establishment of Remuneration and Nomination Committee refers to the following:

- Financial Services Authority regulation No. 34/POJK.04/2014 of Remuneration and Nomination Committee in Issuer or Public Company.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Bank Indonesia Circular Letter No.15/15/DPNP of the Implementation of Good Corporate Governance for Commercial Banks.
- Good Corporate Governance Manual in PT Bank Central Asia Tbk.
- Decision Letter of the Board of Commissioners of PT Bank Central Asia Tbk No. 118/SK/KOM/2007 dated 30 May 2007 of the Structure of Remuneration and Nomination Committee.

- Decision Letter of the Board of Directors PT Bank Central Asia Tbk No. 107A/SK/DIR/2016 dated 10 August 2016 of Appointment of Remuneration and Nomination Committee.

### 3. Charter and Code of Conduct of Remuneration and Nomination Committee

Remuneration and Nomination Committee maintains its own Charter and Code of Conduct as stated in BCA GCG Manual, and BCA website ([www.bca.co.id](http://www.bca.co.id)) under Good Corporate Governance section.

The Charter and Code of Conduct of Remuneration and Nomination Committee cover the following:

- Composition and Structure of Membership.
- Duties and Responsibilities.
- Work Mechanism.
- Ethics and Work Hours.
- Conduct of Meetings.
- Activity Reporting System.
- Procedures for Replacement Members.
- Term of duty.

### 4. Membership of Remuneration and Nomination Committee

BCA Remuneration and Nomination Committee comprises 3 (three) members as follows:

- One Independent Commissioner cum Chairman of Remuneration and Nomination Committee;
- One President Commissioner; and
- One Executive Officer in charge of Human Capital Management Division (Human Resources). Executive Officer is knowledgeable of remuneration and/or nomination system and succession plan.

### 5. Composition of Remuneration and Nomination Committee Members as of 31 December 2016

Name	Position
Raden Pardede	Chairman (concurrently as Independent Commissioner)
Djohan Emir Setijoso	Member (concurrently as President Commissioner)
Hendra Tanumihardja <sup>*)</sup>	Member (concurrently as Head of Human Capital Management)

Note:

<sup>\*)</sup> Effective 10 August 2016, Hendra Tanumihardja has been serving as Remuneration & Nomination Committee Member replacing Lianawaty Suwono.

The appointment of Remuneration and Nomination Committee members is undertaken by Board of Directors with its Decision Letter No. 107A/SK/DIR/2016 dated 10 August 2016 based on Board of Commissioners meeting resolution No. 31/RR/KOM/2016 dated 10 August 2016.

Educational background, position and work experience of Remuneration and Nomination Committee members can be found under Company Profile section on page 77 of this Annual Report.



## 6. Term of Duty of Remuneration and Nomination Committee Members

The term of duty of Remuneration and Nomination Committee will expire at the expiration of the term of duty of the Chairman of the Remuneration and Nomination Committee, who is also an Independent Commissioner. The term of duty of the members of the Remuneration and Nomination Committee during this period will expire at the close of the 2021 AGMS.

## 7. Independence and Requirements of Remuneration and Nomination Committee

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

The independence aspect of Remuneration and Nomination Committee is detailed in the table below:

Independence Aspects	Raden Pardede	D.E Setijoso	Hendra Tanumihardja
Not having financial relationship with the Board of Commissioners and the Board of Directors.	√	√	√
Not having management relationship in the Bank, subsidiaries, or affiliates.	√	√	√
Not having shareholding relationship in the Bank.	√	-	-
Not having family relationship with the Board of Commissioners, the Board of Directors, and/or fellow members of Risk Oversight Committee.	√	√	√
Not serving as officer in any political party, government officer.	√	√	√

Requirements to be met as a member of the BCA Remuneration and Nomination Committee are, among others as follows:

1. Have high integrity, ability, knowledge, experience in accordance with their field of work and the ability to communicate well;
2. Have knowledge of remuneration and/or nominations system;
3. Have no affiliation with other member of the Board of Commissioners, the Board of Directors, or controlling shareholders of BCA
4. Have no business relationship, either directly or indirectly, related to the business activities of BCA.

## 8. Duties and Responsibilities of Remuneration and Nomination Committee

Duties and Responsibilities of the Remuneration and Nomination Committee, among others are:

1. To evaluate the remuneration and nomination policies of BCA.
2. To give recommendations to the Board of Commissioners on:
  - a. Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders of BCA.

- b. Remuneration policy for all Executive Officers and employees to be delivered by the Board of Commissioners to the Board of Directors.
3. To develop and recommend the selection systems and procedures and/or replacement of members of the Board of Commissioners and the Board of Directors to the Board of Commissioners, to be further submitted to the GMS.
  4. To ensure that the remuneration policies of BCA are in accordance with:
    - a. financial performance and requirement of reserve as governed under the prevailing legislation;
    - b. individual work performance;
    - c. fairness based on peer group;
    - d. target and mid-term/long-term strategies of the Company.
  5. To advise the Board of Commissioners regarding prospective Commissioners and /or prospective Directors to be submitted to the GMS.
  6. To recommend independent parties as prospective members of the Audit Committee and the Risk Oversight Committee to the Board of Commissioners.
  7. Review of policies regarding facilities provided for the Board of Commissioners and Board of Directors.

8. Other tasks as assigned by the Board of Commissioners related to remuneration and nomination in accordance with prevailing rules.
9. Reporting to the Board of Commissioners as needed the result of reviews and recommendations with regard to the tasks of the Remuneration and Nomination Committee.

In addition, pursuant to the Regulation of Financial Services Authority Regulation No.34/POJK.04/2014 dated 8 December 2014 regarding Nomination and Remuneration Committee of Issuer or Public Company, The Remuneration and Nomination Committee has the following duties and responsibilities:

- a. Relating to Nomination function:
  1. Making recommendations to the Board of Commissioners on:
    - a) Composition of the Board of Directors and/or the Board of Commissioners;
    - b) Policies and criteria needed in nomination process; and
    - c) Performance evaluation policy of the Board of Directors and/or the Board of Commissioners.
  2. Assisting the Board of Commissioners to assess the performance of the Board of Directors and the Board of Commissioners based on pre-established criteria as an evaluation;
  3. To give recommendations to the Board of Commissioners on the competence

- development of the Board of Directors and/or the Board of Commissioners; and
4. To nominate the candidates for Directors and/or Commissioners to the Board of Commissioners to be submitted to the GMS.
- b. Relating to Remuneration function:
  1. Making recommendation to the Board of Commissioners on:
    - a) Structure of remuneration;
    - b) Remuneration policy; and
    - c) Amount of remuneration.
  2. Assisting the Board of Commissioners to assess the performance in conformity with the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.

#### 9. Meetings of Remuneration and Nomination Committee

The Remuneration and Nomination Committee holds meetings in accordance with BCA requirements, at least 1 (one) time in 4 (four) months as stipulated in the Financial Services Authority Regulation No.34/POJK.04/2014 dated 8 December 2014 concerning the Remuneration and Nomination Committee of Issuers or Public Companies. During 2016, the Remuneration and Nomination Committee held 9 (nine) meetings.

Minutes of meetings are prepared for each Remuneration and Nomination Committee meeting, describing the date of meetings, attendance of the Remuneration and Nomination Committee members, meeting agenda, and meeting materials.

#### Attendance of the members of the Remuneration and nomination Committee at the Remuneration and Nomination Committee meetings during the year 2016 is as follows:

Position (Name)	Number of Meetings	Attendance	Percentage
Independent Commissioner (Raden Pardede)	9	9	100 %
President Commissioner (D.E. Setijoso)	9	9	100 %
Head of Human Capital Management Division (Lianawaty Suwono) <sup>1)</sup>	7	7	100 %
Head of Human Capital Management Division Hendra Tanumihardja <sup>2)</sup>	2	2	100 %

Note:

<sup>1)</sup> Effective 27 July 2016, Lianawaty Suwono has been serving as Human Capital Management Director.

<sup>2)</sup> Effective 10 August 2016, Hendra Tanumihardja has been serving as Remuneration & Nomination Committee replacing Lianawaty Suwono.

#### 10. Policies Concerning the Board of Directors Succession Plan

1. Develop and provide recommendations on systems and procedure of selection and/ or replacement of members of the Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the GMS.
2. Provide recommendations on prospective members of the Board of Commissioners and/or Board of Directors to the Board of Commissioners to be submitted to the GMS.

3. Rotate the positions of each executive in order to prepare the executives of BCA to gain broad knowledge and experience as an officer at the head or branch office.

### 11. Remuneration and Nomination Committee Work Realization Program in 2016

Remuneration and Nomination Committee Work Realization Program in 2016 can be found at page 368 of this Annual Report.

## INTEGRATED GOVERNANCE COMMITTEE

### 1. Main Duties

The Integrated Governance Committee was established by and is responsible to the Board of Commissioners of BCA as the a Primary Legal Entity within the Financial Conglomerate. The purpose is to assist BCA's Board of Commissioners to oversee the conduct of Integrated Governance.

### 2. Legal References

The establishment of the Integrated Governance Committee refers to:

- Financial Services Authority Regulation No. 18/POJK.03/2014 concerning Implementation of Integrated Governance Committee for Financial Conglomeration.
- Financial Services Authority Regulation No. 33/POJK. 04/2014 concerning the Board of Directors and the Board of Commissioners of Issuer or Public Company.
- Bank Indonesia Regulation No. 8/14/PBI/2006 concerning Amendment to Bank Indonesia Regulation No.8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, subsequently replaced by Financial Services Authority Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 concerning the Implementation of Integrated Governance Committee for Financial Conglomeration.
- Decision Letter of the Board of Commissioners concerning PT Bank Central Asia Tbk No. 037/SK/KOM/2015 dated 26 February 2015 of Establishment of Integrated Governance Committee.
- Decision Letter of the Board of Directors concerning PT Bank Central Asia Tbk No. 109/SK/DIR/2016 dated 11 August 2016 of the Appointment and

Changes Made on the Position of Head of Integrated Governance Committee.

- Decision Letter of the Board of Directors concerning PT Bank Central Asia Tbk No. 180/SK/DIR/2016 of the Appointment of Members of Integrated Governance Committee.
- Decision Letter of the Board of Directors concerning PT Bank Central Asia Tbk No. 098A/SK/DIR/2016 dated 14 July 2016 of Revised Guidelines of Integrated Governance Committee.

### 3. Charter of Integrated Governance Committee

Integrated Governance Committee works in accordance to code of conduct and guidelines based on Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning Integrated Governance Implementation for Financial Conglomerate.

The Charter and Code of Conduct covers of Integrated Governance Committee is the following:

- Legal references.
- Position.
- Duties and responsibilities.
- Structure & Composition of Membership.
- Number and Composition of Independent Commissioner.
- Term of Duty.
- Work Mechanism.
- Committee Meetings.
- Reporting.

Charter and Code of Conduct of Integrated Governance Committee has been published in BCA website ([www.bca.co.id](http://www.bca.co.id)) under Good Corporate Governance. The charter is reviewed from time to time and will be revised as deemed necessary. The charter applicable at present is the charter published on 14 July 2016.

### 4. Duties and Responsibilities of Integrated Governance Committee

In performing its functions, the Integrated Governance Committee has the following duties and responsibilities:

- a. Evaluating the application of Integrated Governance, at minimum through assessing the adequacy of internal control and implementation of an integrated compliance function.
- b. Providing recommendation to the Board of Commissioners of BCA as the Primary Legal Entity within the Financial Conglomerate to improve its Integrated Governance Charter.

## 5. Membership of Integrated Governance Committee

Membership of the Integrated Governance Committee at least must consist of:

- a. An Independent Commissioner of BCA (as Primary Legal Entity) as a Chairman concurrently as Member;
- b. Independent Commissioners representing and appointed by Financial Services Authority in the Financial Conglomerate as members;
- c. An Independent Party as a member; and
- d. Member of Sharia Supervisory Board from Financial Services Institution in the Financial Conglomerate as a member.

## 6. Membership Composition of Integrated Governance Committee as of 31 December 2016

Name	Position
Sumantri Slamet <sup>1)</sup>	Chairman (concurrently as Independent Commissioner of Primary Legal Entity)
Raden Pardede <sup>2)</sup>	Chairman (concurrently as Independent Commissioner of Primary Legal Entity)
Wimpie Rianto <sup>3)</sup>	Member (Independent Party of Primary Legal Entity)
Adhi Gunawan Budirahardjo	Member (Independent Commissioner of PT BCA Finance)
Gustiono Kustianto	Member (Independent Commissioner PT Asuransi Umum BCA)
Pudjianto	Member (Independent Commissioner PT Asuransi Jiwa BCA)
Suyanto Sutjiadi	Member (Independent Commissioner PT Bank BCA Syariah)
Sutedjo Prihatono	Member (Member of Sharia Supervisory Board of PT Bank BCA Syariah)
Rudy Harjono	Member (Independent Commissioner BCA Finance Limited)
Mendari Handaya <sup>4)</sup>	Member (Independent Commissioner PT Central Santosa Finance)

Notes:

<sup>1)</sup> Effective 3 August 2016 Sumantri Slamet has been appointed as Head of Integrated Governance Committee replacing Raden Pardede.

<sup>2)</sup> Effective 23 May 2016 Raden Pardede has been appointed as Head of Integrated Governance Committee replacing Sigit Pramono.

<sup>3)</sup> Effective 23 May 2016 Wimpie Rianto has been serving as an Independent Party member of Integrated Governance Committee replacing Ibu Inawaty Handoyo.

<sup>4)</sup> Effective 13 December 2016 Mendari Handaya, Independent Commissioner of PT Central Santosa Finance has been serving as member of Integrated Governance Committee.

Educational background, position, and work experience of Integrated Governance Committee members can be found under Company Profile on page 78 – 82 of this Annual Report.

## 7. Number and Composition of Independent Commissioner

The number and composition of Independent Commissioner serving as members of the Integrated Governance Committee adjust to the needs of the Financial Conglomerate and the Integrated Governance Committee efficiency and effectiveness in carrying out its duties, by at least taking into consideration the representation of each financial service provider within the Group.

## 8. Term of Duty of Integrated Governance Committee

The term of duty of the Integrated Governance Committee members will expire on the expiration of term of duty of the current the Board of Commissioners of BCA (as Primary Legal Entity), which will expire on the closing of the AGMS of BCA (Primary Legal Entity) in 2021.

## 9. Work Mechanism

The work mechanism of the Integrated Governance Committee is as follows:

- a. Duties and responsibilities of the Integrated Governance Committee, among others, are carried out through Integrated Governance Committee meetings.
- b. To ensure that duties are well implemented, the Integrated Governance Committee is assisted by a Committee Secretary to perform secretarial duties such as:
  - i. Arranging the schedule of meetings;
  - ii. Proposing and contacting interviewees when needed;
  - iii. Preparing and distributing invitation and materials for the meetings;
  - iv. Preparing and distributing the minutes of meetings.
- c. Whenever required, the Integrated Governance Committee may invite interviewees from members of the Board of Commissioners, Directors, or other internal and external parties of the Primary Legal Entity and the financial services providers within the financial conglomerate.

## 10. Meetings of Integrated Governance Committee

Integrated Governance Committee held at least 1 (one) meeting in six months as governed under the Charter and Code of Conduct of Integrated Governance Committee. In 2016, the current committee already held 4 (four) meetings.

The attendance of members of Integrated Governance Committee in their meetings in 2016 is as follows:

Name	Number of Meetings	Attendance	Percentage
Independent Commissioner (Sumantri Slamet) <sup>1)</sup>	2	2	100%
Independent Commissioner (Sigit Pramono)	1	1	100%
Independent Commissioner (Raden Pardede) <sup>2)</sup>	1	1	100%
Wimpie Rianto <sup>3)</sup>	3	3	100%
Adhi Gunawan Budirahardjo	4	3	75%
Gustiono Kustianto	4	3	75%
Pudjianto	4	3	75%
Suyanto Sutjiadi	4	3	75%
Sutedjo Prihatono	4	3	75%
Rudy Harjono	3	3	100%
Mendari Handaya <sup>4)</sup>	1	1	100%

Notes:

<sup>1)</sup> Effective 3 August 2016 Sumantri Slamet has been appointed as Head of Integrated Governance Committee replacing Raden Pardede.

<sup>2)</sup> Effective 23 May 2016 Raden Pardede has been appointed as Head of Integrated Governance Committee replacing Sigit Pramono.

<sup>3)</sup> Effective 23 May 2016 Wimpie Rianto has been serving as an Independent Party member of Integrated Governance Committee replacing Ibu Inawaty Handoyo.

<sup>4)</sup> Effective 13 December 2016 Mendari Handaya, Independent Commissioner of PT Central Santosa Finance has been serving as member of Integrated Governance Committee.

## 11. Integrated Governance Committee Work Realization Program in 2016

Realization of Work Program of Integrated Governance Committee in 2016 can be found on page 368 – 369 in 2016 Annual Report.

