





**BCA believes that the implementation of GCG can serve to direct and control the Bank so as to satisfy the expectations of all stakeholders, in accordance with prevailing laws and regulations, and in compliance with applicable business norms.**

# Corporate Governance

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# CORPORATE GOVERNANCE

PT Bank Central Asia Tbk (“the Company”) is committed to supporting good corporate governance consistently and sustainably. The Company recognizes the importance good corporate governance principles as providing added value for all stakeholders and in facing the risks and challenges of the banking industry.



## INTRODUCTION

### 1. Corporate Governance Objectives

The Company continuously strives to apply the principles of good corporate governance and is constantly align to the latest provisions. Good corporate governance in the Company is intended to:

- a. Support the Company vision: "To be the bank of choice and a major pillar of the Indonesian economy".
- b. Support the Company mission:
  - To build centers of excellence in payment centers and financial solutions for businesses and individuals.
  - To understand diverse customer needs and provide the right financial services to optimize customer satisfaction.
  - To enhance our corporate franchise and stakeholders value.
- c. Give benefits and added value to shareholders and stakeholders.
- d. Maintain and improve long-term sustainable and healthy business continuity.
- e. Enhance the trust of investors to the Company.

### 2. References

Preparation of the Company's good corporate governance policies is developed based on the following among others:

- Law No. 40 Year 2007 on the Limited Liability Company.
- Law No. 8 Year 1995 on the Capital Markets.
- Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates.
- Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Regulation No.33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers of Public Companies.
- Financial Services Authority Regulation No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.
- Financial Services Authority Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.
- Financial Services Authority Regulation No. 21/POJK.04/2015 on Implementing Corporate Governance Guidelines of Public Companies.
- Financial Services Authority Regulation No. 45/POJK.03/2015 on the Application of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
- Financial Services Authority Regulation No. 55/POJK.04/2015 on the Establishment and Implementation Guidelines of the Audit Committee.
- Financial Services Authority Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Preparation of Charter of Internal Audit Unit.
- Financial Services Authority Regulation No. 11/POJK.04/2017 on Ownership Report or Any Changes in the Share Ownership of Public Companies.
- Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on Integrated Risk Management Implementation for Financial Conglomerates.
- Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 on the Guidelines for Corporate Governance.
- Financial Services Authority Regulation No. 5/POJK.03/2016 on Bank Business Plan.
- Financial Services Authority Regulation No. 29/POJK.04/2016 on the Annual Report of Issuers or Public Companies.
- Financial Services Authority Regulation No. 32/POJK.03/2016 on Amendment to the Rules of the Financial Services Authority No. 6/ POJK.03/2015 on Transparency and Publication of Bank Reports.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on the implementation Good Corporate Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on Form and Content of Annual Report of Issuer or Company.
- Financial Services Authority Circular Letter No. 25/SEOJK.03/2016 on Business Plan of Commercial Banks.

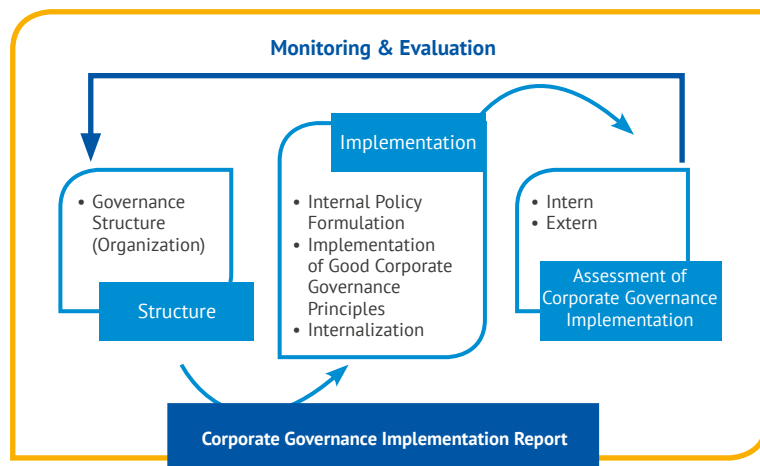


- Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 on the implementation of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
- Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 on Transparency and Publication of Commercial Bank Reports.
- Financial Services Authority Regulation No. 10/POJK.04/2017 on Amendment to the Rules of the Financial Services Authority No.32/POJK.04/2014 on the Plan and Implementation of the Public Companies' General Meetings of Shareholders.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.
- The Company's Articles of Association.

On top of referring to the aforementioned provisions, the Company also bases its implementation of Good Corporate Governance guidelines on:

- Principles of Corporate Governance developed by the Organization for Economic Cooperation and Development (OECD);
- ASEAN Corporate Governance Scorecard (ACGS);
- Roadmap Guidelines for Indonesian Corporate Governance issued by the Financial Services Authority (OJK).

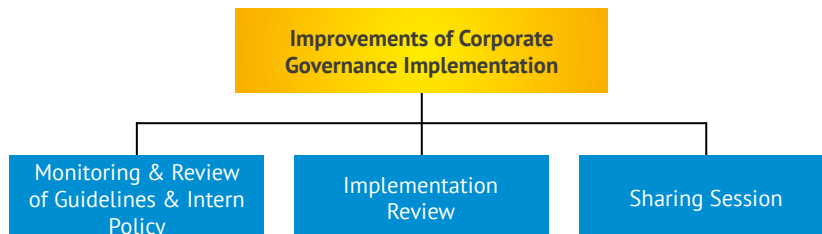
### 3. Good Corporate Governance Framework and Action Plan



Company's Good Corporate Governance Framework

Remarks :

The Company's good corporate governance framework consists of a governance structure as the foundation, implementation as the realization of the governance principles, and assessment of corporate governance implementation as a measurable parameter within the Company. This parameter is used across the Company's organization as an indicator to continue to make improvements in implementing the principles of good corporate governance. Disclosure of such matters is set out in the Corporate Governance Implementation Report.



Company's Action Plan for Good Corporate Governance in 2017

Remarks :

The realization of Good Corporate Governance in 2017 among others:

1) The Company has conducted monitoring and review of policies related to corporate governance, such as:

- The Code of Good Corporate Governance, which includes the guidelines and work procedures of the Board of Commissioners and the Board of Directors;
- Integrated Corporate Governance Guidelines;
- Affiliate Transaction and Conflict of Interest Policy.

2) Implementation Review.

The Company has reviewed the implementation of good governance by among others:

- Improving the mechanism of shareholding reporting flow of certain shareholders;
- Preparation of Decision Letter on Mechanism of Preparation and Submission of Self-Assessment Report of Integrated Governance Implementation;
- Integrated governance mapping.