## CORPORATE SECRETARY

The Corporate Secretary as regulated by The Financial Services Authority Regulation No.35/POJK.04/2014 on Corporate Secretary of Issuers or Listed Companies. Corporate Secretary plays an important role in improving the transparency of service and communication with stakeholders as one of the implementations of good corporate governance principles. The Corporate Secretary is primarily responsible for maintaining the BCA image and safeguarding the best interests of BCA, fostering communications and good relations with stakeholders. The Corporate Secretary is also responsible for supporting the Board of Directors and Board of Commissioners in running the Company by referring to OJK Regulation No. 35/POJK.04/2014 on Corporate Secretary of Issuer or Public Company, by carrying out BCA secretarial duties, ensuring BCA's regulatory compliance, and supporting the implementation of GCG at BCA.

### Profile of Corporate Secretary

The Corporate Secretary is appointed by the Board of Directors and reports to the Deputy President Director. The position of Corporate Secretary is on par with a Division Head. BCA's Corporate Secretary was held by Inge Setiawati from August 2011 to September 2016, and succeeded by Jan Hendra since October 2016 based on the Decision Letter No. 2235/SK/HCM-KP/A/2016. Inge Setiawati takes another managerial position within BCA.

Jan Hendra is an Indonesian citizen and domiciled in Indonesia. Jan Hendra's work experience in the banking industry began in 2005. Prior to being appointed as Corporate Secretary, Jan Hendra served in various managerial positions in the Consumer Card Business Group (Card Center) as Head of Marketing and Product Development (April 2013-September 2016), Head of Consumer Card Portfolio Management (2012-2013), Head of Issuing Portfolio Management (2012), and Head of Business Development (2009-2012).

## Educational Background

He obtained his Bachelor Degree in Electrical Engineering from Trisakti University, Jakarta (year 1997), and completed his Master Degree in Software System Engineering from University of Melbourne, Australia (year 2000).

## Corporate Secretary Competence Development and Training Program

As an effort to support the conduct of his duties, Corporate Secretary participated in a series of competence development programs.

### The Competence Development Program attended:

No	Training	Organizer	Location	Date
1	The Special Batch Corporate Governance Leadership Program and ASEAN CG Scorecard	Indonesian Institute for Corporate Directorship	Jakarta	18-20 October
2	Level 3 – Risk Management Certificate Refreshment Program “Understanding Regulation (Basel), Macroeconomics”	BCA	Jakarta	21 October
3	DB Annual Conference	Deutsche Bank	Jakarta	2 November
4	Focus Group Discussion to Develop Information Dissemination System in a Listed Company	Bursa Efek Indonesia	Jakarta	16 November
5	2 <sup>nd</sup> Boardroom Agenda Conference	Marcus Evans	Singapore	21-22 November

## Duties and Responsibilities of Corporate Secretary in 2016

- Represent the Board of Directors in liaising with government or private agencies/institutions, communication and build good working relationship with internal, external and business partner.
- Follow Capital Market developments concerning capital market regards to prevailing regulations.
- Coordinate/monitor the activities related to the receipt and submission of corporate information and the conduct of the Board of Directors and the Board of Commissioners meetings.
- Provide input to the Board of Directors and the Board of Commissioners meetings and comply with the rules and regulations of the Capital Markets, Good Corporate Governance and banking.
- Support the conduct and implementation of Good Corporate Governance in BCA.
- Manage and develop BCA's positive image by fostering internal and external relations through public relation activities.
- Administer the operations of the Company by the Board of Directors and Board of Commissioners so as to comply with BCA's Articles of Association and other regulations, including those on corporate action.
- Submit the reports to Financial Services Authority on a timely basis.
- Monitor various corporate secretarial activities.
- Conduct General Meeting of Shareholders, corporate actions and public expose (together with Investor Relations).
- Coordinate with related internal units and external parties/institutions to facilitate corporate activities and to improve work effectiveness related to activities carried out by the Board of Directors and Board of Commissioners, and the Board of Commissioners Committees.
- Provide stakeholders with necessary services for any information needed concerning BCA.
- Act as the contact person (liaison officer) between BCA and shareholders, the Financial Services Authority, Indonesian Stock Exchange, and other stakeholders.
- Perform activities which support the implementation of transparency principles primarily related to BCA's performance through communication with related parties.
- Maintain the confidentiality of documents, data and information except when required under the law or otherwise stated under rules and regulations.

## Overview of Duties Fulfilled by Corporate Secretary in 2016

In 2016, the Corporate Secretary carried out the following activities:

1. Organized AGMS 2016.
2. Conducted the implementation of BCA's GCG self-assessment of integrated governance for the first and second semester of 2016.
3. Prepared the GCG Implementation Report for 2016.
4. Formulated "Corporate Governance" and "Corporate Social Responsibility" sections as included in the 2016 Annual Report.

5. Developed implementing corporate governance according to Bank Indonesia Regulations, the Financial Services Authority Regulation, and the ASEAN Corporate Governance Scorecard.
6. Organized a sports and cultural event in celebration of BCA's 59<sup>th</sup> anniversary in February 2016 involving Jakarta, Bogor, Depok, Tangerang and Bekasi that involved athletes and athlete employees from various regions and BCA branches in Jakarta, Bogor, Depok, Tangerang and Bekasi.
7. Conducted Public Expose (together with Investor Relations).
8. Held press conferences and analyst meetings on a quarterly basis.
9. Convened the National Working Meeting (together with other working units).
10. Developed and implemented Corporate Social Responsibility programs and activities.
11. Prepared press releases on BCA's performance and progress.
12. Developed BCA's corporate communication materials such as publications of financial statements through the mass media, advertisements during national holidays, and others.
13. Developed and implemented BCA sponsorship activities in keeping with BCA's Company policies.
14. Developed means of communication and organized internal events, such as BCA's anniversary celebration, retired employee gatherings and social gatherings to celebrate Idul Fitri, Christmas and New Year.

- Coordinate the preparation, publication and distribution of the Annual Report to investors/analysts.
- Provide financial data and information for investors and the capital markets community.

### Investor Relations Activity

Investor Relations communicates with the financial and capital market community so that they can have the right and accurate information on the performance, business prospect or other necessary information for decision making. Investor relations activities are carried out by duly observing the principles of confidentiality and equal treatment for all investor.

BCA holds analyst meeting event on regular basis to disclose the quarterly performance. BCA is also active in attending conference and non-deal road show, events held by securities companies, where BCA can meet with the investors. In addition, BCA also host the investors visit or conducted conference call upon request by the investors.

### Statistics of Investor Relations Activities in 2016 and in 2015

	2016	2015
Analyst Meeting & Public Expose	5	5
Non-deal road show	2	3
Investor Conference (domestic & overseas)	11	15
Investor visit	155	203
Conference call	80	33
<b>Total</b>	<b>253</b>	<b>259</b>

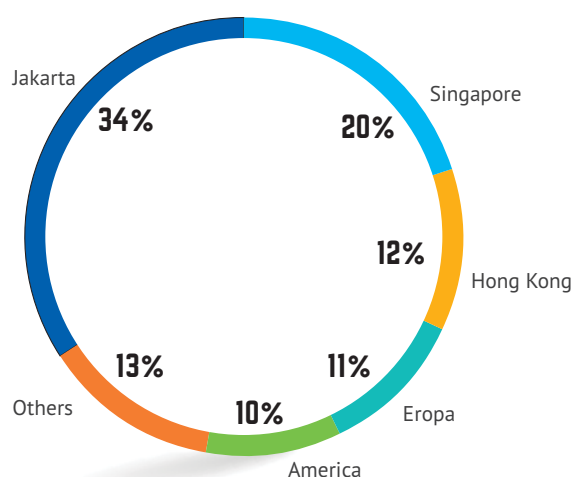
## INVESTOR RELATION FUNCTIONS

### The Main Duty of Investor Relations

The main duty of Investor Relations is to represent the Board of Directors in liaising with investors, the capital markets (community) and shareholders, including to:

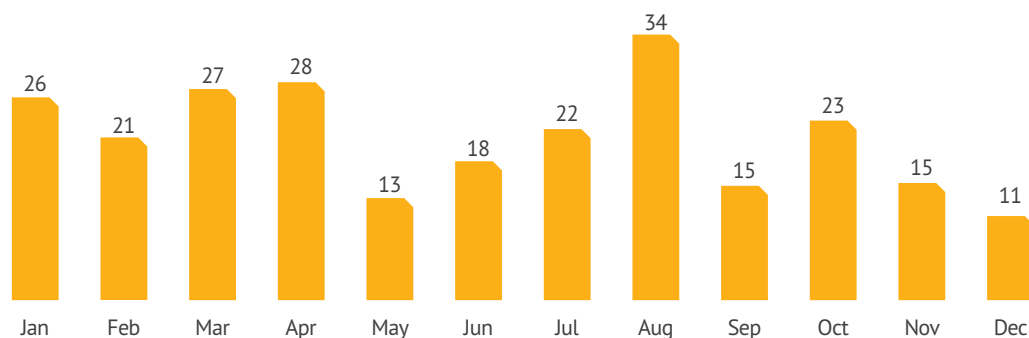
- Formulate communication strategies, specifically toward investors, potential investors, analysts, fund managers and the capital markets in general.
- Prepare the necessary materials and organize various activities such as road shows, analyst meetings and conference calls.
- Communicate various matters related to BCA shares, performance, and Financial Statements to parties such as fund managers, investors and potential investors.
- Manage the relationships with fund managers, experts and economists (specifically related to stocks).
- Monitor and report the results of analysis on BCA's performance and stock prices on a periodic basis.

The number of investors/analysts conducting visits and conference calls are totaling 432 people, with the following composition by country of origin:



Note:  
\*) Others from Malaysia, Korean, Australia, Japan, United Arab Emirates, India and Taiwan.

## The Frequency of Monthly Investor Relations Activities in 2016



Average of the Investor Relations Activities frequency in 2016 was 21 activities each month.

## INTERNAL AUDIT DIVISION

The Internal Audit Division was established to generate added value and improve BCA's operations through independent and objective audits to provide assurance.

In carrying out its functions, the Internal Audit Division assesses the adequacy and effectiveness of risk management, internal control and governance, and offers consultation internally within BCA for those areas requiring such services.

In line with the enactment of the Financial Services Authority Regulation No.18/POJK.03/2014 concerning Application of Integrated Governance for Financial Conglomerate, the Internal Audit Division also carries out the integrated internal audit functions to support the application of integrated governance for BCA as Financial Conglomerate.

### Profile of Head of Internal Audit Division

Jacobus Sindu Adisuwono has been serving as the Division Head, Internal Audit, since 1 November 2008 in accordance with the Board of Directors Decision Letter No.1390/SK/DHR/A/2008 concerning the Appointment of Employees

signed by the President Director on 24 October 2008, with approval from the Board of Commissioners. The Head Division of Internal Audit has considerable experience in internal auditing, following his prior positions in Internal Audit Division of BCA since 1987 and he has earned certification for internal audit professionals including as a Certified Internal Auditor (CIA) and Qualified Internal Auditor (QIA).

Mr. Adisuwono is also actively involved in internal audit organization activities, and currently serves as Head of Ikatan Auditor Intern Bank (IAIB) which is a professional association of bank internal auditors, and is a member of The Institute of Internal Auditors Indonesia.

### Competence Development and Training Program of Internal Audit Head

To support the conduct of their duties, BCA Internal Audit Head Division participated in a series of competence development program.



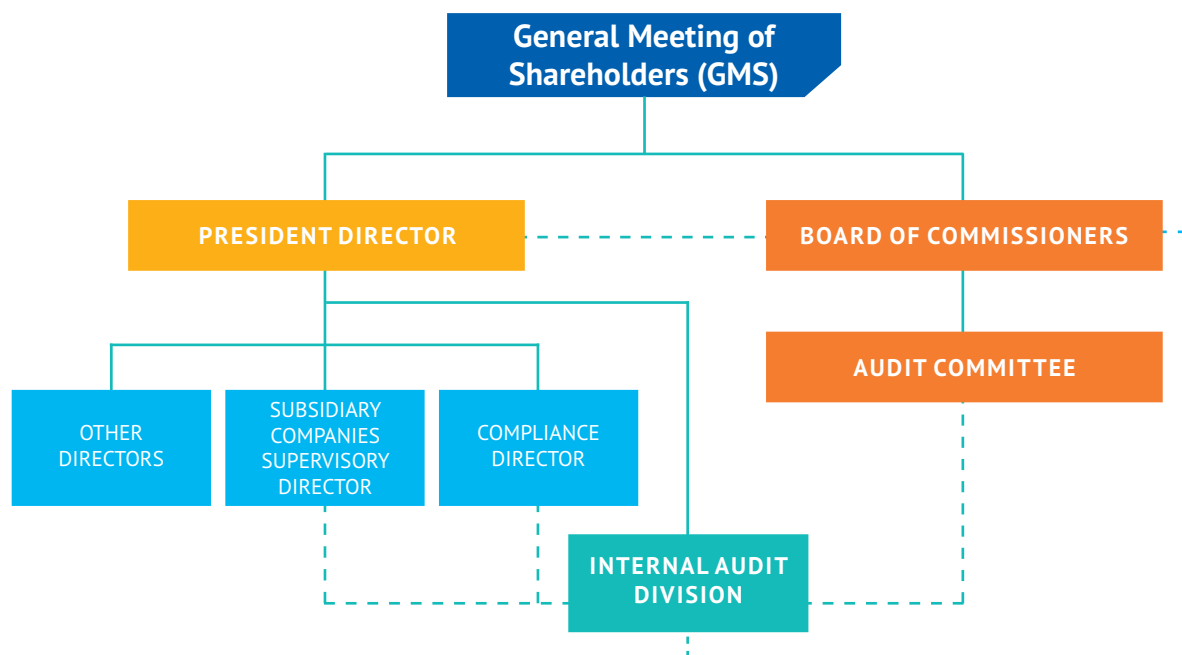
### The competence development programs attended by Internal Audit Head in 2016 are as follows:

No	Training	Organizer	Location	Date
1	National Seminar of Internal Audit 2016 "The Most Necessary Profession to Enhance and Protect Organizational Value" speaker on topic of Implementing COSO 2013	Yayasan Pendidikan Internal Audit	Bali	27-28 April
2	2016 The Institute of Internal Auditors International Conference and Benchmarking Visit to Citibank New York and World Bank Washington DC	The Institute of Internal Auditors Indonesia	New York – USA	18-20 July
3	Indonesia Knowledge Forum 2016 Conference & Expo	BCA Learning Service	Jakarta	6-7 October
4	National Conference of Bank Internal Auditor Association in 2016 "Promoting Internal Audit Roles to Enhance and Protect Organizational Value"	Ikatan Auditor Internal Bank	Bali	10-11 November

### Structure and Position of Internal Audit Division

The Head of the Internal Audit Division is responsible to the President Director. The position of Internal Audit Division within BCA Organizational Structure and Organizational Chart of Internal Audit Division is as follows:

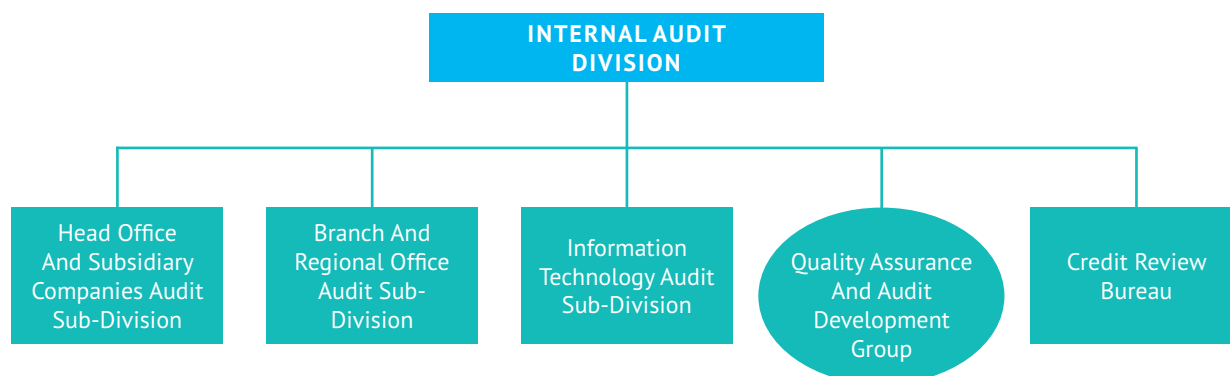
### Position of Internal Audit Division in BCA Organizational Structure



Description:

----- communication line

## Organizational Chart of Internal Audit Division



### Scope

The scope of the Internal Audit covers the activities of all Branch Offices, Regional Offices, Divisions, Working Units and Business Units at the Head Office and Subsidiary Companies, and BCA activities outsourced to third parties.

### Independence

The Internal Audit Division is independent to operational work units. The Division Head is accountable directly to the President Director and may communicate directly with the Board of Commissioners and/or Audit Committee

Internal Audit Division meetings with the President Director and Audit Committee were held 8 (eight) times in 2016, while meetings with the Board of Commissioners are convened every semester.

The appointment, replacement and dismissal of the Internal Audit Division Head is done by the President Director upon approval by the Board of Commissioners, and reported to the Financial Services Authority.