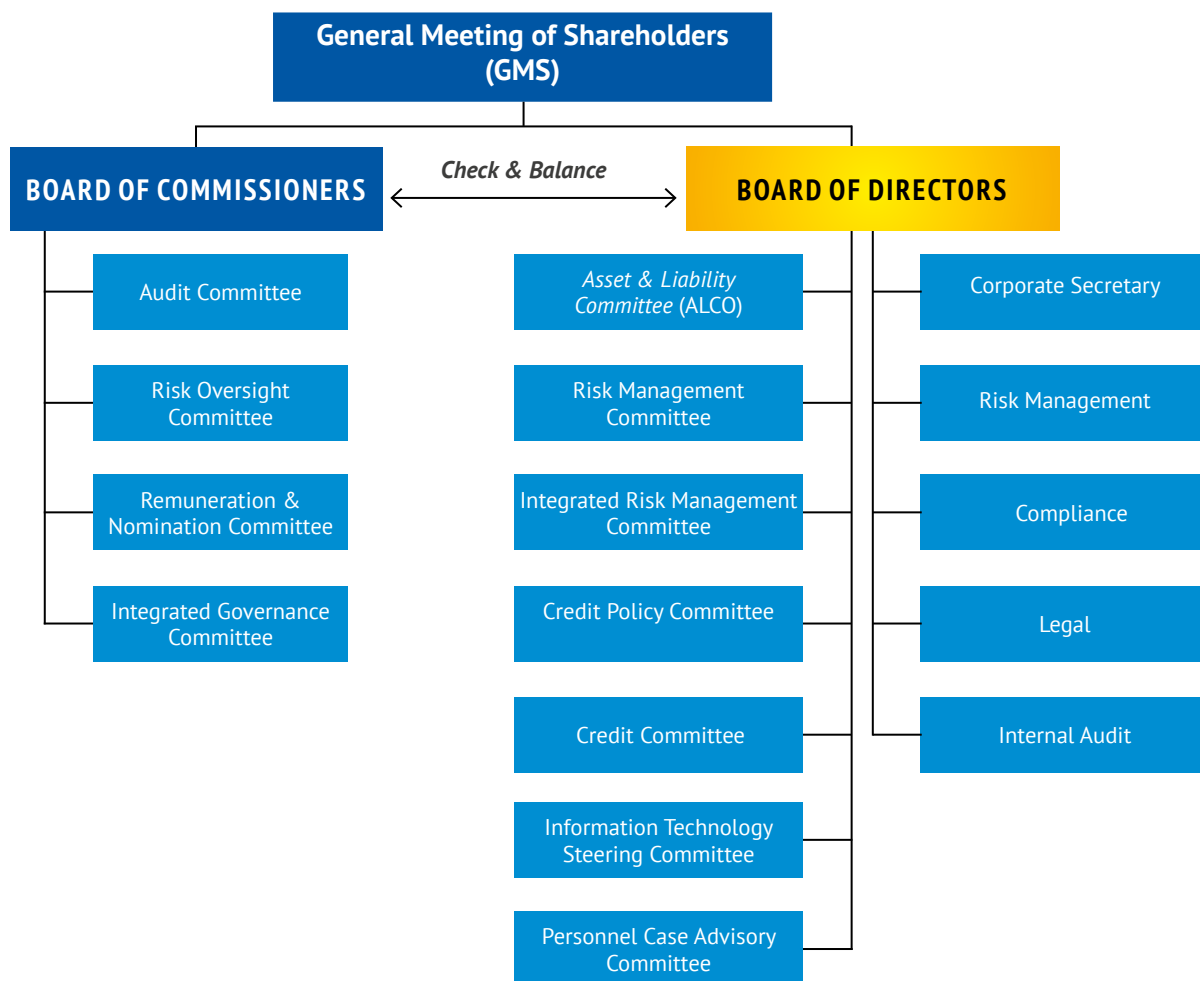
3) Sharing Sessions related to corporate governance.

Sharing sessions are held in the form of discussions and information dissemination on the subject of good corporate governance such as socialization of values, principles and implementation of governance, anti fraud awareness, affiliate transactions and conflict of interest.

### A. Corporate Governance Structure

The corporate governance structure of the Company is a governance organization scheme consisting of General Meeting of Shareholders (GMS) as the highest organ, down to the supporting work units in the Company. Every function or work units has clear duties and responsibilities reflecting the implementation of the checks and balances principle and the Company's internal control system.

Corporate Governance Structure



The Company's Corporate governance structure consists of:

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

## B. Implementation

The Company's commitment to implement good corporate governance includes:

### 1) Existing internal policies regarding good corporate governance

Internal policies related to good corporate governance are means of compliance with regulations, for supporting the good corporate governance's structure, and as one of the means of implementing good corporate governance. Several policies related to good corporate governance in the Company are as follows among others:

- a. Articles of Association;
- b. Code of Conduct;
- c. The Corporate Governance Guidance based on Board of Directors Decision Letter No.067/SK/DIR/2015 dated May 20, 2015 regarding Good Corporate Governance Manual, which contains the Code of Conduct for Board of Commissioners and for Board of Directors (later mentioned as Corporate Governance Guidance);
- d. Corporate Values based on Board of Directors Decision Letter No. 079/SK/DIR/2015 regarding Corporate Values;

- e. Guidelines for Integrated Governance based on Board of Directors Decision Letter No. 160A/SK/DIR/2017 dated November 21, 2017 regarding Revised Integrated Governance Guidelines;
- f. Guidelines for Affiliate Transactions and Conflict of Interest based on Board of Directors Decision Letter No. 079/SK/DIR/2017 dated June 21, 2017 regarding Affiliate Transactions and Transactions Containing Conflict of Interest;
- g. Conflict of Interest Policy based on Board of Directors Decision Letter No. 219/SK/DIR/2003 regarding Terms of Conflict of Interest;
- h. Anti Fraud Guidelines based on Circular Letter No. 064/SE/POL/2015 dated April 7, 2015 regarding Guidelines in Implementing Anti Fraud Strategy;
- i. Guidelines regarding Integrated Compliance based on Board of Directors Decision Letter No. 037/SK/DIR/2017 dated March 27, 2017 regarding Integrated Compliance Risk Management Policy;
- j. Guidelines regarding Internal Control based on Board of Directors Decision Letter No. 183/SK/DIR/2017 dated December 13, 2017 regarding Guidelines for Standard of Internal Control System of PT Bank Central Asia, Tbk;
- k. Guidelines for Internal Audit based on Board of Directors Decision Letter No. 004/SK/DIR/2017 regarding Internal Audit Charter;
- l. Audit Committee Charter based on Board of Commissioners Decision Letter No. 057/SK/KOM/2016 dated March 16, 2016;
- m. Risk Oversight Committee Charter based on Board of Commissioners Decision Letter No. 188/SK/KOM/2017 dated July 12, 2017;
- n. Policies related to Remuneration and Nomination Committee based on Board of Commissioners Decision Letter No. 035/SK/KOM/2017 dated February 24, 2017 regarding Structure of Remuneration and Nomination Committee;
- o. Anti-Money Laundering Policy based on Board of Directors Decision Letter No. 065/SK/DIR/2015 dated May 15, 2015;

- p. The Company's Whistleblowing System Implementation Policy based on Board of Directors Decision Letter No. 146/SK/DIR/2017 dated November 1, 2017;
- q. Guidelines on Anti-Money Laundering and Prevention of Counter-Terrorism Financing based on Board of Directors Decision Letter No. 115/SK/DIR/2017 dated September 20, 2017;
- r. Company Guidelines regarding Procurement Procedures for Goods and Services based on:
  - 1) Board of Directors Decision Letter No. 147/SK/DIR/2016 dated October 10, 2016 concerning Procurement of Goods and Services related to Information Technology (IT);
  - 2) Circular Letter No. 223/SE/POL/2016 dated October 17, 2016 concerning Procurement Mechanisms and Services Related to Information Technology;
  - 3) Board of Directors Decision Letter No. 002/SK/DIR/2015 dated January 12, 2015 concerning Provisions on Procurement of Goods and Services for Logistics and Buildings.
- s. Insider Trading Policy based on Board of Directors Decision Letter No. 002/SK/DIR/2006 dated January 6, 2006 concerning Limitation of Company Shares Transaction During Buyback of shares Period.
- t. Cooperation of Subsidiary Companies Policy based on Board of Directors Decision Letter No. 024/SK/DIR/2013 concerning Provisions on Cooperation with Subsidiary Companies.

## 2) Fulfillment of Good Corporate Governance Principles

The principles of good corporate governance are contained within regulations in Indonesia that serve as guidelines for the Company's good corporate governance practices. Based on this view, the Company is committed to continuously improving implementation of the good corporate governance principles in accordance with applicable laws and regulations, as well as in accordance with best practice in corporate governance and the ASEAN Corporate Governance Scorecard.

- a. The basic principles of good corporate governance  
Based on Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the implementation of Good Corporate Governance for Commercial Banks and Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Governance for Commercial Banks, governance in the banking industry shall be based on 5 (five) fundamental principles of Transparency, Accountability, Independence and Fairness.

### Compliance with Good Corporate Governance Principles

<b>Transparency</b>	A company discloses information in a timely, clear, and easily accessible manner by stakeholders. The company discloses important information in accordance with the procedures provided for in the capital market and/or related laws.  The principle of transparency adopted by the Company shall not reduce the obligation of the Company to comply with the bank secrecy and official secrecy regulation.
<b>Accountability</b>	The Company sets clear responsibilities for each function within the organization in line with its vision, mission, business goals and corporate strategy. This can be observed in the Corporate Organizational Structure, where every function within the organization acts in accordance with its responsibilities.
<b>Responsibilities</b>	The Company always adheres to prudential banking practices in conducting its business activities. The Company also acts as a good corporate citizen.
<b>Independency</b>	The Company acts professionally, objectively and free from pressure of any parties in any decision making.
<b>Fairness</b>	The Company having attention the interests of all stakeholders based on the principle of equality and equal treatment. The Company provides an opportunity to all shareholders in the General Meeting of Shareholders to express their opinions. All stakeholders have access to information in accordance with the principle of transparency.

- b. Implementation of Transparent Corporate Governance Guidelines (Recommendation from Financial Services Authority Circular Letter No. 32/SEOJK.04/2015). In accordance with Article 3 of Financial Services Authority Regulation No. 21/POJK.04/2015 on the Implementation

of Transparent Corporate Governance Guidelines, which basically states that a Public Company must disclose information on the application of recommendations as referred to the Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 on Transparent Corporate Governance Guidelines, are as follows:

#### Fulfillment Table of Recommendation for Public Corporate Governance Guidance

No.	Recommendations	Descriptions
<b>A</b>	<b>PUBLIC COMPANY RELATIONSHIP WITH SHAREHOLDERS IN GUARANTEEING SHAREHOLDER RIGHTS</b>	
	<b>1<sup>st</sup> Fundamental</b>	
	<b>Increase the Value of General Meetings of Shareholders (GMS)</b>	
1.1	Public Company has a method of voting, both open and closed voting systems to uphold independence, and the interests of shareholders.	<p>Implementation : <b>Comply</b></p> <p>The voting procedures of the Company's General Meeting of Shareholders (GMS) shall be governed in the GMS Rules of Order (announce in the beginning of GMS event) and in the Articles of Association to foster the independence and interest of shareholders. To ensure transparency, shareholders and the public can also download the Company's GMS rules on the Company website <a href="https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan-part-GMS">https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan part GMS</a>.</p> <p>Voting ordinance of every agenda of the GMS agenda shall be conducted in an open manner by raising hands in accordance with the instruction of choice offered by the GMS Chairman. Shareholders or authorized proxy for a shareholder who disagrees or abstains on the proposed suggestions may raise a hand to submit ballot paper to the Securities Administration Agency and to be verified by Notary in accordance with the Company's GMS Rules of Order.</p> <p>More info on page 298 (GMS Section)</p>
1.2	All members of the Boards of Directors and Commissioners of a Public Company must be present at the Annual GMS.	<p>Implementation : <b>Comply</b></p> <p>The attendance of all members of the Board of Directors and Board of Commissioners during the 2017 GMS on April 6, 2017 was as follows: 5 (five) members of the Board of Commissioners = 100% 11 (eleven) members of the Board of Directors = 100%</p> <p>More info on page 296 (GMS section)</p>
1.3	Summary of minutes of the GMS is available to the Public on the Company Website for at least 1 (one) year.	<p>Implementation : <b>Comply</b></p> <p>The Company has published a summary of the minutes of the GMS on the Company's website and has been available for more than 1 (one) year. Summary of Annual General Shareholders' Meeting of 2016 and 2017 can be downloaded at: <a href="https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan-part-5-GMS-summary">https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan part 5 GMS summary</a></p> <p>More info on page 295-296 (GMS section)</p>
	<b>2<sup>nd</sup> Fundamental</b>	
	<b>Improving Quality of Public Company Communications with Shareholders and Investors</b>	
2.1	The Public Company has a communication policy with shareholders or investors.	<p>Implementation : <b>Comply</b></p> <p>The Company has a communication policy with shareholders set out in the Corporate Governance Manual of Part I Chapter of the Communication Function. The Company has an Investor Relations working unit that has the duty and responsibility of managing and coordinating with shareholders or other capital market communities as well as providing information to shareholders.</p> <p>More info on page 403 (Corporate Secretary section)</p>