### Duties and Responsibilities of Internal Audit Division

1. Formulate and implement an annual risk-based audit plan and report on its realization.
2. Test and evaluate risk management process internal control and governance in order to assess its adequacy and effectiveness.
3. Conduct credit quality assessment.
4. Offer recommendations for improving and objective information on audited activities.
5. Conduct special investigations/examinations at the request of the Board of Commissioners, Audit Committee, Board of Directors and/or working units or based on specific indications.

6. Monitor, analyze and report on follow-up actions which the auditee has undertaken as recommended according to audit results.
7. Act as consultant for BCA's internal parties in need of such services, primarily in regard to the Internal Audit Division scope of duties.
8. Monitor the implementation of internal audit functions at each subsidiary company in order to perform the integrated internal audit functions.
9. Prepare a program to evaluate the quality of internal audit activities being performed.

### Internal Audit Manual

Activities carried out by the Internal Audit Division refer to the Internal Audit Work Manual and Charter in accordance with the Board of Directors Decision Letter No. 074A/SK/DIR/2012 date 30 April 2012 which was issued in compliance with the Implementation Standard of the Banking Internal Audit Function established by Bank Indonesia and provisions on the Establishment and Guidelines for Formulating an Internal Audit Charter laid out by the Financial Services Authority. As a source of reference for global best practices, the Internal Audit Division also abides by the standards and code of ethics issued by the Institute of Internal Auditors (IIA) and the Information System Audit & Control Association (ISACA).

The effectiveness of the Internal Audit function and its compliance with the Implementation Standard of the Banking Internal Audit Function (SPFAIB) is reviewed by an independent external party at least every 3 (three) years. The most recent review was conducted by an external assessor in late 2016.

### Number of Auditors in Internal Audit Division

The Internal Audit Division is supported by 196 (one hundred and ninety six) auditors (as of 31 December 2016) with diverse position levels, experiences and professional certification, as provided below:

#### Job Position:

• Division Head	: 1 personnel
• Deputy Division Head	: 4 personnel
• Audit Adviser	: 17 personnel
• Senior Audit Officer	: 24 personnel
• Audit Officer	: 48 personnel
• Associate Audit Officer	: 72 personnel
• Assistant Audit Officer	: 12 personnel
• Senior Staff	: 18 personnel

#### Experience:

• 0 s/d < 3 years	: 65 personnel
• 3 s/d < 9 years	: 66 personnel
• 9 s/d < 15 years	: 21 personnel
• ≥ 15 years	: 44 personnel

#### Professional Certification:

• Certified Internal Auditor	: 1 personnel
• Certified Information System Auditor	: 5 personnel
• Qualified Internal Auditor	: 28 personnel
• Certification on Audit Intern Bank	: 42 personnel

### Reporting

The Internal Audit Division submits reports to the following:

- Board of Commissioners, Audit Committee and Board of Directors, consisting of:
  - Audit Report.
  - Summary Report of Follow-Up to Audit Results.
  - Report of Audit Realization.
  - Integrated Internal Audit Report.
- The Financial Services Authority monitors the implementation of the Internal Audit function, through:
  - Reports on the Implementation and Fundamental Results of Internal Audit.
  - Special reports on any internal audit findings that may disrupt the sustainability of banking operations.
  - Report on external assessor's review that provides opinions on the work performance of Internal Audit Division and its compliance with the Implementation Standard of the Internal Audit Function in Banking as well as possible improvements.

### Activities of Internal Audit Division in 2016

Activities carried out by the Internal Audit Division in 2016 focused on the following:

- Renewal of the Strategic Audit Plan 2016-2018 by referring to the Bank's vision, Internal Audit's mission, and value drivers of the Board of Commissioners, Audit Committee, and the Board of Directors expressed in various occasions.
- Conducted an audit of Branch Offices, Regional Offices, Divisions/Work Units of the Head Office and Subsidiaries in accordance with the results of a risk assessment.
- Conducted end-to-end audit process on electronic delivery channels: Automated Teller Machine (ATM) and Electronic Data Capture (EDC machines) in line with the increasing volume of transactions through such delivery channels.
- Conducted a thematic audit of Compliance Function, implementation of Risk Management function, Consumer Protection, Branchless Banking activity.
- Conducted regulatory audit on the payment system process and Internal Capital Adequacy Assessment Process (ICAAP) in accordance with Bank Indonesia Regulation and the Financial Services Authority Regulation.
- Conducted an audit of information technology infrastructure and operations and a number of core application systems for bookkeeping, treasury, and credit cards in line with the increasing complexity of information technology in BCA.
- Enhanced the effectiveness of audit by developing and implementing continuous auditing to support the role of the audit process as an early warning system.
- Developed Audit Management System (AMS) to improve efficiency and effectiveness of management of internal audit activities.

### Focus of Audit Plan in 2017

- In 2017 Internal Audit Plans to focus on:
  - Implementation of risk management in adopting information technology and enterprise security in connection with the increasing complexity of information technology in BCA.
  - Electronic channel internet banking in line with the increasing volume of transactions utilizing such e-channels.

- Card payment and new e-Money and electronic banking products.
  - Issuing and acquiring business activities, in connection with the increasing number of card-based transactions.
  - Commercial credit process to maintain good credit quality.
  - Implementation of Internal Control Over Financial Reporting in relation to Good Corporate Governance.
2. Conducting audits of Branch Offices, Regional Offices, Head Office Business Divisions/Units, and Subsidiaries based on Annual Audit Plan already established based on risk assessment results.
  3. Improving the utilization of technology in managing the audit activities by developing Audit Management System.
  4. Developing and implementing proactive monitoring system through continuous auditing and analytical review.
2. The Public Accountant appointed by BCA conducted the audit according to professional standards, the work agreement and scope of the audit function.
  3. In keeping with the resolution of the AGM, the Board of Commissioners appointed the Public Accounting Firm and determined the fee involved by taking into account the recommendations provided by the Audit Committee.
  4. Appointment of the Public Accounting Firm was conducted in accordance with applicable provisions, among others:
    - The Public Accounting Firm and Public Accountant (partner-in-charge) are registered with the Financial Services Authority/Bank Indonesia. BCA only took into consideration 4 (four) of the largest Public Accounting Firms registered with the Financial Services Authority/Bank Indonesia.
    - The Public Accounting Firm does not provide other services to BCA for the year in question, preventing the likelihood of a conflict of interest.
    - The Public Accounting Firm only renders audit services for an audit period no longer than 5 (five) consecutive fiscal years.

#### **PUBLIC ACCOUNTANTS OFFICE (EXTERNAL AUDITOR)**

In order to ensure that the External Audit function is implemented in compliance with the Financial Services Authority Regulation No. 31/POJK.03/3016 concerning Amendment to the Financial Services Authority Regulation No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports, and Bank Indonesia Circular Letter No. 3/32/DPNP concerning the Relationship between Banks, Public Accounting Firms and Bank Indonesia, BCA has undertaken the following measures:

1. BCA Financial Statements were audited by an independent, competent, and professional Public Accountant who exercised due professional care.

The Siddharta Widjaja & Rekan Public Accounting Firm in affiliation with KPMG International was appointed as BCA's auditor to conduct an audit of the Bank's financial statements for the fiscal year ending 31 December 2016, for an estimated fee of Rp7,305,980,000 (seven billion three hundred and five million nine hundred and eighty thousand rupiah) excluding VAT .

BCA grants power to the Public Accounting Firm to submit the audited financial statements accompanied with a Management Letter to the Financial Services Authority no later than 4 (four) months after the fiscal year.

#### **Public Accounting Firms and Public Accountants Who have Audited BCA Financial Statements (in 2013, 2014, 2015, 2016)**

	2016	2015	2014	2013
<b>Public Accounting Firm</b>	Siddharta Widjaja & Rekan	Siddharta Widjaja & Rekan	Siddharta Widjaja & Rekan	Siddharta & Widjaja
<b>Public Accountant</b>	Kusumaningsih Angkawijaya	Kusumaningsih Angkawijaya	Elisabeth Imelda	Elisabeth Imelda

## COMPLIANCE FUNCTION

BCA business activities have continuously undergone changes and improvements due to advancements in information technology that is resulting in higher complexity in business activities. Such increasingly complex business activities have shall force greater to larger business challenges and risk exposures.

BCA takes proactive steps to mitigate increasingly complex risks such as compliance risk. Accordingly, in accordance with the prevailing regulations, BCA has appointed one Director as Compliance Director to manage and mitigate compliance risk and to oversee the compliance function.

The Compliance Working Unit is at the same level as Divisions at the Head Office and directly responsible to the Compliance Director. The Compliance Work Unit is also responsible for implementing policies related to compliance functions, as well as implementation of Anti-Money Laundering and Counter Terrorist Financing.

To assist the duties of the Board of Directors supervising Compliance function, BCA established Compliance Function which is independent and free from undue influence from other business units. Compliance Function is also responsible for the implementation of Anti Money Laundering and Counter Terrorist Financing programs.

In order to ensure the implementation of BCA's compliance function, the Board of Directors and Board of Commissioners also perform active supervision of the compliance function, such as through approval of policies and procedures, periodic reporting, requests for explanations, and meetings.

In accordance with the prevailing the Financial Services Authority regulations, BCA as the Primary Legal Entity in the Financial Conglomerate, has also added integrated compliance function under Compliance Work Unit. The main duties of integrated compliance function include the monitoring and evaluation of Compliance Function in each financial service subsidiary within BCA Financial Conglomerate.

### Compliance Related Activities in 2016

The activities performed in 2016 were as follows:

1. In order to encourage Compliance Culture:
    - Socialized and informed the new regulations to the Board of Director and Board of Commissioners.
    - Disseminated new provisions from regulators to related units.
  - Socialized new regulations to BCA employees.
  - Provided information on the the Financial Services Authority and Bank Indonesia regulations and other laws and regulations in BCA intranet sites accessible for employees.
  - Enrolled Compliance Unit personnel in various training sessions, seminars and events to improve performance quality, including active participation in a working group known as the Communication Forum of Banking Compliance Directors and in compliance certification programs held by the Banking Professional Certification Institute.
  - Performed a consultative function in relation to the implementation of prevailing laws and regulations by offering advice/feedback to questions posed by work units or branches,
2. In order to manage compliance risks and ensure that all policies, provisions, systems and procedures, and business operations carried out by the Bank are in conformity with the prevailing regulations:
    - Conducted a gap analysis and examined the impact of new policies on BCA operations.
    - Proposed adjustments to internal manuals, policies and procedures.
    - Reviewed and offered input on new products and activities in the pipeline to ensure that they conform to applicable laws and regulations.
    - Reviewed draft internal policies to be issued to ensure conformity of internal policies with existing laws and regulations.
    - Conducted study adherence to the release of the corporate credit.
    - Tested the level of compliance on the implementation of policies by branch offices in cooperation with Branch Internal Supervisors.
    - Updated the database of existing regulations.
    - Monitored the level of compliance with applicable policies related to practices and principles of prudent banking such as. CAR, Mandatory Minimum Reserves, NOP, LLL and NPL. In 2016, there were no violations of policies related to the principles of prudential banking.
    - Monitored the submission of reports to regulators.
    - Monitored the imposition of sanctions/penalties by regulators.
    - Assessed compliance risks and prepared a quarterly compliance risk profile report as part of an effort to effectively manage compliance risks.

- Prepared Quarterly Report of Compliance Monitoring submitted to the Board of Directors and the Board of Commissioners.
  - Reviewed documents for the purpose of ensuring the operational readiness of opening, transferring and closing of offices.
  - Coordinated with related work units in performing the Risk-Based Soundness Level of the Bank.
3. To ensure the Bank's compliance with the commitments pledged to regulators:
    - Monitored BCA's commitment to the Financial Services Authority, Bank Indonesia and other regulators, together with the Internal Audit Division.
    - Monitored and followed up on requests for data/information from the Financial Services Authority and Bank Indonesia relating banking supervision.
  4. To monitor and evaluate compliance function in each subsidiary in BCA Financial Conglomeration, and to prepare integrated compliance report submitted to the Board of Directors and the Board of Commissioners.

#### Activities Related to Anti Money Laundering and Counter Terrorist Financing Programs in 2016

As a commitment of BCA in participating to combat money laundering and counter terrorist financing, BCA has performed the following:

- Reporting the implementation of Anti Money Laundering and Counter Terrorist Financing activities on a regular basis to the Board of Directors and the Board of Commissioners.
- Implementing new system to monitor suspicious financial transactions.
- Coordinating the customer data updating activities by preparing the targets and monitoring the achievement of such targets.
- Reviewing the new products and activities to ensure that they have complied with Anti Money Laundering and Counter Terrorist Financing regulations.
- Filtering the customers and transactions against the current terrorist list
- Conducting compliance test on the implementation of Anti Money Laundering and Counter Terrorist Financing programs at branch office in cooperation with Branch Internal Supervisor.
- Conducting compliance reviews of branch offices to ensure that the implementation of Anti Money Laundering and Counter Terrorist Financing is in accordance with prevailing regulations.
- Reporting suspicious financial transactions, cash transactions, and bank transfer transactions to and from foreign countries and Data Sistem Informasi Pengguna Jasa Terpadu (SiPESAT) to Reporting and Analysis Center of Financial Transactions.
- Conducting training and sensitization of Anti Money Laundering and Counter Terrorist Financing continuously through classroom, e learning and internal discussion forum.
- Developing training materials for the implementation of Anti Money Laundering and Counter Terrorist Financing programs.
- Developing and implementing risk and compliance awareness program for branch offices in cooperation with Risk Management Unit.

#### Indicators of Compliance in 2016

- The Capital Adequacy Ratio (CAR) involving credit risk, market risk and operational risk is at 21.90% or above the required level.
- The NPL ratio (net) is 0.31%, within the range of the applicable provision of 5% (net) maximum.
- There was no excess or violation to the maximum Legal Lending Limit either to related parties or business groups.
- Minimum Statutory Reserves in Rupiah – Main 7.25% and Secondary 16.17% already comply with the existing provision concerning Minimum Statutory Reserves in Rupiah.
- Minimum Statutory Reserves in Foreign Exchange at 8.46% already comply with the existing provision concerning Minimum Statutory Reserves in Foreign Exchange.
- Net Open Position is 0.20%, significantly below the limit allowed by the regulatory provision of a maximum 20% of the capital.
- Liquidity Coverage Ratio (LCR) 391% is already above the minimum limit of 70%.
- Commitments to the Financial Services Authority, Bank Indonesia and other authorities have been well-accomplished.

## IMPLEMENTATION OF RISK MANAGEMENT

The Board of Commissioners and Board of Directors are responsible for implementing risk management and the internal control system within BCA. The implementation of risk management and the internal control system covers the following:

- Robust supervision by the Board of Commissioners and Board of Directors.
- Adequacy of policies, procedures and limit setting.
- Adequacy of the process of risk identification, measurement, monitoring and control, and the risk management information system.
- Comprehensive Internal control system.

BCA effectively applies risk management principles and the internal control system to mitigate the risks arising from the Bank's business goals and strategies. BCA's risk control procedures are in line with the business size and complexity of the bank and comply with the requirements and procedures set forth in regulations issued by Bank Indonesia (BI) and the Financial Services Authority (OJK), as well as by referring to best practices, through the following actions to:

1. Identify and control all risks, including risks arising from new products and activities.
2. Establish a Risk Oversight Committee to ensure that the existing risk management framework provides adequate protection for all BCA risks with the primary duty of offering recommendations and opinions in a professional and independent manner regarding the appropriateness, and implementation, of risk management policies to the Board of Commissioners, and monitoring and evaluating the duties carried out by the Risk Management Committee and Risk Management Unit.
3. Establish a Risk Management Committee with the primary responsibility of formulating risk management policies, strategies and implementation guidelines, improving the effective implementation of risk management based on results of the evaluation of risk management processes and the risk management system, and deciding on matters related to business decisions that deviate from normal procedures (irregularities).
4. Establish an Integrated Risk Management Unit to ensure that the risks facing the Bank and Subsidiary Companies are identified, measured, monitored, controlled and accurately reported in an integrated manner by applying an appropriate risk management framework.

5. Manage risks and make sure that the necessary policies and risk limits are in place and supported by procedures, reports and information systems that provide accurate and timely information and analysis to the management, including in determining the required measures in dealing with changes in market conditions.
6. Ensure that the existing work systems and procedures take into account operational and business factors as well as the level of risk that may occur in work units.
7. Ensure that the internal control system is implemented according to applicable policies.
8. Monitor BCA's compliance with principles applied for the management of a healthy bank in conformity with existing policies through the Compliance Working Unit.
9. Prepare the BCA Risk Profile Report on a quarterly basis and the Integrated Risk Profile Report every semester to be submitted to the Financial Services Authority in a timely fashion.

### Risk Management System

For risk control, BCA implements the Risk Management Framework in an integrated manner as embodied in the basic Risk Management Policy. The framework serves as a means for determining BCA strategies, organization, policies, guidelines and infrastructure to help ensure that all risks that BCA faces in the normal course of business can be effectively identified, measured, controlled and reported.

In order for risk management to be implemented effectively and optimally, BCA has established a Risk Management Committee to comprehensively discuss risk-related issues and recommend risk management policies to the Board of Directors.

In addition to the Committee above, BCA has also formed several other Committees assigned to deal with more specific risks, among others the Credit Policy Committee, Credit Committee and Asset and Liability Committee (ALCO).