No.	Recommendations	Descriptions
2.2	The Public Company discloses the Company's communication policy with shareholders or investors on the Website.	<p>Implementation : <b>Comply</b></p> <p>The Company implements a communications policy with shareholders that can be viewed at:  <a href="https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan">https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan</a></p> <p>Through this website, shareholders and the general public can obtain wide-ranging information such as Financial Statements, Annual Reports, Stock Information of the Company, Credit Rating, Investor News, Corporate Snapshots and access to Company reports.</p> <p>More info on page 403 (Corporate Secretary section)</p>
<b>B</b>	<b>FUNCTION AND ROLE OF THE BOARD OF COMMISSIONERS</b>	
<b>3<sup>rd</sup> Fundamental Strengthen Membership and Composition of the Board of Commissioners</b>		
3.1	The number of members of the Board of Commissioners is determined by considering the state of the Public Company	<p>Implementation : <b>Comply</b></p> <p>The number of members of the Company's Board of Commissioners as December 31, 2017 is 5 (five), of whom 3 (three) are Independent Commissioners. For the determination of the number of members of the Board of Commissioners, the Company's Remuneration and Nomination Committee is tasked to provide recommendations to the Board of Commissioners regarding the composition of the positions of members of the Board of Commissioners. The Company has also considered the condition, capacity, objectives and the fulfillment of the Company's needs.</p> <p>More info on page 314 (Board of Commissioners section on the composition of the Board of Commissioners)</p>
3.2	The determination of the composition of the members of the Board of Commissioners takes into account the diversity of skills, knowledge, and experience required.	<p>Implementation : <b>Comply</b></p> <p>The Remuneration and Nomination Committee of the Company has duties, among others, to prepare and make recommendations to the Board of Commissioners regarding:</p> <ul style="list-style-type: none"> <li>- Systems and procedures for the election and / or replacement of members of the Boards of Directors and Commissioners;</li> <li>- The composition and positions of members of the Boards of Directors and Commissioners;</li> <li>- Policies and criteria required in the nomination process;</li> <li>- Performance evaluation policy for members of the Boards of Directors and Commissioners;</li> </ul> <p>The determination of the composition of the members of the Board of Commissioners has taken into account the diversity of skills, knowledge and experience required.</p> <p>More info on page 344-345 (Diversity in the composition of the Board of Commissioners and Directors section)</p>
<b>4<sup>th</sup> Fundamental Improve Implementation Quality of Duties and Responsibilities of Board of Commissioners</b>		
4.1	The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.	<p>Implementation : <b>Comply</b></p> <p>Implementation procedures for the evaluation of the performance of the Board of Commissioners are conducted once a year through Self Assessment indicators.</p> <p>More info on page 319 (Board of Commissioners section: Performance Assessment of the Board of Commissioners)</p>
4.2	Self-assessment policy to assess the performance of the Board of Commissioners is disclosed through the Annual Report of the Public Company.	<p>Implementation : <b>Comply</b></p> <p>The Company has disclosed its own performance assessment policy of the Board of Commissioners through this Annual Report of the Company.</p> <p>More info on page 319 (Board of Commissioners section: Performance Assessment of the Board of Commissioners)</p>

No.	Recommendations	Descriptions
4.3	The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners should any member be involved in financial crime.	<p>Implementation : <b>Comply</b></p> <p>Policies relating to the resignation of members of the Board of Commissioners should any member be involved in financial crime are contained in the Code of Conduct of the Board of Commissioners of the Company. Article 14 of the Company's Articles of Association has provided for the resignation of members of the Board of Commissioners.</p>
4.4	The Board of Commissioners or the Committee performing the Nomination and Remuneration functions shall establish a succession policy in the Nomination of the members of the Board of Directors.	<p>Implementation : <b>Comply</b></p> <p>The Remuneration and Nomination Committee of the Company is in charge of formulating the Board of Directors' succession policy. Implementation of the succession policy of the Board of Directors includes the provision of recommendations regarding the system, procedures and candidates for the Board of Directors for the selection and/or replacement of members of the Board of Directors to the Board of Commissioners to be submitted to the GMS.</p> <p>More info on page 367 (Board of Commissioners Committee section - Remuneration and Nomination Committee)</p>
<b>C</b>	<b>FUNCTION AND THE ROLE OF THE BOARD OF DIRECTORS</b>	
<b>5<sup>th</sup> Fundamental Strengthen the Membership and Composition of Board of Directors</b>		
5.1	Determination of the number of members of the Board of Directors is based on the consideration on the Public Company's conditions and the effectiveness of decision making.	<p>Implementation : <b>Comply</b></p> <p>The number of members of the Company's Board of Directors as of December 31, 2017 is 11 (eleven). For the determination of the number of members of the Board of Directors, the Remuneration and Nomination Committee is tasked to provide recommendations to the Board of Directors regarding the composition of the members of the Board of Directors. The Company has also considered the condition, capacity, objectives, and the fulfillment of the Company's needs.</p> <p>More info on page 328-329 (Board of Directors section on the composition of the members of the Board of Directors)</p>
5.2	The determination of the composition of the members of the Board of Directors takes into account the diversity of skills, knowledge, and experience required.	<p>Implementation : <b>Comply</b></p> <p>The Company's Remuneration and Nomination Committee has duties to prepare and make recommendations to the Board of Commissioners regarding:</p> <ul style="list-style-type: none"> <li>- Systems and procedures for the election and/or replacement of members of the Boards of Directors and Commissioners;</li> <li>- The composition of the positions of members of the Boards of Directors and Commissioners;</li> <li>- The policies and criteria required in the nomination;</li> <li>- Performance evaluation policy for members of the Boards of Directors and Commissioners;</li> </ul> <p>The determination of the composition of the members of the Board of Commissioners has taken into account to the diversity of skills, knowledge and experience required.</p> <p>More info on page 344-345 (Diversity in the composition of the Board of Commissioners and Directors section)</p>
5.3	Members of the Board of Directors overseeing the accounting or finance division have expertise and/or knowledge in accounting.	<p>Implementation : <b>Comply</b></p> <p>Members of the Board of Directors overseeing the accounting and finance division have experience in finance and accounting.</p> <p>More info on the page 57 (Corporate Profile section)</p>
<b>6<sup>th</sup> Fundamental Improving Implementation Quality of Duties and Responsibilities of Board of Directors</b>		

No.	Recommendations	Descriptions
6.1	The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.	<p>Implementation : <b>Comply</b></p> <p>Performance appraisal is conducted annually based on self assessment reviewed by the Board of Commissioners.</p> <p>More info on page 319-320 (Board of Commissioners section - Performance Assessment of the Board of Directors)</p>
6.2	The self assessment policy to assess the performance of the Board of Directors is disclosed through the Public Company's annual report.	<p>Implementation : <b>Comply</b></p> <p>The performance assessment of the Board of Directors has been disclosed in the Public Company Annual Report.</p> <p>More info on page 319-320 (Board of Commissioners section - Performance Assessment of the Board of Directors)</p>
6.3	The Board of Directors has a policy related to the resignation of members of the Board of Directors should any member be involved in a financial crime.	<p>Implementation : <b>Comply</b></p> <p>The policy regarding the resignation of members of the Board of Directors in the event of engaging in financial crimes are contained in the Code of Conduct of the Board of Directors Article 11. The Articles of Association also stipulate provisions relating to the resignation of members of the Board of Directors.</p>
<b>D</b>	<b>PARTICIPATION OF STAKEHOLDERS</b>	
	<b>7<sup>th</sup> Fundamental</b>	
	<b>Improving Corporate Governance through Stakeholder Participation</b>	
7.1	The Public Company has a policy to prevent the occurrence of insider trading.	<p>Implementation : <b>Comply</b></p> <p>The Company has an insider trading policy set forth in Board of Directors Decision Letter No. 002/SK/DIR/2006 dated January 6, 2006.</p>
7.2	The Public Company has anti-corruption and anti-fraud policies.	<p>Implementation : <b>Comply</b></p> <p>The Company has anti-gratuity and anti-fraud policies set forth in the Guidelines for Implementing Anti-Fraud Strategies and has been approved in Board of Directors Decision Letter No.064/SE/POL/2015 dated April 7, 2015.</p> <p>More info on page 419 (Corruption Prevention section)</p>
7.3	The Public Company has a policy on the selection and upgrading of suppliers or vendors.	<p>Implementation : <b>Comply</b></p> <p>The Company has a policy related to Vendor Selection as outlined in Circular Letter No.223/SE/POL/2016 dated October 17, 2016 on the Procurement Mechanism of Goods and/or Services. The policy regulates the value of procurement transactions and selection methods used so that the procurement process in the Company is fair and transparent.</p>
7.4	The Public Company has a policy for the fulfillment of creditor rights.	<p>Implementation : <b>Comply</b></p> <p>The Company has a policy of fulfilling creditor's rights with reference to the relevant provisions made by regulators.</p>
7.5	The Public Company has a whistleblowing system policy.	<p>Implementation : <b>Comply</b></p> <p>The Company's whistleblowing policy is set forth in the Circular Letter No.064/SE/POL/2015 on Guidelines for Implementing Anti Fraud Strategies</p> <p>More info on page 421 (Corruption Prevention section)</p>