BCA consistently assesses risks in a comprehensive manner related to the planned launching of new products and activities based on regulatory requirements.

### Managed Risks

In relation to the issuance of Financial Services Authority Regulation No.17/POJK.03/2014 dated 18 November 2014 and Financial Services Authority Circular Letter No.14/SEOJK.03/2015 regarding Implementation of Integrated Risk Management for Financial Conglomeration, the Financial

Conglomeration of BCA in integrated manner manages 10 (ten) type of risks as follows:

### 1. Credit Risk

- Credit is underwritten based on the “four eyes principle” whereby credit decisions are made according to two considerations: business capacity and credit risk analysis.
- BCA has established a basic Bank Lending Policy that is continuously reviewed and refined in line with changes in, developments within BCA and regulations issued by regulation, and in accordance with international best practices.
- The credit risk management system and procedure is refined through the development of a ‘start to finish’ Loan Origination System for the lending process to ensure an effective and efficient credit process. A debtor risk profile assessment system is reviewed and upgraded to ensure its comprehensive implementation and as a tool for the development of a credit database.
- To maintain credit quality, it is necessary to regularly monitor the quality of loans, both by credit category (Corporate, Commercial, Small and Medium-Sized Enterprise/SME, Consumer and Credit Card) and the credit portfolio as a whole. Close monitoring and authority control were conducted in branches with SME/mortgage/credit card loans in Special Mention category of >30 days (in arrears) and high level of NPL, to enable those branches to improve the loan quality.
- BCA has developed its credit risk management system through the stress testing of credit portfolios and monitoring the results of these stress tests. In responding to a changing market and economic turbulence, BCA periodically conducts stress testing. Stress testing is beneficial for the Bank as a tool for estimating the risk impact under stressful conditions which will help BCA devise the most appropriate risk mitigation strategy as part of implementing the contingency plans.
- In monitoring and controlling credit risks in subsidiary companies, BCA regularly monitors the credit risks of its subsidiaries while ensuring that an effective Credit Risk Management Policy is in place in subsidiary companies.

### 2. Market Risk

- In managing other foreign exchange risks, BCA centralizes the management of its net open

foreign exchange position at the Treasury Division, which consolidates daily reports of net open positions from all branches. Each branch is generally expected to cover its foreign exchange risks by the end of each working day, even though each branch has a tolerance limit for its net open position which depends on the volume of foreign exchange transactions at the respective branch. BCA prepares a daily net open position report that combines the net open positions in the consolidated statement of financial position and administrative accounts (off-balance sheet accounts).

- To measure foreign exchange risks, BCA adopts the Value at Risk (VaR) method based on a Historical Simulation approach for internal reporting purposes. For calculating the Bank’s minimum capital requirement, BCA applies the Bank Indonesia Standard method.
- A key component of BCA liabilities which are sensitive to interest rate movements is customer deposits, while BCA’s interest sensitive assets are government bonds, securities and loans. ALCO regularly keeps track of market developments and adjusts the interest rate of deposits and loans.
- BCA sets the deposit interest rate based on market condition and competition by monitoring the movement of the reference interest rate and the interest rates offered by competitor banks.

### 3. Liquidity Risk

- BCA focuses on maintaining adequate liquidity to fulfill its commitment to customers and other parties for lending, repaying customer deposits and meeting operational liquidity needs. Liquidity management are managed by committee and executed operationally by treasury.
- Liquidity risks are measured and controlled by monitoring liquidity reserves, the Loan to Funding Ratio (LFR) and the Liquidity Coverage ratio (LCR), conducting maturity profile analysis, cash flows projections and stress tests on a regular basis to observe the impact on BCA’s liquidity under extreme conditions. BCA has prepared a contingency funding plan for confronting such extreme situations.
- BCA has complied with provisions related to liquidity as governed in the Bank Indonesia Regulation that makes it compulsory for banks to maintain the Rupiah liquidity (Statutory Reserves)



on a daily basis, consisting of Primary Reserves and LFR-Statutory Reserves in the form of Rupiah deposits in Bank Indonesia, Secondary Reserves in the form of SBI, SDBI, SUN and excess reserves, as well as foreign currency reserves in the form of foreign currency current accounts in Bank Indonesia.

#### 4. Operational Risk

- Basel Accord II requires banks to include operational risks as a component in calculating their capital adequacy. In line with this, BCA implements the Risk Control Self Assessment (RCSA) in all branches/regional offices and in those divisions or work units which have been assessed to have significant operational risks by Head Office. One of the purposes of implementing RCSA is to instill a risk culture and build risk awareness which is a key requirement in risk management.
- BCA maintains a Loss Event Database (LED) which is a database of cases/losses related to operational risks that have occurred in various work units. The LED is maintained as an instrument to record operational losses which BCA will use in calculating capital charges and as a way to measure operational events that could potentially result in operational losses for BCA. In addition, BCA uses data captured by the LED to analyze cases or problems facing the Bank in order to develop the necessary improvements/preventive measures for minimizing/mitigating the risk of operational losses which may arise. BCA has also developed a system application for Key Risk Indicators (KRI) which is used to identify early warning signs of the likelihood of increased operational risk in work units. The KRI is also further enhanced into a predictive risk management to assist the work units in monitoring risk exposure.
- BCA calculates the Bank's minimum capital requirement for operational risks based on the Basic Indicator Approach according to regulations related to the allocation of capital for loss reserves due to operational risks into the calculation of the capital adequacy ratio (CAR), apart from the allocation of capital for loss reserves due to credit risk and market risk.

#### 5. Legal Risk

- Inherent legal risks are assessed according to the potential impact of losses in ongoing as

well as resolved court cases involving BCA and its subsidiary companies against the Bank's consolidated capital. The parameter for calculating potential losses from an ongoing court case is the basis for the lawsuit, value of the court case, and legal documentation. Meanwhile, for resolved court cases, the assessment is based on the losses incurred by the Bank due to a decision of the court with a permanent legal standing.

- To identify, measure, monitor and control legal risks, BCA has established a Legal Group at the Head Office and legal units in most Regional Offices.

In mitigating legal risks, the Legal Group has taken the following measures:

- Developed the Legal Risk Management Policy with internal provisions on the organizational structure and job description of the Legal Group, and standardized the legal documents.
- Held legal communication forums to build the competency of the legal staff.
- Socialized on the impact of new regulations on BCA's banking activities and the various modus operandi of banking crimes, and guidelines on handling such cases through the legal route to branch officers and the relevant work unit.
- Provided legal defense for ongoing criminal and civil cases involving the BCA, and monitored progress of the cases.
- Formulated a loan security strategic plan (in cooperation with other work units, among others the Credit Settlement Bureau) related to non-performing loans.
- Registered with the authorized body all assets owned by BCA, including intellectual property rights for BCA banking products and services, and the right to BCA land and buildings.
- Monitored and took legal action on violations against BCA assets, including infringements of BCA's intellectual property rights.
- Monitored and analyzed ongoing court cases faced by BCA and subsidiary companies.
- Conducted an inventory of, monitored, analyzed and calculated potential losses that may occur due to court cases.

## 6. Reputation Risk

- Reputation risks are assessed by using parameters such as the number of complaints and negative publicity, and complaints resolution rate. The assessment is presented in the reputation risk profile report prepared on a quarterly basis.
- To manage and control reputation risks, BCA is supported by the Halo BCA Contact Center (24-hour hotline for information, suggestions and complaints).
- Reputation risks are managed based on regulatory requirements.

## 7. Strategic Risk

- Assessment of Inherent strategic risk is conducted by applying parameters such as the suitability of strategy with the business environment, low-risk and high-risk strategy, BCA's business position and the achievement of the Bank Business Plan.
- Assessment of the quality of strategic risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system, human resource and adequacy of the risk control system.

## 8. Compliance Risk

- Compliance risk is one of the risk factors that must be managed by BCA in view of its potential to inflict financial and non-financial loss to the Bank.
- Pursuant to Bank Indonesia Regulation (PBI) No.13/2/PBI/2011 dated 12 January 2011 on Implementation of Compliance Function in Commercial Banks, BCA has appointed a member of the Board of Directors as Director overseeing the compliance function, responsible to ensure compliance and to minimize compliance risk through the formulation of compliance risk management policies and procedures and to monitor the implementation of such policies and procedures. In discharging its duties, the Compliance Director oversees the compliance function with assistance from the Compliance Unit (SKK) which is independent from the operational work units.
- In assessing inherent compliance risks, the parameters are the type and significance of violations that were committed, frequency of violations or compliance track record, and violation against policies related to specific

financial transactions. The Compliance Unit (SKK) is also in charge of the implementation of Anti Money Laundering and Prevention of Terrorism Funding programs.

- BCA has introduced and implemented Anti Money Laundering and Prevention of Terrorism Financing programs. To help identify suspicious financial transactions, BCA has an application that is constantly improved to enhance its capacity.

## 9. Intra-Group Transaction Risk

- Assessment of inherent intra-group transaction risk is conducted by applying parameters such as intra-group transaction composition in the Financial Group, documentation and fairness of transactions and other information.
- Assessment of the quality of intra-group transaction risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system, human resource, and adequacy of risk management system.

## 10. Insurance Risk

- Assessment of inherent insurance risk is conducted by applying parameters such as technical risk, priority of insurance risk towards over all business lines, product risk bias and type of benefit, and reinsurance structure.
- Assessment of the quality of insurance risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, MIS and HRD, and adequacy of risk management system.

BCA's Integrated Risk profile level in December 2016 is "low to moderate", which reflects a "low to moderate" level of inherent risk and "satisfactory" quality of risk management implementation.

The ranking of risk levels of the 10 (ten) types of risks being assessed is as follows:

- Risks with "low" level of risk are Market Risk, Liquidity Risk, Legal Risk, Intra-Group Transaction Risk and Insurance Risk.
- Risks with "low to moderate" level of risk are Credit Risk, Operational Risk, Reputation Risk, Strategic Risk and Compliance Risk.

BCA's Integrated Risk "low to moderate" risk profile indicates that BCA and its Subsidiaries have implemented an effective and efficient risk management process in all corporate activities.

The inherent risks trend in the next period is stable since the projections conclude that there would be no significant change to inherent risks.

The trend of risk management implementation quality in the future is stable as BCA and its Subsidiary Companies have enhanced the implementation of risk management for all activities in order to help the Bank identify, measure, monitor and control each risk.

## INTERNAL CONTROL SYSTEM

BCA's internal control system abides by Bank Indonesia Circular Letter No.5/22/DPNP on Guidelines for Internal Control Systems Standard for Commercial Banks dated 29 September 2003, and covers 5 (five) key components, as follows:

1. Supervision by management and a control culture.
2. Risk identification and assessment.
3. Control activities and separation of functions.
4. Accounting, information and communication systems.
5. Monitoring activities and corrective measures for any irregularity.

The five components are in line with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organization of the Treadway Commission (COSO).

Furthermore, BCA has established a business continuity plan and disaster recovery plan to expedite the recovery process in the event of a disaster, with a back up system for preventing high-risk business failures. The management and employees of BCA play their duties and have responsibilities in improving the quality and implementation of BCA's internal control.

Parties involved and responsible for implementing BCA's internal control system among others are the Board of Commissioners, Audit Committee, Board of Directors, Internal Audit Division, BCA senior officers and employees, Branch Internal Supervisors, Internal Regional Office Supervisors and Specific Internal Work Unit Supervisors at Head Office.

### Implementation of Internal Control

1. Internal control is implemented as follows:

**a. Financial Control**, whereby:

- BCA has prepared a Bank Business Plan that discusses BCA strategies in overall which covers the direction of business development.
- Strategies are formulated by factoring in the impact towards BCA capital, among others capital projections and the minimum capital requirement.
- The Board of Directors actively engages in discussions to offer input and monitor the internal situation, and keep track of external factors that directly or indirectly affect BCA's business strategy.
- BCA has implemented a financial control process by monitoring realization against the financial budget in periodic reports and submitted when follow-up action from the Board of Directors is needed.

**b. Operational Control**, whereby:

- BCA has completed standard operating procedures and work manuals that provide in detail the work procedures of each banking operational transaction that BCA undertakes in relation to new products and activities, including the relevant operational risk mitigation measures. The work procedure is developed by the Operational and Service Development and Strategy Division and is reviewed by various relevant work units to ensure that operational risks that may arise have been effectively mitigated.
- BCA confers limited powers on officers by imposing a transaction limit and restricted access to IT and computer networks through control of user ID's and password's and installing fingerscanners.
- BCA has established a sound organizational structure complete with supervisory/control

units which further support operational control, as provided below:

- Functions that may create conflicts of interest are segregated.
- Supervisor oversees the implementation of internal controls in branches on a daily basis.
- Branch Internal Supervisor oversees the implementation of internal controls in branches on a periodic basis.
- Internal Regional Office Supervisor oversees the implementation of internal controls in Regional Offices.
- Internal Supervisor oversees the implementation of internal controls in certain work units at Head Office.
- Risk Management Unit, Legal Group and Compliance Unit are established.
- Internal Audit Division is established as:
  - √ Independent from the risk-taking unit.
  - √ Responsible for examining and assessing the adequacy/ effectiveness of the internal control system, risk management and corporate governance by implementing the annual audit plan.

**c. Compliance to other laws and regulations,** whereby:

- BCA stands firm in the commitment to comply with prevailing laws and regulations and take the necessary steps to improve weaknesses, if any.
- BCA has established a Compliance Unit independent from operational units in implementing the compliance function.
- A quarterly Compliance Monitoring Report is prepared related to BCA's Principle of Prudence, to be submitted to the Board of Commissioners and Board of Directors.
- BCA's Compliance Risk Management Strategy involves the necessary policies to ensure compliance with applicable laws and regulations which means proactively taking preventive measures (ex-ante) to minimize the possibility of violations and curative actions (ex-post) for improvements.

2. BCA applies an effective inherent control system tailored to BCA business goals, policies, size and complexities in accordance to requirements and procedures set forth in the Bank Indonesia Regulation, and in reference to best practices through the following measures:
  - BCA established clear reporting lines and separation of functions between operational units and units implementing the control function.
  - The control function is implemented by the Risk Management Unit, Legal Group, Compliance Unit, Credit Risk Analysis Group and Internal Audit Division.
  - Internal Audit Division independently and objectively reviews BCA procedures and operational activities on a periodic basis. Review results are presented in the Audit Report and Audit Follow-Up Report to the Board of Directors.
  - The Branch Internal Supervisor, Internal Regional Office Supervisor and Internal Audit Division evaluate the implementation of BCA systems and procedures. Evaluation results from the Branch Internal Supervisor, Internal Regional Office Supervisor and Internal Audit Division serve as benchmarks on the level of compliance of work units in existing systems and procedures.

## **CORRUPTION PREVENTION**

### **Implementation of Anti-Fraud Strategy**

The anti-fraud policy comprises part of BCA's management commitment in preventing fraud by applying an effective and ongoing fraud control system. The fraud control system guides the Bank in determining the necessary measures to prevent, detect, investigate and monitor fraud.

Fraud refers to any violation or act of omission committed willfully to deceive, dupe or manipulate the Bank, customers or other parties that takes place within the Bank and/or using Bank facilities and which causes the Bank, customers or other parties to incur losses, and/or fraud offenders gaining financial advantage or benefit either directly or indirectly. Actions that constitute fraud are as follows:

1. Cheating.
2. Deception.
3. Asset misappropriation.
4. Breach of confidentiality.

## Background

The legal basis for implementing an anti-fraud policy in BCA is Bank Indonesia Circular Letter No.13/28/DPNP of 9 December 2011. This Circular Letter was issued to help strengthen the internal control system of banking institutions, and for the further implementation of Bank Indonesia Regulation No.5/8/PBI/2003 of 19 May 2003 on Risk Management for Commercial Banks.

Pursuant to the Bank Indonesia Circular Letter, the Bank is required to establish and apply an effective anti-fraud strategy that should at least fulfill a minimum standard, and should take into account the following matters:

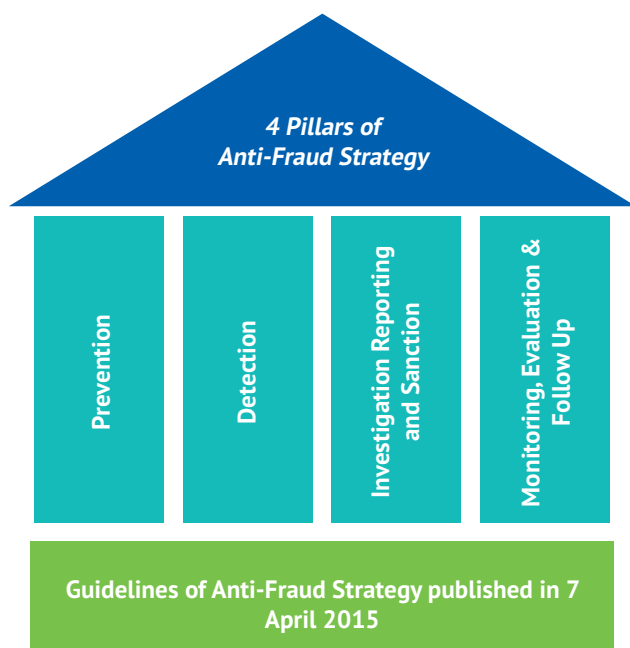
- Internal and external environment;
- Business complexities;
- Potentiality, type and risk of fraud.
- Resource adequacy.