No.	Recommendations	Descriptions
7.6	The Public Company has a policy of providing long-term incentives to Directors and employees.	Implementation : <b>Comply</b>  The incentive policy for the Board of Directors has been disclosed in this Annual Report. The employee incentive policy has been arrange in the Board of Director Decision Letter No.063/SK/DIR/2014 on Policy of Achievement, Position/Rank and Payroll.
<b>E</b>	<b>INFORMATION DISCLOSURE</b>	
	<b>8<sup>th</sup> Fundamental Improving the Implementation of Information Disclosure</b>	
8.1	The Public Company uses information technology more widely through the Website as a medium of information disclosure.	Implementation : <b>Comply</b>  The use of information technology as a medium of Information Disclosure: a. External, such as: <ul style="list-style-type: none"> <li>• Website (www.bca.co.id),</li> <li>• HaloBCA,</li> <li>• Twitter,</li> <li>• facebook,</li> <li>• youtube (www.youtube.com/solusibca),</li> <li>• kaskus (BankBCA   KASKUS),</li> <li>• slideshare (www.slideshare.net/SolusiBCA),</li> <li>• linkedIn PT Bank Central Asia Tbk</li> <li>• Instagram (@goodlifeBCA)</li> </ul> b. Internal Media Internal Disclosure is through MyBCA Intranet Portal.  More info on page 428 (Access to Information and Corporate Data section)
8.2	The Public Company's Annual Report discloses the ultimate beneficiary of Company's shareholding ownership of at least 5% (five percent), in addition to the disclosure of the final beneficial owner in the share ownership of Public Company through the major shareholder or controller.	Implementation : <b>Comply</b>  The Company's Annual Report has disclosed: a. list of shareholders holding the Company's shares of 5% or more, b. the owner of the ultimate benefit in the ownership of the Company's shares, as well as c. the Company's principal shareholder controller.  More info on page 309 (Major Shareholders/Controller information section)

c. OECD Corporate Governance Principles

The Corporate Governance Principles drafted by the Organization for Economic Co-operation and Development (OECD) is a reference in the assessment of the ASEAN CG Scorecard. The ASEAN CG Scorecard aims to measure and improve the effectiveness of the implementation of corporate governance principles. The Governments of Indonesia together with Malaysia, Philippines, Singapore, Thailand and Vietnam agreed to adopt the criteria of OECD governance principles as a benchmark assessment for the ASEAN CG Scorecard.

OECD corporate governance principles are as follows:

No.	Principle	Descriptions
1.	Corporate Governance Framework	The Company's governance framework is reflected in good corporate governance, action plan and corporate organizational structure.
2.	Shareholder Rights	In accordance with the Fullfillment Table of Recommendation of Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle A (Public Company Relationships With Shareholders In Ensuring Shareholder Rights)
3.	Equal Treatment of Shareholders	Under the principle of equality and equal treatment, the Company provides an opportunity for all shareholders to convey opinions and access to information in accordance with the principle of transparency.
4.	The Role of Stakeholders in Corporate Governance	In accordance with the Fulfillment table of recommendation Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle D (Participation of Stakeholders)

No.	Principle	Descriptions
5.	Disclosure and Transparency	In accordance with the Fulfillment table of recommendation Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle E (Information Disclosure)
6.	Roles and Responsibilities of Boards of Commissioners and Directors	In accordance with the Table of Compliance Fulfillment of of Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 - Principle B (Functions and Roles of Board of Commissioners) and Principle C (Functions and Roles of Board of Directors)

### 3) Internalization

One of the effective efforts to promote the implementation of good corporate governance is to internalize the entire staff from the entry level to the managerial levels.

#### a. Statement of Commitment to Implement Good Corporate Governance

As a concrete manifestation of the Company's commitment to improve the implementation of the principles of good corporate governance continuously in accordance with applicable regulations, the Company requires echelon 1 to echelon 5 employees to sign the Annual Disclosure every year.

#### b. Dissemination of Corporate Values

Corporate Values are embedded in every individual employee that includes:

- (1) Customer Focus;
- (2) Integrity;
- (3) Teamwork;
- (4) Continuous Pursuit of Excellence (Achieving the Best)

The implementation of good corporate governance principles is embedded in every Company value, especially in the integrity value and always strives the best.

Internalization of the corporate culture values is conducted through sharing sessions, Corporate Culture Dissemination (face to face with leaders and co-workers within one Division) or better known as Community of Practice (COP), Corporate Culture comics, intranet Dissemination, and videos that can be downloaded any time.

The Company has a SMART SOLUTION program that aims to provide excellent service, focus on fulfilling customer needs and providing financial solutions.

To support the SMART SOLUTION program, the Company offers a SMART Solution Reward Program. This reward program can also be an evaluation, promoting stronger corporate values application, and improving team engagement and customer engagement. These cultural internalization programs nurture the behavior of personnel to support the implementation of values, good corporate governance, innovation, risk-consciousness and productivity.



Program COP – Corporate Values

#### c. Dissemination of Good Corporate Governance. Dissemination of Good Corporate Governance is done through:

- (1) Dissemination and Implementation of Principles of Good Corporate Governance  
Dissemination and implementation of the principles of good corporate governance is done by means of Corporate Governance bulletins on the MyBCA intranet portal, which is accessible to employees throughout Indonesia. The Corporate Governance Bulletin presents the latest understanding, practices and information on corporate governance. In addition to the bulletin, good corporate governance socialization is also performed through COP and sharing sessions that convey themes related to

corporate governance, for example by carrying the theme of the importance of information disclosure, implementation of corporate governance in banking, etc.

(2) Dissemination of Anti Fraud Awareness (AFA).

The Company actively conducts dissemination of fraud awareness and anti gratuity. The Company has drafted Guidelines for Implementing Anti Fraud Strategy that contains the implementation of strategy, risk management implementation, reports which must be submitted to regulators, and sanctions given. In addition, the Company also actively conducts antifraud socialization such as through the dissemination of anti fraud comics, anti fraud application slides and the whistleblowing system that can be downloaded by employees on MyBCA's internal portal, AFA videos, COP implementation of Anti Fraud Strategy, and mandatory e-learning that must be followed by all employees, etc.

These programs are established so that every Company employee can take an active role in implementing an anti fraud culture as one effort to implement good corporate governance, responsibility, and independency principles to create a favorable working environment free from fraud.

(3) Affiliate Transactions and Conflict of Interest Socialization.

Reporting affiliate transactions and conflict of interest is one important factor in implementation of good corporate governance principles; therefore, the Company seeks to play an active role in disclosure of information or reports of affiliate transactions and conflict of interest. Policies relating to affiliate transaction reports and conflict of interest are set out in Board of Directors Decision Letter No. 079/

SK /DIR/2017 dated June 21, 2017 regarding Affiliate Transactions and Transactions Containing Conflict of Interest. Socialization is done through COP or sharing sessions. To facilitate socialization, the policy can also be downloaded on the MyBCA intranet portal, accessible to all Company employees throughout Indonesia.

Implementation of corporate governance is an important factor in maintaining the Company's shareholders and stakeholders trust. This has become increasingly important along with the rising business risks and challenges confronted by the banking industry. Through the implementation of the good corporate governance principles, the Company will be able to maintain its healthy and competitive business edge.

### C. Assessment on Good Corporate Governance:

Target achievement indicators are measured from good corporate governance assessments, both internal and external.

#### 1) Internal Assessment

Based on Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, the measurement of governance implementation is by means of self-assessment or Good Corporate Governance Assessment per semester.

#### Assessment Criteria

The criteria employed in the assessment are as stipulated in Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Commercial Bank Governance. In order to implement the 5 (five) basic principles of Good Corporate Governance, the Company shall conduct periodic self assessment that shall include at least 11 (eleven) assessment factors for the application of good corporate governance:

- a. Implementation of duties and responsibilities of the Board of Directors;
- b. Implementation of duties and responsibilities of the Board of Commissioners;
- c. Comprehensiveness and execution of committee duties;
- d. Conflict of interest handling ;
- e. Implementation of compliance function;

- f. Implementation of internal audit function;
- g. Implementation of external audit function;
- h. Implementation of risk management including internal control system;
- i. Provision of funds to related parties and provision of large funds (large exposure);
- j. Transparency of the Company's financial and non financial condition, internal governance and reporting report; and
- k. Bank's strategic plan.

#### The parties conducting the assessment

The self assessment related to 11 (eleven) assessment factors was conducted by involving functions or work units including Board of Commissioners, Board of Directors, Committees, Internal Audit, Compliance Work Unit, Risk Management Work Unit, Corporate Secretary, and other related work units.

#### Self-Assessment Result

in 2017, the self assessment result on good corporate governance is ranked 1 (one), with details as follows:

	Rating	Rating Definition
Individual	1	Company's management has implemented a <b>generally excellent</b> Good Corporate Governance. This is reflected in the fulfillment of the principles of Good Corporate Governance, in general, the weakness is not significant and can be mitigated immediately by the Company management

#### Analysis

Based on self assessment analysis on governance structure, the governance process, and governance outcome of each Good Corporate Governance Implementation Assessment Factor can be summarized as follows:

1. Governance Structure on all Good Corporate Governance Assessment Factors are complete and fully sufficient.
2. Governance Processes on all Good Corporate Governance Assessment Factors are very effectively supported by the Governance Structure.
3. Governance Outcomes in most Good Corporate Governance Assessment Factors are of high quality resulting from Governance Processes supported by the Governance Structure.

## 2) External Assessment

In 2017, the implementation appraisal of good corporate governance has also been performed by external parties, namely the Indonesian Institute for Corporate Governance (IICG) with SWA Magazine and the Indonesian Institute for Corporate Directorship (IICD).

The results of the CGPI rating program use assessment norms based on the range of scores achieved under the following categories:

Score 85-100 = Most Trusted

Score 70-84 = Trusted

Score 55-59 = Fairly Trusted

### Corporate Governance Perception Index (CGPI)

The CGPI 2016 theme was Change Management in a Good Corporate Governance Framework.

#### a. Assessment criteria

CGPI 2016 assessed from the fulfillment of assessment indicators as follows:

- Governance Structure, including governance structure and policy indicators governance.
- Governance Process, including system indicators and governance mechanisms.
- Governance outcome, including output indicators and governance quality.

#### b. The party conducting the assessment

The external parties that performed the assessment were IICG together with SWA Magazine.

#### c. Assessment result

The Company achieved the title of "The Most Trusted Company".

The CGPI 2016 assessment for the Company demonstrated that the Company organization and all of its personnel have been very committed and have made serious and consistent efforts in implementing

Good Corporate Governance and Change Management based on Good Corporate Governance principle that has propelled the Company forward provided further added value to the stakeholders.

**d. Assessment Result Recommendation**

Recommendations of CGPI 2016 assessment results include the following:

The Company to prepare several policies in accordance with the development of prevailing regulations and business practices, develops systems and instruments for change management, and develops follow-up and evaluation of several aspects of governance outcomes.

**e. Reasons for not implementing the recommendations:**

None

**f. Conclusion:**

1. The Company already has the completeness and adequacy of corporate governance structure.
2. The Company has designed systems and mechanisms in accordance with the Company's management processes.
3. The Company has external outcomes, output quality and impact outcome that meet the expectations.

***The Indonesian Institute for Corporate Directorship (IICD) Corporate Governance Award***

This award first held in 2009 and based on the disclosure of corporate governance practices listed in Indonesia.

**a. Assessment criteria**

The IICD CG Award assessment instrument is Corporate Governance (CG) Scorecard, which is also used by other Institutes of Directors in several ASEAN countries.

Indonesia together with 5 other ACMF (ASEAN Capital Markets Forum) member states (Malaysia, Philippines, Singapore, Thailand and Vietnam) agreed to adopt the criteria in which is a more detailed description of the corporate governance principles issued by the Organization for Economic Cooperation and Development (OECD) and acts as a benchmark assessment for the ASEAN CG Scorecard.

The assessment of the ASEAN CG Scorecard is based on publicly accessible documentation, and aims to create a set of public companies in the ASEAN region with good governance that can be promoted to foreign investors.

**b. The party conducting the assessment**

The party conducting the assessment is the IICD. IICD conducts evaluations and rating on the largest capitalized 100 (hundred) public companies listed on the Indonesia Stock Exchange.

**c. Assessment result**

In 2017, during the 9th IICD Corporate Governance Conference & Award 2017, the Company won the award for "Best Disclosure & Transparency" and "Top 50 Biggest Market Capitalization Public Listed Companies."