## Purpose

An anti-fraud policy is implemented in BCA for the following purpose:

- To instill an anti-fraud culture in all BCA organizational levels.
- To raise awareness and concern over fraud risks in BCA operations.
- To serve as a reminder for BCA operational officers to comply with existing procedures and policies.

## The 4 Pillars of Anti-Fraud Strategy



The implemented anti-fraud strategy is a fraud control system consisting of 4 (four) pillars:

### 1. Prevention

Comprises methods for lowering the fraud risks from occurring, that should at least cover antifraud awareness, identification of vulnerabilities and know-your-employees principle.

### 2. Detection

Comprises methods to identify and detect fraud in Bank operations that should at least cover a whistleblowing mechanism, surprise audit and surveillance system.

### 3. Investigation, Reporting and Sanction

Comprises methods to obtain information, implement a reporting system and impose sanctions for fraud in Bank operations that should at least cover investigation standards, reporting mechanism, and the imposition of sanctions.

### 4. Monitoring, Evaluation and Follow-up

Comprises methods to monitor and evaluate fraud and the required follow-up action based on evaluation results that should at least cover monitoring and evaluation of fraud and the follow-up mechanism.

## Whistleblowing System

The whistleblowing system is a means of internal communication for BCA to report on any action/behavior/incident related to fraud, violation of the law, BCA Collective Work Agreement, Code of Ethics and other BCA internal policies, and/or conflict of interest committed internally within BCA.

The lodging of a report must be done in good faith and not grounded on personal complaint, bad faith, or slander. The following provides the definitions and provisions related to the whistleblowing system

### • Conflict of Interest

Conflict of interest refers to a situation where BCA personnel in the discharging of their duties and responsibilities have vested interests other than for the best interests of the company, which could be a personal and family interest, or the interest of other parties that may compromise the person's objectivity in making decisions and policies according to the power and authority which BCA has vested in said person.

- **Purpose of the Whistleblowing System**

- Confidentiality is assured as a means for a whistleblower to report a fraudulent act, as well as violation of the law, BCA Collective Work Agreement, Code of Ethics and other BCA internal policies, and/or conflict of interest, without any fear or worry.
- The early detection and prevention of fraud is ensured.

### Complaint Mechanism

The following presents the methods and addresses that whistleblowers can use to initiate the disclosure process.

METHOD	ADDRESS/NUMBER
<i>E-mail</i>	bcabersih@bca.co.id
SMS	0818-0818-1909 <sup>7</sup>
<i>Direct Phone Number</i>	021-2358-8008
<i>VSAT – Extension</i>	VSAT 89000 Extension 22888
Mail correspondence	PO BOX 1189, JKS 12011

<sup>7</sup> This number can only be used for text messaging

### Matters Required from the Whistleblower

To facilitate and speed up the follow-up process, the whistleblower needs to fulfill the following matters when filing a report.

1. Provide personal information to facilitate communication with the whistleblower which should at least consist of the following:
  - 1.1. Name of whistleblower (an anonymous name is allowed);
  - 1.2. Phone number/email address which can be contacted.
2. Provide an early indication which can be accounted for (3W & 1H) that consists of the following:
  - 2.1. What is the complaint about;
  - 2.2. Who is involved;
  - 2.3. When did it happen;
  - 2.4. How did it happen;

3. The filed report should be related to the following:
  - 3.1. Fraud;
  - 3.2. Violation of the law;
  - 3.3. Violation of the BCA Collective Work Agreement;
  - 3.4. Breach of Code of Ethics;
  - 3.5. Breach of other BCA internal policy;
  - 3.6. Breach of the conflict of interest policy;
  - 3.7. Other similar matters.

### Whistleblower Protection

For reports that have been proven true, BCA shall provide protection for the whistleblower. Whistleblower protection covers:

1. Guarantee of confidentiality of the whistleblower's identity and content of report lodged by the whistleblower;
2. Guarantee of protection against any act that may be harmful to the whistleblower;
3. Guarantee of protection against the likelihood of a threat, intimidation, punishment or any other unpleasant act brought about by the alleged offender.

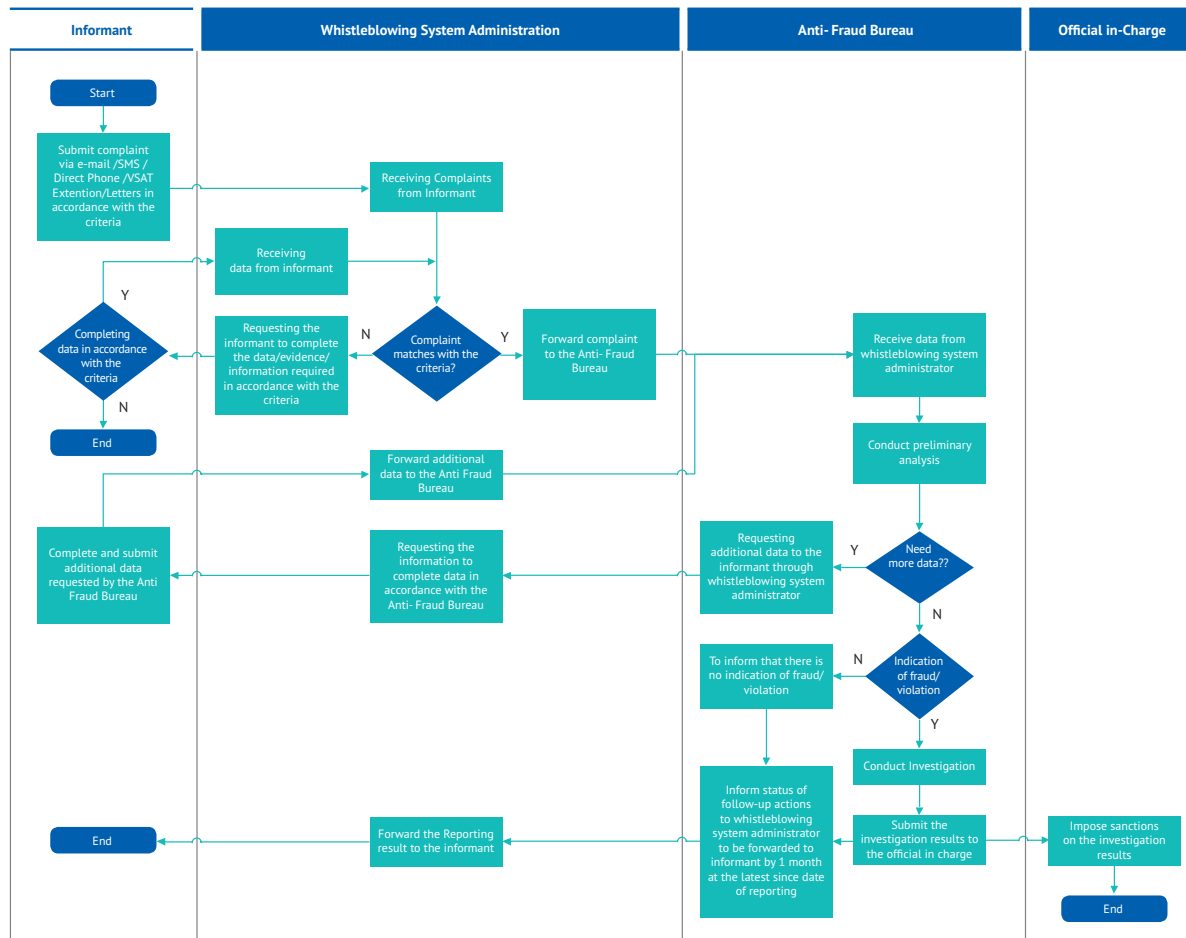
### Complaint Handling

Follow-up to a complaint shall be handled thoroughly in compliance with BCA policies and prevailing laws and regulations in Indonesia by BCA's internal team assigned by BCA management.

### Imposition of Sanctions

If the investigation process has proven that the alleged offender has committed fraud or wrong doing, the authorized officer shall impose sanctions according to applicable policies.

## Report Handling Process Flow



Note :  
N : No  
Y : Yes

## Whistleblowing Data

A recapitulation of incoming reports through the Whistleblowing System is submitted periodically to the Board of Directors. By 31 December 2016, a total of 65 (sixty five) complaints were lodged through the Whistleblowing System with the following status:

Status	Total	Remarks
Closed	65	<ul style="list-style-type: none"> <li>- Proven (8)</li> <li>- Not proven (17)</li> <li>- Customer Information/complaint only (27)</li> <li>- Incomplete data and informant unable to provide the additional information/data required (13)</li> </ul>

## Internal Fraud

Internal fraud refers to any fraud/deception committed by management, and permanent and temporary employees related to BCA's work processes and operational activities.

In 2016, the BCA experienced more than one internal fraud incidents at a nominal value of above IDR 100,000,000 (one hundred million Rupiah), including 2 (two) case of internal fraud committed by permanent employees.

Internal Fraud in 1 year	Total Cases Committed by:					
	Committee		Permanent Employee		Non-permanent employee	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Total Fraud	-	-	1	2	1	-
Resolved	-	-	1	2	1	-
In internal settlement process in BCA	-	-	-	-	-	-
Not investigated yet	-	-	-	-	-	-
Already followed up with legal process	-	-	-	-	-	-

## Anti-Gratuity

The level of trust given to the BCA by the public and market players is highly influenced by the code of conduct of the BCA at all levels, beginning from the Board of Commissioners to the Board of Directors, management and all employees. This trust is critical to foster and maintain business relations with customers and other third parties related to BCA.

In practice, there is the potential for such relationships to incline toward more personal purposes where business ties inter-twine with personal relations, causing professional and private interests to collide.

In an effort to build public trust and support the implementation of the principles of Good Corporate Governance, BCA's Board of Directors finds it necessary to establish the necessary policy governing conflict of interest for the purpose of guiding the Bank's work force, as individuals, in interacting with customers, business partners and fellow coworkers.

This policy is intended to provide guidelines on reasonable and reliable conduct for all BCA employees in their dealings with customers, business partners and fellow coworkers, where personal interests must not be allowed to interfere with their professional conduct.

The policy above among others stipulates that:

- All BCA employees are prohibited from soliciting or accepting, allowing or approving the receipt of a gift or reward from a third party who has received or made an attempt to receive facilities from the Bank in the form of loans or other facilities associated with BCA's operational activities.
- All BCA employees are prohibited from soliciting or accepting, allowing or approving the receipt of a gift or reward from a third party who has secured or made an attempt to secure employment or an order associated with the procurement of goods or services from BCA.
- In regard to customers, business partners and other parties offering gifts during specific occasions, such as the Eid al-Fitr celebration or other celebrations, acceptance is prohibited if:
  - receipt of the gift will lead to negative consequences and affect BCA decisions, and
  - the gift costs greater than a reasonable amount

Any BCA personnels who gains possession of a gift must immediately return it with a courteous explanation on Company policy that prohibits the receipt of such gifts.



Concerning this issue and BCA's commitment to promote Good Corporate Governance, all BCA personnels are required to:

1. Know, understand and implement the policy with full responsibility and without exception.
2. Support the implementation of the policy, whereby all members of the Board of Commissioners, Board of Directors as well as echelon 1 (one) to echelon V (five) officials are required to make an annual disclosure of any situation or circumstances that may lead to conflict of interest.

Sanctions for Violations:

1. The policy is binding and must be seriously understood and implemented by all BCA employees as part of the BCA Code of Ethics for Bankers and to support the implementation of the principles of Good Corporate Governance.

2. Any violation or non-compliance with the policy will be liable to sanction according to the severity of the misconduct.

This is part of an effort to prevent gratuities, an act prohibited by existing laws and regulations. In line with this, BCA's Board of Directors since 2003 has issued a Directive to implement the anti-gratuity policy to be adhered to by all Bank personnel.

It has become a culture in BCA to refuse any gift or reward from customers, debtors, vendors, business associates and partners and other third parties for services rendered by BCA employees in carrying out their duties.

## AFFILIATED TRANSACTIONS & TRANSACTIONS WITH CONFLICT OF INTEREST

The following table describe details of Affiliated Transactions and Transactions with Conflict of Interest during 2016.

### Affiliated Transaction

No	Type of Transaction	Affiliated parties	Transaction Amount
1	Room rental fees for Analyst Meeting Quarter IV year 2015	PT Grand Indonesia	Rp94.380.000,-
2	Room rental fees for 2016 Annual GMS of BCA	PT Grand Indonesia	Rp157.300.000,-
3	Room rental fees for Analyst Meeting Quarter I year 2016	PT Grand Indonesia	Rp94.380.000,-
4	Room rental fees on the 10th floor of Sahid Sudirman Center Building	PT Asuransi Umum BCA	Rp394.725,-/m2/month and service charge Rp 40.000,-/m2/month
5	Long term rental lease of office building at Menara BCA 36th floor	PT Grand Indonesia	US\$32 per semi gross meter square per month + 10% PPN
6	Room rental fees for Analyst Meeting Quarter II year 2016	PT Grand Indonesia	Rp94.380.000,-
7	Land and Building Sale and Purchase in Palembang	PT Central Santosa Finance	Rp2.821.240.000,-
8	Room rental fees for Analyst Meeting Quarter III year 2016	PT Grand Indonesia	Rp94.380.000,-
9	Room rental fees for Cash Office	PT Grand Indonesia	Rp4.904.157.060,-

### Transaction with Conflict of Interest

In 2016, BCA had no transactions with conflict of interest.

## SIGNIFICANT CASES AND ADMINISTRATIVE SANCTION

BCA legal proceedings in 2016 are depicted in the table below:

Legal Proceedings	Total	
	Civil	Criminal
In the process of settlement	194	5
Resolved (with permanent legal force)	72	11
<b>Total</b>	<b>266</b>	<b>16</b>

### a. In the process of settlement

There are 199 (one hundred and ninety nine) cases in the process of settlement with the details as follows:

1. Civil: 194 (one hundred and ninety four) cases.
  - Credit-related: 142 (one hundred and forty two) cases, including lawsuit or appeal/objection from debtors, collateral owner, other parties or BCA claims on confiscated goods or claims pertaining to collateral and credit.
  - Operation: 51 (fifty one) cases, including matters related to banking operation, land and building owned by BCA, and other lawsuits other than credit issues.
  - Human resources-related: 1 (one) case.
2. Criminal: 5 (five) cases.

### b. Resolved (with permanent legal force)

There are 83 (eighty tree) cases already resolved (with permanent legal force) as follows:

1. Civil: 72 (seventy two) cases
  - Credit-related: 56 (fifty six) cases, including lawsuits or appeal/objections from debtor, collateral owner, other parties or BCA claims on confiscated goods or claims pertaining to collateral and credit
  - Operation: 15 (fifteen) cases, including matters related to banking operation, land and building owned by BCA, and other lawsuits other than credit issues.
  - Human-resources related: 1 (one) case.
2. Criminal: 11 (eleven) cases.

In 2016, there were no significant cases facing BCA and its subsidiaries, or members of its Board of Commissioners and Board of Directors in office for this reporting period, and consequently there is no effect on BCA's financial condition.

In 2016 there were no material administrative sanctions imposed by authorities (Financial Services Authority, Bank Indonesia, Stock Exchange, and other authorities) on BCA, or members of the Board of Commissioners and Board of Directors.

## ACCESS TO COMPANY DATA AND INFORMATION

### Access to Information

BCA at all times strives to facilitate stakeholders in accessing Company data and information, including on the Company's financial situation as well as corporate products and actions. BCA also issues press releases and sends them out to the print and electronic media.

To obtain more information, the following contacts are accessible:

1. Customers may contact :
  - **Call Center Halo BCA**
    - Phone : 1500888.
    - Email : [halobca@bca.co.id](mailto:halobca@bca.co.id).
    - Twitter : [@halobca](https://twitter.com/halobca).
    - Halo BCA Chat : [www.bca.co.id](http://www.bca.co.id).
    - Video Call at main branch offices: BSD, SCBD, Alam Sutera, Thamrin, Matraman, Darmo, and my BCA.
    - Video Banking at myBCA Gandaria City, Bintaro Xchange, Central Park, Kota Kasablanka, Emporium Pluit, Ciputra World Surabaya, Grand City Surabaya, BCA Learning Institute Sentul.

- **Service level at Halo BCA**

Service Level for the Response of Customer calls:

- Phone response time: 20 seconds
- Twitter response time: 3 minutes
- Halo BCA Chat response time : 3 minutes
- Email response time: 1 hour

- **Service Level Agreement**

Complaints settlement vary from 1 to 30 working days, based on the category of complaints. At present, 99.4% complaints are settled in accordance with SLA. The total number of customers contacting Halo BCA in 2016 reached 14,533,260 (fourteen million five hundred thirty three thousand hundred and two hundred sixty) customers.

2. Media may directly contact Corporate Secretary, Public Relations Aspect through [humas@bca.co.id](mailto:humas@bca.co.id).
3. Publication of Investor Relations Information through the BCA website and communication through email.