**d. Reasons for not implementing the recommendations:**

None.

## GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) is the highest corporate governance function of the Company. The GMS has the authority not granted to the Board of Directors or the Board of Commissioners within the limits specified in law and/or the Articles of Association.

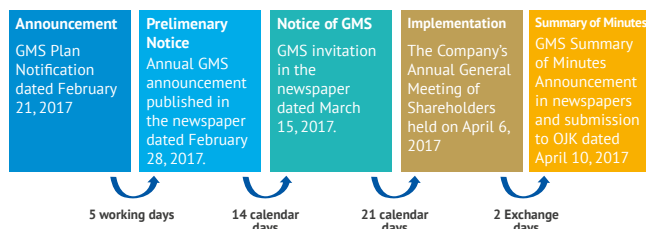
### 1. Procedures of the Annual General Meeting of Shareholders of 2017

The procedure of the 2017 Company's Annual General Meeting of Shareholders (AGMS) was as follows:

1. As a public company, in accordance with the provisions of Article 21 paragraph 4 of the Articles of Association and Article 13 paragraph 1 and paragraph 3 of the Financial Services Authority Regulation No.32/POJK.04/2014 dated December 8, 2014 regarding Plan and Implementation of Public Company General Meeting of Shareholders, the Company submitted the agendas in advance in the announcement of 2017 AGMS clearly and in detail to the Financial Services Authority 5 (five) working days prior to the Preliminary Notice of the AGMS, as referred to in Letter No. 094/DIR/2017 dated February 21, 2017.
2. In accordance with the provisions of Article 21 paragraph 2 of the Articles of Association, prior to its 2017 AGMS, the Company made an Preliminary Notice that it summoned for the GMS 14 (fourteen) days before the 2017 AGMS, excluding the date of the announcement and the date of the AGMS 2017. Announcement of the Call for the 2017 AGMS was published in daily newspapers Bisnis Indonesia and The Jakarta Post, both dated February 28, 2017.
3. Invitation of the 2017 AGMS was made by placing an advertisement in newspapers 21 (twenty one) days prior to the date of the 2017 AGMS, excluding the date of the invitation and the date of the AGMS. The 2017 AGMS announcement was published in daily newspapers Bisnis Indonesia and The Jakarta Post, both dated March 15, 2017.

4. Shareholders or representative proxies of shareholders entitled to attend the 2017 AGMS were of those shareholders whose names were registered in the Shareholder Register on March 14, 2017 at 16:15 Western Indonesian Standard Time (WIB).
5. Each share issued shares has 1 (one) voting right unless the Articles of Association of the Company stated otherwise.
6. Following the execution of the AGMS, the Company submitted a Summary of the AGMS of 2017 within 2 (two) working days after the 2017 AGMS to the Financial Services Authority and the Indonesia Stock Exchange and announced it to the public in daily newspapers Bisnis Indonesia and The Jakarta Post April 10, 2017.

### AGMS of 2017 Schedule



### 2017 Annual GMS Invitation Advertisement

**PT BANK CENTRAL ASIA Tbk (the "Company")**  
**PRELIMINARY NOTICE**  
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

This is to inform all shareholders of the Company that the Company is going to hold its Annual General Meeting of Shareholders (the "AGM") on 6 April 2017.

In accordance with the provisions of Article 21 paragraph 4 of the Company's Articles of Association and Article 13 paragraph 1 and paragraph 3 of Regulation of the Financial Services Authority No. 32/POJK.04/2014 dated 8 December 2014 on the Plan and Organization of the General Meeting of Shareholders of Publicly-Held Companies ("POJK No. 32/POJK.04/2014"), the Notice of AGM will be made on 15 March 2017 through announcement in 1 (one) Indonesian language daily newspaper of wide circulation in the Republic of Indonesia and 1 (one) English language daily newspaper, as well as on the website of the Indonesia Stock Exchange and the Company's website. The shareholders or their respective proxies that are eligible to attend the AGM are those that are recorded on the Company's Register of Shareholders as at 14 March 2017, 16:15 Western Indonesian Time.

One or more shareholders that (collectively) represent at least 1/20 (one-twentieth) of the total number of shares with valid voting rights issued by the Company may propose the agenda items for the AGM, and the proposed items from the shareholders will be included in the agenda for the AGM to the extent that such proposed items are in compliance with the provisions of Article 21 paragraph 6 of the Company's Articles of Association, and Article 12 of POJK No.32/POJK.04/2014, namely:

1. The proposed item shall be made in writing and shall have been received by the Board of Directors of the Company not later than 8 March 2017 at 16:00 Western Indonesian Time;
2. The proposal is put forward in the interests of the Company;
3. The proposal is accompanied by the reasons for which it is submitted and the relevant materials for discussion;
4. The proposal is not contrary to the prevailing laws and regulations;
5. The nature of the proposal requires it to be resolved in the AGM; and
6. The Board of Directors of the Company determines that the proposal has been put forward in good faith and has direct bearing on the Company's business.

Jakarta, 28 February 2017

**PT BANK CENTRAL ASIA Tbk**  
The Board of Directors

Always by your side

**PT BANK CENTRAL ASIA Tbk (the "Company")**  
**NOTICE**  
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of the Company hereby invites the shareholders of the Company to attend the Company's Annual General Meeting of Shareholders ("AGM") on 6 April 2017.

**Details:** Thursday, 6 April 2017  
**Time:** 10:00 AM (Indonesia Standard Time)  
**Place:** Ball Room, PT Bank Central Asia Tbk, Gedung BCA, Jl. Jendral Sudirman No. 1, Jakarta 10132  
**Topic:** 08 AGM Indonesia Year - 2016/2017

**Agenda to be discussed:**

1. Approval of the annual report including the Company's financial statements and the Board of Commissioners' Report on its business activities for the financial year ended 31 December 2016 and grant of interim dividend of equity (based on changes in the number of shares) to the Board of Commissioners of the Company for all shares held by shareholders of the Company and approval of the Company's financial year ended 31 December 2016.
2. Approval of the Company's profit for the financial year ended 31 December 2016.
3. Determination of the amount of cash dividend and the amount of the dividend to be paid as well as the distribution of the financial year 2016 payable to the Board of Directors and the Board of Commissioners of the Company.
4. Determination of the Register of Shareholders to hold the Company's books and records for the financial year ended 31 December 2017.
5. Grant of power and authority to the Board of Directors to give representation for the financial year ended 31 December 2017.