In line with the BCA website renewal in 2016, the publication of Investor Relations information through website also underwent renewal of the structure of information. The information published through the BCA website on Investor Relations section include:

- Financial information (Financial Highlights, Monthly Financial Statements and Quarterly Financial Reports which includes Analyst Meeting materials and other publications).
- Annual Report.
- BCA Shareholder's Information.
- Credit Rating.
- Investor News.

The information is published in compliance with the regulatory provisions and in accordance with the needs of the information required by investors, the capital market community and shareholders. Through BCA website, the investors, the capital market community and shareholders can also register their email address to obtain the publication of the quarterly financial information.

BCA also provides email facility for Investor Relations, namely [investor\\_relations@bca.co.id](mailto:investor_relations@bca.co.id) to communicate to investors, capital market community and shareholders, to provide answers related to BCA financial and business information or suggestions for improving service Investor Relations. Other publication can be provided by other parties.

#### Website BCA

BCA website ([www.bca.co.id](http://www.bca.co.id)) comes with reliable search engine and is supported with mobile responsive design. All are intended to help clients and potential clients with the conveniences in finding a variety of information on products and services delivered by BCA.

BCA website presents a variety of interesting and useful articles, containing Finance & Banking information. Some of corporate activities, such as analyst meetings, financial statements, as well as a variety of CSR (Bakti BCA) activities also become regular content in the BCA website. This is consistent with the Bank's commitment to always maintain transparency of information in order to implement good corporate governance (GCG).

#### BCA Social Media

In social media, BCA still exists among netizens. BCA is active in different social media platforms such as Facebook, Twitter, Youtube, Kaskus, Instagram and LinkedIn. Through those social media accounts, BCA intends to build a more solid interaction with public. This also reflects BCA's earnestness in making itself always present among society.

In addition to interaction, by using social media listening tools, BCA has continued to respond to various critics and input from social media users in real time, and to respond them in by settling the issues in available channels or in improvements and developments of products based on comments received.

BCA official accounts and social media activities in complete are accessible at [www.bca.co.id/socialmedia](http://www.bca.co.id/socialmedia) consistently BCA would continue to prove its existence for public. **"BCA Always By Your Side!"**

## List of BCA Press Releases in 2016

In 2016, BCA has issued 148 press releases as provided below in details:

No	Subject	Date
<b>January</b>		
1	Embracing Young Entrepreneurs, BCA Encouraged Young Generations to Create Added Values – Jakarta	13
2	BCA as the Most Admired Company for Job Seekers – Jakarta	28
<b>February</b>		
3	Maintain its Achievements, BCA Won Again Top Brand Award 2016 – Jakarta	2
4	Series of Events for BCA 59th Anniversary: Developing Teacher Quality, BCA Held Teacher Seminar themed "Developing Your Personal Impact and Influence" in Serang	3
5	Series of Events for BCA 59th Anniversary: Improving Children Health Quality in Indonesia, BCA Educated Elementary Students at BCA Fostered Schools– Serang	4
6	Series of Events for BCA 59th Anniversary "Developing Teacher Quality, BCA Held Teacher Seminar "Developing Your Personal Impact and Influence" in Lampung	9
7	Series of Events for BCA 59th Anniversary: Improving the Quality of College Students Self Development, BCAH Held "Star Leader Program" Training for UI and IPB Students – Bogor	13
8	Due to Customer Loyalty, BCA Won an Award in Net Promoter Customer Loyalty Award 2016 – Jakarta	17
9	Teacher Seminar with the theme of "Developing Your Personal Impact and Influence" in Yogyakarta	20
10	Supporting Digital World and Technology Development, BCA Supported Social Media Week 2016 – Jakarta	22
11	Making Customers Dream Come True, BCA Launched Tahapan Berjangka - Jakarta	22
12	Successfully Improving HR Quality, BCA Won HR Excellence Award 2016 - Jakarta	24
13	Supporting Digital and Technology-based Banking Developments, BCA Shared Experiences in The Future of Banking di Social Media Week 2016 – Jakarta	26
14	Creating Added Values of the Company through Service Excellent, BCA Won an Award in Excellent Service Experience Award 2016 – Jakarta	26
15	Serving for 59 Years, BCA Met Its Customer Needs through Innovations in Products and Services – Jakarta	26
16	Supporting Cost Efficiencies, BCA Signed Joint Memorandum with Pertamina Patra Niaga	29
17	BCA Launched Sakuku in its 59th Anniversary	29
<b>March</b>		
18	<i>Supporting the Development of Spirit of New Technology-based Entrepreneurs, Bakti BCA in Cooperation with Code Margonda Held a Forum for Start-up</i>	1
19	BCA President Director Jahja Setiaatmadja Won "Lifetime Achievement" Award in Obsession Awards 2016 – Jakarta	2
20	2015 Performance Results: Maintaining Focus on Prudent Principles	3
21	Building the Characters of Young Generation through Art and Culture, BCA Invited Fostered Students to Watch "Semar Gugat" – Jakarta	5
22	Improving the Potentials of Local Tourism, BCA Declared Wukirsari Tourism Village as Adopted Village – Yogyakarta	9
23	Appreciating its Customers, BCA and Singapore Airlines Held Singapore Airlines - BCA Travel Fair 2016 - Jakarta	11
24	BCA and KB Kookmin Card Announced Joint Credit Card Marketing - Jakarta	15
25	Supporting Innovations in Financial Technology, BCA together with DailySocial Held Community Meet Up – Finhacks 2016 - Jakarta	17
26	Ciputra Artpreneur and BCA In Cooperation to Promote Shrek The Musical, an Educative Show for Family - Jakarta	23
27	Supporting Cashless Transactions, BCA and LMS Launched Flazz Card as one of Payment Methods for Cipali Toll Road - Jakarta	31

No	Subject	Date
<b>April</b>		
28	Successfully Developing HR Quality, BCA Won Indonesia Human Capital Award - Jakarta	1
29	Elevating the Company's Brand Position in Digital Era, BCA Won Eight Awards in Infobank Digital Brand Awards 2016 - Jakarta	5
30	BCA Won 11 Awards in Contact Center Service Excellence Award (CCSEA) 2016 - Jakarta	6
31	BCA Held Annual General Meeting of Shareholders - Jakarta	7
32	Equipping College Students to Enter Work Force, BCA Held Seminar for Universitas Hasnudin Students - Makassar	16
33	BCA Won the Title of Top 25 Indonesia Most Creative Companies - Jakarta	21
34	59 Teams Ready to Compete in Final Event of Finhacks 2016 - Jakarta	23
35	<i>Finhacks Created Three Best Applications, BCA Committed to Support eWallet-based Application Innovations - Jakarta</i>	24
36	Performance Results in January-March 2016: Maintaining a Solid Position	27
37	BCA Launched Easy and Comfortable Vehicle Tax Payment, West Java - Bandung	27
38	Supporting the Preservation of Traditional Art, BCA Donated Gamelan to FIB UI - Jakarta	30
<b>May</b>		
39	Supports Technology-base Innovation in the area of Education, Bakti BCA backs Young Entrepreneurs	4
40	Consistent in Developing its Banking Service, BCA Won CEO Leadership Awards and Best Managed Banks and Retail Banker of the Year at Asian Banker Leadership Achievement Awards - Hanoi	10
41	Facilitating Customers in Purchasing Property, BCA and Sinar Mas Land Held BCA Expo and Autoshow - Jakarta	14
42	Improving the Quality of Self Development of College Students, BCA Held Leadership Training for Undip Students - Semarang	14
43	Head of Halo BCA Won an Award at Marketeers Youth Women Netizen (YWN) Awards 2016 - Jakarta	15
44	Supporting the Improvements of Literacy Index and Financial Inclusiveness, BCA together with OJK Continued siMOLEK Operation in Jakarta	15
45	BCA Facilitated Easy Top Up of GO-PAY through BCA Virtual Account as a Solution of Integrated Cash Management for GO-JEK - Jakarta	17
46	BCA Management Won an Award in Marketeer of The Year Jakarta 2016 - Jakarta	17
47	Being Most Sought-after Company for Job Seekers, BCA Won Indonesia Most Admired Companies Award - Jakarta	19
48	Improving Regional Tourism Potentials, BCA Declared Taman Sari Tourism Village as Adopted Village - Banyuwangi	19
49	Presenting a Solution for Transactions, BCA Launched BCA-Indomaret Credit Card - Jakarta	19
50	BCA INDONESIA OPEN SUPERSERIES PREMIER 2016	30 May - 5 Jun
51	Mapping of Olympic Strength in Istora - Jakarta	
52	BCA Supported the Development of Health Facilities by Donating a Bus to RSPAD Gatot Subroto - Jakarta	30
<b>June</b>		
53	Ready to Face Digitalization Era, BCA Supported Technology Innovations to Add Values - Jakarta	1
54	Facilitating the Payment of Fertilizers, BCA Entered into Joint Agreement with Pupuk Indonesia Group - Jakarta	2
55	Displaying Best Performance - BCA Won Best Bank Award - Jakarta	2
56	Exciting Shopping All Year: BCA Launched BCA-Matahari Credit Card	2
57	Maintaining Excellent Service, BCA Won Banking Service Excellence Award again in 2016 - Jakarta	2
58	Producing the Generation of Business Leaders, BCA Received Award - Jakarta	3

No	Subject	Date
59	Maintaining its Good Reputation, BCA Won Again Corporate Image Award - Jakarta	9
60	Trials of Flazz Electronic Money at Palimanan Toll Gate - Palimanan	13
61	Consistently Providing Quality Banking Service for its Customers, BCA Won Service Quality (SQ) Award 2016 - Jakarta	16
62	Facilitating Membership Fee Payment, BCA Entered into MoU with BPJS Kesehatan – Jakarta	20
63	Consistently Creating Digital Innovations in Banking Industry, BCA Won Digital Innovation Award for Banking 2016 - Jakarta	23
64	BCA Donated to BOS Foundation for Releasing Orangutan to the Wild at Kehje Sewen Forest, East Kalimantan - Jakarta	24
65	BCA Donated to Casualties of Landslides at Purworejo - Purworejo	24
66	Supporting BI Efforts in Using Coins, BCA Facilitated Money Exchange at “National Coin Care Movement” - Jakarta	25
67	BCA Ready to Meet Customer Needs during Idul Fitri 2016 - Jakarta	30
		<b>July</b>
68	Golf Exhibition and Donation with BCA – Royale Open Tournament 2016 – Jakarta	13
69	Remaining Solid in National Banking, BCA Won Euromoney Award for Excellence - Hong Kong	15
70	PT Bank Central Asia Tbk – Performance Results of Semester I 2016: Maintaining a Solid Position	20
71	Developing the Best Retail Service and Banking Technology, BCA Won The Asian Banker Indonesia Country Awards - Jakarta	27
72	Achieving Positive Financial Performance, BCA Went Up 10 Levels in Forbes Global 2000 Awards - Jakarta	28
73	Conducting Public Expose, BCA Opened Shares Trading in Bursa Efek Indonesia – Jakarta	29
		<b>August</b>
74	Improving the Quality of Teachers at Fostered Schools, BCA Held Again Soft skill Training - Tangerang	4
75	Creating Healthy and Productive Community, BCA Held Again Free Cataract Surgery in Tana Toraja - Toraja	8 sd 10
76	For the Second Time, BCA won The Top Brand in Indonesia – Jakarta	10
77	Supporting the Campaign of Saving Shares, BCA Won an Award – Jakarta	10
78	Promoting Creative Industry in Indonesia, BCA Supported Jazz Gunung 2016 - Jakarta	11
79	Supporting GNNT Program, BCA Launched Kartu Flazz LENTERA – Batam	13
80	Facilitating the Ease Access of Air Transportation, BCA Entered into Syndicated Credit Loan for the Development of Angkasa Pura I Airport - Jakarta	18
81	Jahja Setiaatmadja Raih Won the CEO of the Year Award in Indonesia Property and Bank Award 2016 – Jakarta	18
82	Jazz Gunung Bromo 2016 Opened Today – Purbolinggo	19
83	Supporting the Quality of Early Education, BCA Donated to UNICEF – Jakarta	22
84	Appreciating its Customers, BCA Held a Lottery and BCA BIZZ Expo 2016 - Makassar	22
85	Implementing ISO 27001: 2013 Information Security Management System, BCA Improved Efficiencies and Effectiveness in Managing Information Technology Service - Jakarta	24
86	Supporting Property Industry Development, BCA Won Property Indonesia Award - Jakarta	24
87	Jahja Setiaatmadja Remained as the Best CEO in Asia's Best Companies 2016 – Jakarta	25
88	BCA Committed to Present the Newest Technology Innovations to Support Excellent Service for Customers - Jakarta	30
89	Expanding its Service, MNC Bank Collaborated with BCA and Rintis – Jakarta	31
		<b>September</b>
90	Improving the Quality of Adopted Village, BCA Held Excellent Service Training for the Committee of Dewi Peri - Yogyakarta	1
91	BCA Won the Best Asian Bank in FinanceAsia Country Awards for Achievement 2016 – Singapore	1

No	Subject	Date
92	Appreciating its Faithful Customers, the Board of Directors of BCA Served its Customers in Celebrating National Customer Day - Jakarta	2
93	BCA Participated Again in Sympathetic Parade of National Customer Day - Jakarta	4
94	BCA Won Five Awards at once in Indonesia Banking Award - Jakarta	7
95	<i>BCA Supported Tax Amnesty Program</i>	7
96	Leading in Marketing Activities during MEA Era, BCA Won an Award in Indonesia Champion for AEC 2016	15
97	Café BCA III : Supporting Indonesia Economic Power, BCA Facilitated the Development of Creative People - Jakarta	19
98	"Being an Inspiring Teacher" - BCA Held Teachers Training in Mataram - Mataram	20
99	Continuing its Commitment in Introducing Wayang to Students, BCA Held Wayang for Students - Semarang	23
100	Strengthening the Business of Issuing Credit Card, BCA Entered into MoU with JCB - Jakarta	27
101	Supporting the Development of Start Up Fintech, BCA Held a Talkshow - Jakarta	28
102	BCA Won again the Grand Champion Award for the Ninth Time - Jakarta	29
		<b>October</b>
103	Improving the Skills of College Students, BCA Held a Seminar of Preparing to Enter into Work Force - Depok	1
104	Held the Forum of IKF V, BCA Facilitated the Cross Generation, the Discussing Generation - Jakarta	6 - 7
105	IKF V Participants Enthusiastically Discussing Cross Generation - Jakarta	6 - 7
106	BCA Won Best Stellar Workplace Award - Jakarta	10
107	"Being an Inspiring Teacher" - BCA Again Held Teacher Training in Wamena, Papua - Wamena	11 - 12
108	<i>BCA Held Media Sharing Knowledge</i>	15
109	Successfully Maintaining Positive Performance, BCA Won Best Performance Bank in Bisnis Indonesia Banking Award - Jakarta	19
110	Capable of Competing in the Digital World in the Future, BCA Won Social Media & Digital Marketing Award 2016 - Jakarta	19
111	Facilitating its Customers to Purchase Their Vehicles and Property, BCA Together with Kota Baru Parahyangan (KBP) Held BCA Expo and Autoshow di Bandung - Bandung	22-23
112	Pemprov DKI and BCA Again Launched E-Parking on Juanda street - Jakarta	24
113	Supporting SME Developments, BCA Held a Seminar of Macro Economy and Introduction of Banking Products - Sidoarjo	24
114	Supporting Saving Culture among Students, BCS Launched LAKU SimPel in Grobogan - Central Java	25
115	PT BCA Tbk - Performance Results of the First Nine Months in 2016	26
116	Maintaining a Sustainable Performance - Jakarta	
117	BCA Supported the Release of 245 Hatchlings to the Wild in Banyuwangi with the Commemoration of Youth Pledge - Banyuwangi	29
		<b>November</b>
118	PaninBank Collaborated with BCA and PRIMA Network in Expanding Their Transaction Services - Jakarta	2
119	Implementing "Socially Responsible Investment", BCA Invested in Endowment Fund Managed by TCW Investment Management - Jakarta	3
120	Improving the Skills of College Students, BCA Provided a Lecture in Banking Trend and Preparation for Work Force - Bandung	9
121	BCA Provided Scholarships for College Students with Achievements in Universitas Padjadjaran - Bandung	9
122	Consistently Providing the Best Service, BCA Won Again ICSA 2016 Award - Jakarta	10
123	Building Characters through Art and Culture, BCA Invited Scholarship Recipients and Employees' Children to Watch "Opera Kecoa" - Jakarta	10-20

No	Subject	Date
124	Introducing the Most Advanced Banking Technology, BCA Presented Tech Day for Students – Bogor	12
125	BCA Provided Scholarships for Students with Achievements at Universitas Hasanuddin - Makassar	15
126	Encouraging the Saving Culture in Local People in Gunung Kidul, BCA Launched LAKU and SimPel – Yogyakarta	17
127	BCA Provided Free Cataract Surgery for Cataract Patients in Palangkaraya - Kalimantan Tengah	17-18
128	BCA Provided Scholarships for Students with Achievements at Universitas Mulawarman - Samarinda	21
129	Introducing Wayang to Students, BCA Held Wayang for Student - Jakarta	24
130	BCA Entered into MoU of Support on the Implementation of Integrated Billing System at PT Pelabuhan Indonesia I, II, III, IV (Persero) - Jakarta	29
131	BCA Won Indonesian PR of The Year 2016 Award, for the Category of Best Corporate Secretary Team – Jakarta	29
132	Encouraging the Improved Business Skills of Technology-based Entrepreneurs, BCA Held a Talkshow - Jakarta	30
		<b>December</b>
133	BCA Donated to Earthquake Casualties in Aceh - Aceh	8
134	Jahja Setiaatmaatmadja Won Indonesia Most Admired CEO 2016 Award	8
135	Continuing on Improving Information Technology Service Quality, BCA Achieved 3 ISO Certificates - Jakarta	9
136	BCA Held Excellent Service Training for Puncak Tinggan Tourism Village, Plaga - Bali	10
137	Encouraging the Community Again to Lead a Healthy Life, BCA Held Surabaya Run - Surabaya	11
138	Café BCA IV : BCA Optimistic of Banking Role in the Next Year – Jakarta	14
139	Improving Education Quality at State Universities, BCA Held Staff Training at Institut Teknologi Bandung - Bandung	14
140	Jahja Setiaatmadja holds his title as the Top National Banker 2016 – Jakarta	15
141	Ready to Distribute Kredit Usaha Rakyat, BCA Collaborated with PT Perisai Wisata Utama	16
142	BCA Won Five Awards at Once in Indonesia Best Banking Brand Award 2016	16
143	Committed to Provide Added Values for Public, BCA Donated to WWF and Perdami - Jakarta	19
144	BCA Participated in Syndicated Credit Loan for PLN	19
145	Keeping Public Trust, BCA Won Indonesia Good Corporate Governance Award 2016 - Jakarta	19
146	<i>Media Sharing Session: Understanding Banking Fundamental Ratios and Updates of Sakuku - Jakarta</i>	21
147	Always by Your Side, BCA Ready to Meet Your Needs during Year End Holiday 2016 – Jakarta	22
148	Committed to Improve SBSN Market, BCA Won Four Awards at Once from the Government of Indonesia - Jakarta	23



## Correspondence with Financial Services Authority and Indonesia Stock Exchange

In 2016, BCA delivered the following correspondences to Financial Services Authority:

### Financial Services Authority

No	Letter No	Date	Subject
1	005/CRS/2016	26/01/2016	Response to OJK Letter concerning Affiliates Transaction Report of PT BCA Tbk
2	007/CRS/2016	05/02/2016	Information Disclosure on Certain Shareholders
3	008/CRS/2016	05/02/2016	Information Disclosure on Certain Shareholders
4	010/CRS/2016	12/02/2016	Information Disclosure on Certain Shareholders
5	011/CRS/2016	12/02/2016	Information Disclosure on Certain Shareholders
6	012/CRS/2016	12/02/2016	Information Disclosure on Certain Shareholders
7	013/CRS/2016	15/02/2016	Submission of Additional Documents related to Working Papers of Integrated Corporate Governance Semester II Year 2015 of PT BCA Tbk (DPB 3 – OJK)
8	014/CRS/2016	22/02/2016	Response to Financial Services Authority Letter Concerning Affiliates Transaction Report of PT BCA Tbk
9	016/CRS/2016	01/03/2016	Submission of Advertising Evidence of Annual GMS 2016 of PT BCA Tbk
10	018/CRS/2016	03/03/2016	Submission of Report in Relation to Transaction with Transaction Value Not More than 0.5% of Paid-Up Capital of the Company and not Larger than Rp 5 Billion
11	019/CRS/2016	04/03/2016	Submission of Annual Financial Statements of 2015 of PT BCA Tbk (Audited)
12	020/CRS/2016	07/03/2016	Submission of Advertising Evidence of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries (DPB 3 – OJK)
13	021/CRS/2016	07/03/2016	Submission of Advertising Evidence of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries
14	023/CRS/2016	16/03/2016	Submission of Evidence of Summon of Annual GMS 2016 of PT BCA Tbk
15	024/CRS/2016	16/03/2016	Submission of Evidence of Summon of Annual GMS 2016 of PT BCA Tbk (DPB 3 - OJK)
16	028/CRS/2016	24/03/2016	Information Disclosure on Certain Shareholders
17	034/CRS/2016	11/04/2016	Submission of Report in Relation to Transaction with Transaction Value Not More than 0.5% of Paid-Up Capital of the Company and not Larger than Rp 5 Billion
18	036/CRS/2016	11/04/2016	Submission of Announcement Evidence of Minutes of Annual GMS 2016 of PT BCA Tbk
19	037/CRS/2016	11/04/2016	Submission of Announcement Evidence of Minutes of Annual GMS 2016 of PT BCA Tbk (DPB 3 – OJK)
20	038/CRS/2016	11/04/2016	Submission of Copy of Deed of Minutes of Annual GMS 2016 of PT BCA Tbk (DPB 3 – OJK)
21	039/CRS/2016	11/04/2016	Submission of Evidence of Notification Advertising to Shareholders on Distribution of Cash Interim Dividend of Fiscal Year 2015 of PT BCA Tbk
22	045/CRS/2016	27/04/2016	Submission of Report in Relation to Transaction with Transaction Value Not More than 0.5% of Paid-Up Capital of the Company and not Larger than Rp 5 Billion
23	047/CRS/2016	28/04/2016	Information Disclosure on Transaction with Affiliates
24	048/CRS/2016	28/04/2016	Submission of Announcement Evidence of Summary of First Quarter Financial Statement of 2015 of PT BCA Tbk and Subsidiaries as of 31 March 2016
25	049/CRS/2016	28/04/2016	Submission of Announcement Evidence of Summary of First Quarter Financial Statement of 2015 of PT BCA Tbk and Subsidiaries as of 31 March 2016 (DPB 3 – OJK)

No	Letter No	Date	Subject
26	050A/CRS/2016	29/04/2016	Submission of Deed of New Management of PT BCA Tbk
27	050B/CRS/2016	29/04/2016	Submission of Deed of New Management of PT BCA Tbk (DPB 3 – OJK)
28	054/CRS/2016	09/05/2016	Submission of Copy of Deed of Minutes of Annual GMS 2016 of PT BCA Tbk
29	055/CRS/2016	09/05/2016	Submission of Copy of Deed of Minutes of Annual GMS 2016 of PT BCA Tbk (DPB 3 – OJK)
30	058/CRS/2016	13/05/2016	Information Disclosure on Certain Shareholders
31	059/CRS/2016	13/05/2016	Information Disclosure on Certain Shareholders
32	060/CRS/2016	13/05/2016	Information Disclosure on Certain Shareholders
33	061/CRS/2016	13/05/2016	Information Disclosure on Certain Shareholders
34	067A/CRS/2016	06/06/2016	Submission of Information of Appointment of Audit Committee Chairman and Members of PT BCA Tbk
35	074/CRS/2016	30/06/2016	Information Disclosure on Certain Shareholders
36	076/CRS/2016	01/07/2016	Information Disclosure on Transactions with Affiliates
37	078/CRS/2016	11/07/2016	Submission of Announcement Evidence of Information Disclosure
38	080/CRS/2016	12/07/2016	Submission of Response to OJK Letter No S-481/PM.221/2016 dated 1 July 2016
39	083/CRS/2016	21/07/2016	Submission of Report in Relation to Transaction with Transaction Value Not More than 0.5% of Paid-Up Capital of the Company and not Larger than Rp 5 Billion
40	084/CRS/2016	21/07/2016	Submission of Semi-annual Financial Statements 2016 of PT BCA Tbk (unaudited)
41	085/CRS/2016	22/07/2016	Submission of Evidence of Announcement of Summary of Semi-annual Financial Statements 2016 of PT BCA Tbk (unaudited)
42	086/CRS/2016	22/07/2016	Submission of Evidence of Announcement of Summary of Semi-annual Financial Statements of PT BCA Tbk (unaudited) Per 30 June 2016
43	098/CRS/2016	31/08/2016	Information Disclosure on Transactions with Affiliates
44	104/CRS/2016	07/10/2016	Information Disclosure on Certain Shareholders
45	105/CRS/2016	07/10/2016	Information Disclosure on Certain Shareholders
46	106/CRS/2016	10/10/2016	Information Disclosure on Certain Shareholders
47	110/CRS/2016	14/10/2016	Information Disclosure on Certain Shareholders
48	111/CRS/2016	14/10/2016	Information Disclosure on Certain Shareholders
49	004/DCS/2016	26/10/2016	Submission of Report in Relation to Transaction with Transaction Value Not More than 0.5% of Paid-Up Capital of the Company and not Larger than Rp 5 Billion
50	007/DCS/2016	28/10/2016	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk & Subsidiaries per 30 September 2016
51	008/DCS/2016	28/10/2016	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk & Subsidiaries per 30 September 2016 (DPB 3 – OJK)
52	021/DCS/2016	14/11/2016	Request of Extension of Period to Respond to OJK Letter No. S-886/PM.221/2016
53	026/DCS/2016	25/11/2016	Submission of Advertising Evidence to Shareholders of Distribution of Cash Dividend 2016 of PT BCA Tbk
54	132/DCS/2016	29/12/2016	Information Disclosure on Transactions with Affiliates

In 2016, BCA has delivered correspondences to Indonesia Stock Exchange, as follows:

### Indonesia Stock Exchange

No	Letter No.	Date	Subject
1	017/CRS/2016	03/03/2016	Information on Publication of Annual Financial Statement Summary of 2015 (Audited) of PT BCA Tbk
2	035/CRS/2016	11/04/2016	Report and Announcement of Schedule of Cash Dividend Distribution of Fiscal Year 2015 of PT BCA Tbk
3	041/CRS/2016	14/04/2016	Submission of Copy of Minutes of Meeting of 2016 GMS of PT BCA Tbk
4	044/CRS/2016	27/04/2016	Information on Publication of Summary of First Quarter Financial Statement of 2016 (unaudited) of PT BCA Tbk
5	046/CRS/2016	28/04/2016	Submission of First Quarter Financial Statements of 2016 of (unaudited) of PT BCA Tbk
6	082/CRS/2016	20/07/2016	Information on Publication of Summary of Semi-annual Financial Statements of 2016 (unaudited) of PT BCA Tbk
7	090/CRS/2016	03/08/2016	Submission of Implementation Result of Issuer Presentation and Press Release Presentation during First Trading and Public Expose 2016
8	003/DCS/2016	26/10/2016	Information on Publication of Summary of Third Quarter Financial Statement of 2016 (unaudited) of PT BCA Tbk
9	006/DCS/2016	27/10/2016	Submission of Third Quarter Financial Statements of 2016 of (unaudited) of PT BCA Tbk
10	025/DCS/2016	25/11/2016	Report of Announcement on Schedule and Distribution Procedure of Cash Interim Dividend of Fiscal Year 2016 of PT BCA Tbk

### Internal Communication

Internal communication plays a central role in building corporate character and corporate culture while fostering solid team work. Smooth, intensive and effective internal communications in disseminating Company information accelerates processes and procedures at all organizational levels. Overall Company performance is inextricably linked to effective Company-wide internal communication support.

Information content and communication media are the keys to successful internal communication. Both components are complementary and together ensure that information reaching employees is understandable and actionable.

With a sizeable work force dispersed across Indonesia, effective internal communication is key to making BCA's vision and mission real. BCA is fully aware of the need for an accurately-targeted internal communication strategy which, among other goals, aims to cultivate a harmonious relationship with all employees.

Internal communication media in BCA, includes:

#### 1. InfoBCA

InfoBCA is a monthly in-house magazine that functions as a media for education, sensitization, entertainment and the sharing of knowledge, experiences and Company activities for all BCA employees.

InfoBCA contains information on the Company, products, services, networks, programs, awards and recognitions, technology, activities of all work units and branches spread across Indonesia, subsidiaries, knowledge resources (economy, business and investment), learning and motivation modules and other useful information for employees.

Periodically, InfoBCA publishes Special Editions that feature information on service-related bank activities. To meet the needs of readers and BCA's employees, in addition to the printed edition, at the end of 2016 the magazine began publishing an e-magazine edition which can be downloaded through MyBCA.

## 2. **MyBCA**

MyBCA is BCA's internet-based internal communication media. It is only accessible internally within BCA through Company-provided facilities.

MyBCA is managed by the Information Technology Group in cooperation with Public Relations and other work units at the Head Office. Each work unit maintains their own portal accessible through MyBCA's main page. This internal website functions as a medium for imparting information on the Company, work unit programs and other key information, building awareness on products, services, programs, educational and learning media, and other valuable information.

Employees can download various data such as application systems, texts, pictures and videos useful for supporting work-related activities. MyBCA's function has broadened to include online information and personnel administration services such as health expenses, request for leave, overtime, business trips, employee data, compensation, appraisal and others.

## 3. **Plasma TV**

To complete internal communication media, Plasma TVs are installed in strategic locations inside BCA office buildings and premises. This audio visual electronic media provides information on the Company, products, services, work unit activities and other important information.

## 4. **Email**

BCA relies on email as an internal communication media. Email blasts are effective in spreading information on the Company, products, programs or events, and other information. Another of the many email internal communication facilities is the management communication forum.

## 5. **Microsoft Lync**

Another internal communication media is based on Software Microsoft Lync, which enables employees to send data or information from their respective personal computer (PC) and easily communicate with each other, similar to the chatting feature in modern gadgets.

Microsoft Lync is particularly useful for urgent matters as incoming messages instantly appear on screen with a message alert. In addition, the Microsoft Lync facility can be used for sending large files or data.

## 6. **Internal Events**

Internal communication is also built through a wide range of internal events, such as:

- a. BCA anniversary activities.
- b. Branch openings.
- c. Lunches Together with Management.
- d. Gatherings to celebrate, among others, Christmas/ New Year and Idul Fitri, annual recreational events and events dedicated to BCA retirees.
- e. National Working Meetings attended by the Board of Commissioners, Board of Directors, Regional Office Heads, Division Heads, Division Deputy Heads and Branch Heads.
- f. Coordination meetings at all levels including the regional and branch levels.
- g. Sports, arts and cultural activities under Bakorseni.
- h. Knowledge sharing, such as COP (community of practice).

## 7. **Corporate Identity Manual**

This manual provides internal guidance for BCA, specifically in using the corporate logo. The manual applies to:

- a. BCA logo;
- b. Building signage: Head Office, Regional and Branch Offices;
- c. Corporate materials: ID cards, name cards, corporate advertisements, stationery and others;
- d. BCA employee uniforms.

## 8. **Facebook Semua Beres**

BCA utilizes Facebook as a means of internal communication under the Facebook page Semua Beres. As a social networking site, Facebook helps share information on BCA performance, specifically related to BCA solutions or values. Internal parties within BCA are connected to each other and can exchange information and experiences.

## 9. Halo SDM

A call center for BCA employees creates a communication line for information related to human resource policies. This facility provides employees with the opportunity to better understand and comply with BCA policies.

### Bakorseni

In order to create a work life balance at BCA, The Bank, through its Training and Learning Division, supervises sports and art communities for employees so that they can develop their interests in sports and art. Such communities are coordinated by the Coordinating Body for Sports, Arts and Hobbies, (Bakorseni BCA), at the Head Office and Regional Offices known as:

1. Head Office Bakorseni.
2. Regional Office Bakorseni.

The purpose of this community is to allow all employees to develop their potential in sports and art and to improve the work relationship among employees both within their work unit and with other work units in the head and regional offices so as to nurture a sense of togetherness and camaraderie. It is expected that employees who are actively involved in such activities will create a work-life balance and will encourage employees to keep fit and healthy and will help improve productivity.

Types of Bakorseni activities:

1. Sports: football, volleyball, futsal, basketball, badminton, table tennis, chess, dance/yoga, cycling, tennis, bowling, hiking, running, fishing.
2. Arts: choir singing, band, shadow puppetry, and photography.

In addition to routine activities, Bakorseni organizes a national-scale event known as the National Porseni every 3-5 years, and a regional event for the Jabodetabek area on a yearly basis. Outside of Jabodetabek, the Regional Porseni may be held every 1-2 years.

In its implementation, Bakorseni coordinates with various BCA internal work units and relevant bodies outside of BCA, such as banking institutions and organizations dedicated to sports, arts.

Bakorseni also participated in competitions or championships such as the Inter-Bank Sports Week organized by Bank Indonesia (PORBANK) and other sports events held by the National Private Bank Association (PERBANAS) and the Regional Banking Consultative Board (BMPD).

### Bakorseni Activities in 2016

1. The Bank held Porseni at Jabodetabek to commemorate BCA's 59th Anniversary on 26 February 2016 in Gelora Bung Karno Senayan Jakarta involving 762 (seven hundred sixty two) athletes and officials.
2. In the field of sports, the Head Office and Regional Offices held regular training, joint community activities and Regional Porseni.
3. In the arts and for hobbies, BCA held several friendly competitions and members performed in events held by organizations outside BCA.
4. BCA held a National Coordination Meeting attended by National Bakorseni Officers to prepare for National Porseni Event for the BCA 60th anniversary.

### CODE OF ETHICS

#### BCA Code of Ethics for Bankers

1. Comply with existing laws and regulations.
2. Maintain the good name and reputation of BCA and safeguard corporate assets.
3. Maintain the confidentiality of BCA and customer data.
4. Ensure that personal interests do not conflict with the interests of BCA or customers.
5. Accurately record all transactions according to applicable policies.
6. Nurture and maintain a harmonious working environment and healthy competition.
7. Will not abuse their position and powers for personal or family interests.
8. Will not commit an act of misconduct that may be harmful to their professional image and BCA's reputation in general.
9. Will shun all forms of gambling or speculation.
10. Will constantly build their knowledge and broaden their horizons by keeping abreast of developments in the banking industry in particular and the business world in general.

#### Socialized and Enforcement of Code of Ethics

Pursuant to the Board of Directors Decision Letter No. 778/SK/DIR/95 concerning the BCA Code of Ethics, the Code of Ethics applies to members of the Board of Commissioners and Board of Directors, and BCA's employees. The BCA's Code of Ethics is available in pocketbook form and has been distributed to all BCA employees. Employees sign a statement asserting that they understand and promise to observe and implement BCA's Code of Ethics to guide their conduct and behavior both inside and outside of work. Any breach to the Code of Ethics will be liable to sanctions according to

existing policies. BCA's Code of Ethics is accessible at the Company website under Good Corporate Governance.

Apart from the BCA's Code of Ethics, BCA's Board of Directors has issued a policy that guides employees when liaising with customers, business partners and fellow coworkers based on Board of Directors Decision Letter No.219/SK/DIR/2003 dated 10 November 2003 concerning Transactions with conflict of interest. This Decision Letter applies to all BCA employees, including members of the Boards of Commissioners and Board of Directors. The policy and Code of Ethics are also embodied in BCA's GCG Manual.

#### Enforcement of Code of Ethics and Sanctions for the Breach of Code of Ethics

- The policy and Code of Ethics are binding in nature and must be understood and implemented in all earnestness by all BCA employees to support the fulfillment of GCG principles.
- In the event of a breach or non-compliance with provisions in the policy and Code of Ethics, the offender is liable to sanctions according to the severity of the wrongdoing. Any decision on this matter shall be made by BCA in proportion to the type and severity of the offense based on a comprehensive evaluation of the individual who has committed the act of misconduct.

In 2016, BCA did not introduce breach of the Code Ethics

## CORPORATE CULTURE

Corporate Culture Consists of BCA Vision, Mission and Values. BCA's Vision, Mission and Values are as follows:

#### BCA Vision

To be the people's bank of choice and a key pillar of Indonesia's economy.

#### BCA Mission

- To build an outstanding institution in the field of payment settlement and financial solution for business entities and individual customers.
- To understand the diverse needs of customers and offer the right financial services to generate optimal customer satisfaction.
- To increase BCA's franchise value and stakeholder value.

#### BCA Values

- 1. Customer Focus**  
Understand, explore and fulfill customer needs in the best possible way.
- 2. Integrity**  
Honest, sincere and direct. A Bank that customers can trust. Trust is built through actions that reflect unquestionable integrity and business ethics.
- 3. Team Work**  
Team is a group of people with a special bond, commitment, approach and synergy aimed at achieving a shared goal.
- 4. Continuous Pursuit of Excellence**  
Consistently strives to offer the best through the best method with the highest quality.

#### Vision, Mission, and Values of BCA

The corporate vision and mission provide the platform, direction and guiding principles for all BCA employees in implementing Company activities.

These Corporate Values serve as the moral compass for all BCA employees in fulfilling the corporate vision and mission.

Efforts to build awareness on corporate vision, mission and values are through the following:

1. Head Office, all work units (participants represent echelon 1 to 3 officials).
2. Coordination Meeting/Quality Meeting (QM) across BCA Regional Offices.
3. Career Development Program (Management Development Program/MDP and Manager Development Program), special forums such as the Account Officer (AO) Forum, and specific groups such as Project Management Office/PMO.

BCA's corporate culture is introduced through the induction program for all new employees, specifically on the corporate vision, mission and values. Learning through games is an effective approach for communicating the corporate vision, mission and values to the new employees of Generation Y.

BCA's vision, mission and values are also sensitized through:

- InfoBCA (monthly in-house magazine).
- Employees' PC screen saver and mouse pad.
- In-house training.
- Internal culture video clip.
- BCA handbook.
- Comic book distributed to all employees.
- Games.
- Other media.

BCA mission statements are understood as below:

1. To build an outstanding institution in the field of payment settlement and financial solution for business entities and individual customers signifies that BCA aims to evolve into an exceptional payment institution in all sectors to cover all payment activities in the banking business.
2. To understand the diverse needs of customers and offer the right financial services to generate optimal customer satisfaction signifies that BCA is highly familiar with different customer needs and caters to these diverse needs.
3. To increase BCA's franchise value and stakeholder value denotes a broader meaning that covers corporate value in its totality, both tangible and intangible values. Stakeholder value on the other hand reflects BCA's flexibility in accommodating the interests of various parties.

BCA's vision and mission are evaluated at least every 5 (five) years. In 2014, the corporate vision and mission statements were evaluated by BCA's Board of Commissioners and Board of Directors. Based on the evaluation, it was found that the stated vision and mission remains valid with the current situation.

## STOCK OPTION

In 2016, BCA did not have a Stock Option Program.

## PROVISION OF FUNDS TO RELATED PARTIES AND LARGE EXPOSURE

BCA has issued a policy on providing funds to related parties and large exposures as laid down in the Credit Manual. Evaluation and updates of policies in the Credit Manual are carried out on a periodic basis. Any providing of funds to related parties or debtors in large amounts consistently adhere to the principle of prudence, and abide by Bank Indonesia policies and other applicable laws and regulations, including those related to the Legal Lending Limit (LLL). Furthermore, decisions concerning loans to related parties must be made by the Board of Commissioners in an independent manner.

The LLL is reported regularly to Bank Indonesia in a timely fashion. In 2016, there was no violation or exceeding of the LLL.

### Provision of Funds to Related Party and Main Individual and Group Debtors (Large Exposure) in BCA in 2016

No	Provision of Funds	Amount	
		Debtor/Group	Nominal (Million Rp)
1	To Related Parties	198	8,432,976
2	To Main Debtors:		
	a. Individual	50	89,582,508
	b. Group	30	128,331,982

## STRATEGIC PLAN

Responding to the dynamic external environment, BCA regularly reviews the Bank's short-term, medium-term and long-term business strategy, which are incorporated into the Bank Business Plan (BBP) and the Work Plan & Annual Budget (WPAB). The BCA's strategic plan is compiled with reference to Financial Services Authority Regulation No. 5/POJK.03/2016 dated 26 January 2016 concerning Banking Business Plans and to Financial Services Authority Circular No. 25/SEOJK.03/2016 dated 14 July 2016 concerning Public Banking Business Plans.

In line with the Bank's policy and strategic steps to realize its vision and mission, BCA designed and developed various business initiatives oriented towards fulfilling the dynamic customers' needs.

### BCA 2017 Strategic Plan

In 2017, Indonesia's economic prospects are expected to be more positive when compared with 2016, driven by the government's economic policy, the ongoing effects of the tax amnesty, and continuing infrastructure development.

BCA believes that the prospects for 2017 will be strongly influenced by the global economy. The expected increase in the Fed Funds Rate has the potential to trigger uncertainty in global interest rates and instability in global capital flows. While it requiring careful monitoring, economic prospects in Indonesia in 2017 are projected to be more conducive than 2016 owing to the Government's economic policies, the continued impact of the tax amnesty program and ongoing infrastructure development.

The Bank is of the opinion that the banking sector in Indonesia will have a solid foundation for supporting the national economy. Lending activity is projected to improve in 2017 in line with improving domestic macroeconomic conditions. Though precautions are still needed, we note that pressures on the loan portfolio and the growth in non-performing loans should ease in 2017. Banking liquidity is sufficient, yet potential liquidity stress must be monitored considering the ongoing infrastructure developments.

The Bank will continue to observe macro-economic developments and the impact on different business sectors. The Bank will remain prudent in managing liquidity, the capital position and the quality of the loan portfolio. Through various business initiatives, BCA is optimistic that the Bank will be able to face the coming challenges and will capture business opportunities that will provide added value for its customers.

The Bank will regularly review its short, medium and long term business strategies as outlined and reflected in the Bank Business Plan and the Annual Budget & Work Plan.

In 2017, the Bank is committed to continuing investment in strengthening its franchise value. Strategic priorities and work programs in 2017 will remain focused on efforts to improve relationships with customers through payment settlement services, prudent lending, and the development of new business lines through its subsidiaries. Below is a further elaboration of the three major business initiatives:

- **Payment Settlement Services**

The Bank has always prioritized the security, convenience and reliability of payment settlement services. The Bank believes that such business philosophy strengthens the trust and builds the loyalty of customers in the midst of tightening competition in the banking industry.

Going forward, the Bank will continue various work programs that will improve the capability of payment settlement services as the major driver of CASA funding source. CASA growth plays an important role for the Bank considering the stability of, and low interest rates on, CASA accounts.

Digital technology developments are predicted to be increasingly influential in the future, particularly with the rapid growth of the fin-tech business model which has led to disruptions in the banking business. Accordingly, the Bank continues to improve its products and services by utilizing advancements in information technology. BCA is in the process of establishing a venture capital company which should be finalized in early 2017. This subsidiary will invest in fin-tech companies and other entities designed to provide added value for the Bank's transaction banking business and creating synergy with the Bank's businesses ecosystem.



To maintain a solid liquidity position, the Bank will continue to assess developments and liquidity trends in the banking sector. CASA will remain the major source of liquidity. If necessary, BCA can actively raise funds through time deposit products by adjusting interest rates. This is essential to maintaining third party funds and securing a strong and healthy liquidity position.

- **Prudent lending**

Loan growth is expected to improve in 2017 when compared to 2016 although growth will continue to be moderated by the economic recovery process in Indonesia.

The ability to gather funds from CASA accounts is a competitive strength for BCA in loan distribution based on the Bank's ability to offer attractive interest rate terms. The Bank regularly reviews lending rates for each lending segment and sets competitive interest rates in accordance with market conditions. To support sustainable loan growth, the Bank will improve its lending infrastructure on an ongoing basis including improving the capacity and capability of Account Officers (AO) / Relationship Officers (RO), simplifying the loan process, developing Customer Relationship Management tools, exploring new products and providing analytical data to serve the customers based on their needs.

In lending to the Corporate, Commercial & SME, and Consumer segments, the Bank has always adopted prudent lending principles to maintain the level of quality of the loan portfolio. The Bank will remain cautious in the NPL movement until the overall economic environment fully recovers. The Bank believes that the NPL will be maintained within a tolerable level in accordance with the Bank's risk appetite.

- **Business Development among the Subsidiaries**

The Bank continues to make innovations in products and services in order to provide more comprehensive financial solutions to meet the increasingly diverse needs of customers. The Bank has made efforts to complement its main business activities by providing non-banking financial services through synergy with

subsidiaries, including indirect subsidiary, engaged in vehicle financing (four wheeler and two wheeler), sharia banking, securities brokerage & underwriting, remittance, general insurance and life insurance. BCA is committed to providing capital support for its subsidiaries in line with their business growth prospects.

Various activities in the three business pillars as outlined above and improvement in the Bank's organizational structure are expected to improve the Bank's business performance and to optimize interest and fee based income. Business initiatives will be rolled out seamlessly with operational efficiency programs in 2017 and in the years to come.

## TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITION UNDISCLOSED IN OTHER REPORTS

Information on BCA's financial condition is disclosed explicitly and transparently in several reports, including the following:

### Transparency of Financial Condition

#### 1. Annual Report

Annual Report Contains the followings:

- a. Financial Highlights, Reports from the Board of Commissioners and Board of Directors, Company Profile, Management Analysis and Discussion on Business and Financial Performance, Good Corporate Governance and Corporate Social Responsibility.
- b. Annual Financial Statement audited by a Public Accountant and Public Accounting Firm registered with Bank Indonesia. The Annual Financial Statement covers a period of 1 (one) fiscal year and is compared to the previous fiscal year, and the start of the earliest comparative year.
- c. Accountability statement of the Board of Commissioners and Board of Directors verifying the content of the Annual Report. The statement is delivered in writing and bears the signature of all members of the Board of Commissioners and Board of Directors.

## 2. **Quarterly Published Financial Reports**

- a. BCA has published its Quarterly Published Financial Report in accordance with prevailing OJK Regulations in newspapers and Bank's website
- b. The financial report in newspaper represents the Consolidated Financial Statements of the BCA and its subsidiaries which is published in 2 (two) newspapers and Financial Statements of BCA as the holding entity is published in 1 (one) newspaper. The newspaper shall be daily national newspapers in Bahasa Indonesia with wide circulation at the location where BCA Head Office is domiciled. The published quarterly financial report is signed by President Director and 1 (one) the Board of Directors member of BCA.
- c. The published quarterly financial reports in the corporate website, both the financial statements and other reports, would be maintained for at least the last 5 (five) fiscal years.

## 3. **Monthly Published Financial Reports**

BCA publishes its Monthly Financial Report in a format laid out by the Financial Services Authority Regulation.

### **Transparency of Non-Financial Condition**

BCA discloses information on its products in an explicit, accurate and updated manner. Such information can be easily accessed by customers, among others in leaflets, brochures or other written materials in every BCA branch office in locations that customers can have easy access to, and/or in the form of electronic information made available through hotline service/call center or website. In addition, BCA provides and communicates to customers on its customer complaints and dispute settlement mechanism in compliance with Bank Indonesia policy on customer complaints and banking mediation.

In view of the above, BCA has carried out the following measures:

1. Transparently publicized its financial and nonfinancial condition to stakeholders, among others through its Periodic Financial Reports, Routine Reporting of Legal Lending Limit to Bank Indonesia, Quarterly Published Financial Reports, and featured in BCA's official website according to existing policies.
2. Prepared and presented reports according to the procedure, type and scope set forth in the Bank Indonesia policy on the transparency of banks' financial condition.
3. Published information on BCA products in compliance with Bank Indonesia/ Financial Services Authority policy on the transparency of information on banking products and us and protection of customers' personal data.
4. Provided customers with a customer complaint and dispute settlement mechanism according to Bank Indonesia/Financial Services Authority policy on customer complaints and banking mediation.
5. Submitted the Annual Report to Bank Indonesia, Financial Services Authority policy and other institutions as required or deemed necessary.
6. Disclosed information on the Ownership Structure in the Annual Report and BCA's website.

## HIGHEST AND LOWEST SALARY RATIO

Salary refers to an employee's right that is received and expressed in the form of monetary compensation from BCA as the employer to the employee who is hired and paid according to an employment contract, agreement, or laws and regulations, including benefits for the employee and members of the family for the work and/or services rendered.

The following is the highest and lowest salary ratio according to the comparative scale.

Ratio	Comparative scale
Highest and lowest employee salary ratio	42,50
Highest and lowest Director salary ratio	3,00
Highest and lowest Commissioner salary ratio	1,62
The ratio of the Highest Director salary and the highest employee salary ratio	6,93

The remuneration being compared in the salary ratio above is the compensation received by members of the Board of Commissioners and Board of Directors, and employees on a monthly basis. Employees here refer to BCA's permanent employees up to the executive level.

## SHARES BUY BACK

In 2016, BCA did not undertake any corporate action for repurchasing shares (share buy backs).

## PROVISION OF FUNDS FOR SOCIAL ACTIVITIES

BCA actively contributes to increasing the welfare of communities and improving the environment through corporate social responsibility activities developed under the 'Bakti BCA' program.

Overall, BCA social activities throughout 2016 focused on 3 (three) key pillars:

- A. **Pilar Solusi Cerdas (Smart Solution Pillar)** as follows:
1. Non-Degree Accounting Education Program.
  2. Non-Degree Information Technology Education Program.
  3. Bakti BCA Internship.
  4. Integrated Partner Schools.
  5. Bakti BCA Scholarship.
  6. Banking education and partnership with other institutions related to education, and contributions/donations to other educational institutions

- B. **Pilar Solusi Sinergi (Synergy Solution Pillar)** as follows:

1. Culture
2. Health
  - a. Cataract Surgical Services - Bakti BCA.
  - b. Bakti BCA Blood Drives.
  - c. Bakti BCA Public Health Service Partnership.
3. Environmental Conservation.
4. Bakti BCA Empathy Program in the form of donations for natural disaster victims and sports programs.

- C. **Pilar Solusi Bisnis Unggul (Outstanding Business Solution Pillar)**, as a follows:

1. Partnership with the community.
2. Business Development Institute.

In addition to the aforementioned programs, BCA also channels donations to other social organizations.

The total amount of funds that BCA has invested in social activities in 2016 is provided in the Chapter on Corporate Social Responsibility of this Annual Report.

Further information on the Company's social activities in 2016 is available in the Chapter on Corporate Social Responsibility of this Annual Report and in the separately produced BCA Sustainability Report.

#### **PROVISION OF FUNDS FOR POLITICAL ACTIVITIES**

Similar to previous years, in 2016 BCA did not provide funds for political activities.