**General Provisions:**

1. The notice of AGM is hereby given in compliance with the provisions of Article 21 paragraph 4 of the Company's articles of Association.
2. The shareholders that are entitled to attend or be represented in the AGM are those whose names are listed on the Register of Shareholders as at 14 March 2017 at 16:15 Western Indonesian Time.
3. Holders of the shares in the collective custody of PT Bank Central Asia Tbk (the "Company") ("PT Bank Central Asia Tbk") holding the shares in custody register through the Stock Exchange Membership Certificate Book holding the number of shares of PT Bank Central Asia Tbk (the "Company") are invited to attend the AGM.
4. Shareholders who are invited to attend the AGM are requested to submit to the registration office, a copy of their identification card (ID card) or an other identification card and the registration of the stock broker holding the company book. Any shareholder registration's complete document must contain not only a copy of their identification card (ID card) or other identification card but also the registration of the stock broker holding the company book. Any shareholder registration's complete document must contain not only a copy of their identification card (ID card) or other identification card but also the registration of the stock broker holding the company book. Any shareholder registration's complete document must contain not only a copy of their identification card (ID card) or other identification card but also the registration of the stock broker holding the company book. Any shareholder registration's complete document must contain not only a copy of their identification card (ID card) or other identification card but also the registration of the stock broker holding the company book.
5. In the event of a shareholder who is unable to attend in person, they may be represented by a proxy by submitting a valid power of attorney to the Board of Directors of the Company. Any holder of the shares of the Company or the Board of Commissioners and employees of the Company are not allowed to be the proxy for the shareholder or the Board of Directors of the Company.
6. In the event of a power of attorney, an affidavit on any business day during normal business hours at the Registration, Identification and Custody Office of the Company, PT Bank Central Asia Tbk, Gedung BCA, Jl. Jendral Sudirman No. 1, Jakarta 10132.
7. The proposal of agenda item shall be received by the Board of Directors of the Company no later than 8 March 2017 at 16:00 Western Indonesian Time.
8. The proposal for the AGM shall be submitted to the Company's Secretary Office, PT Bank Central Asia Tbk, Gedung BCA, Jl. Jendral Sudirman No. 1, Jakarta 10132, during the normal business hours of the Company. From the date of the notice of AGM until the date of the AGM, the Company, the Board of Directors of the Company, the Board of Commissioners of the Company, or any employee of the Company shall not be held responsible for the loss or destruction of the Company's books and records. It is requested that the shareholders of the Company be notified of the AGM and that they attend the AGM on the date and at the place specified in the notice of AGM.
9. The registration of shares from the Register of Shareholders of the Company is available in www.bca.co.id.
10. To facilitate the participation of the AGM and to ensure that the AGM is held in good order, the shareholders of the Company are kindly requested to be present at the meeting place on the AGM Indonesia Year - 2016/2017.

**Jakarta, 28 March 2017**  
**PT BANK CENTRAL ASIA Tbk**  
The Board of Directors

Always by your side

### AGMS Summary of Minutes Announcement

PT BANK CENTRAL ASIA Tbk. (hereinafter referred to as the "Company") hereby announces the AGMS summary of minutes held on 2017 Annual General Meeting of Shareholders (AGMS) on 6th April 2017 at Grand Ballroom, Hotel Indonesia Kempinski - 11<sup>th</sup> floor, Jl. MH. Thamrin No. 1, Jakarta 10310.

**AGMS Summary of Minutes Announcement**

AGMS is held annually, but some years the AGMS is held on an irregular basis. The AGMS for 2017 was held on 6th April 2017 at Grand Ballroom, Hotel Indonesia Kempinski - 11<sup>th</sup> floor, Jl. MH. Thamrin No. 1, Jakarta 10310.

- The AGMS was held on 6th April 2017 at Grand Ballroom, Hotel Indonesia Kempinski - 11<sup>th</sup> floor, Jl. MH. Thamrin No. 1, Jakarta 10310.
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- The AGMS was held on 6th April 2017 at Grand Ballroom, Hotel Indonesia Kempinski - 11<sup>th</sup> floor, Jl. MH. Thamrin No. 1, Jakarta 10310.

### 2. Implementation of the Annual General Meeting 2017

In 2017, the Company held the Annual General Meeting of Shareholders (AGMS) on April 6, 2017 at Grand Ballroom, Hotel Indonesia Kempinski – 11<sup>th</sup> floor, Jl. MH. Thamrin No. 1, Jakarta 10310.

The agenda (along with explanation of each agenda topic) discussed in the AGMS is and was available at the Corporate Secretariat - the Company's Head Office, and had been uploaded on the Company's website on the same date as the date of invitation of the 2017 AGMS.

### 3. Attendance of Management and Shareholders

The 2017 AGMS was attended by the President Commissioner and all members of the Board of Commissioners, the President Director, the Vice President Director, and all members of the Board of Directors, all Chairman and members of the Committees under the Board of Commissioners (Audit, Risk Oversight Committee, Remuneration & Nomination Committee, and Integrated Governance Committee) as well as shareholders or their representatives.

	Present	Proxy	Not Present	Not Represented
<b>Management</b>	100%	0%	0%	0%
<b>Shareholders</b>	100%	0%	0%	0%



### Members of the Board of Commissioners and Board of Directors present at the 2017 AGMS:

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

### Board of Commissioners

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

Shareholders or their proxies holding shares 18,227,189,077 shares, or 73.929% of the total shares issued and paid by shareholders were present at the 2017 AGMS, and therefore quorum was met as regulated in Article 23 paragraph 1(a) of the Articles of Association Company.

#### 4. Chairman of the 2017 AGMS

The 2017 AGMS was chaired by Ir. Djohan Emir Setijoso as the President Commissioner, in accordance with Article 22 paragraph 1(a) of the Articles of Association.

#### 5. AGMS Agenda 2017

1. Approval of the Annual Report including the Company's Financial Statements and the Supervisory Report of the Board of Commissioners for the fiscal year ended on December 31, 2016 and provide liability release and discharge (acquitt et decharge) to the members of the Board of Directors and the Board of Commissioners of the company for the actions at the management and supervision conducted within the fiscal year ended on December 31, 2016.
2. Determination of the utilization of the Company's Profits for the fiscal year ended on December 31, 2016.
3. Determination of salary or honorarium and allowances for fiscal year 2017 and tantiem for fiscal year 2016 to the Board of Directors and Board of Commissioners.
4. Appointment of Registered Public Accountant to examine the Company's books for the fiscal year ended on December 31, 2017.
5. The granting of power and authority to the Board of Directors to pay interim/provisional dividends for the fiscal year ended on December 31, 2017.

#### 6. The Rules of Annual GMS 2017

The rules of the 2017 AGMS were read out before the AGMS commenced. Shareholders or representatives proxies attending the AGMS were requested to observe the following rules:

- a. Register with the registration officer by showing the identity card and submitting the original Written Confirmation For Meeting (KTUR) as well as the original powers of attorney (for those proxies authorized by shareholders).
- b. Occupy the seats provided.
- c. Not conducting conversation between participants to avoid disrupting the AGMS.
- d. Ask questions only during the time allocated by the Chairman of the AGMS. The request to ask questions is done by raising hand. Questions were to be written on forms handed out by the officer and to be read by the inquirers and then the inquiry forms to be submitted to the AGMS officer. The questions should be directly related to the on-going AGMS Agenda Item. If the same multiple questions were asked, then these questions were answered simultaneously.
- e. Not interrupting other speakers.
- f. To comply with the provisions of Law No.40 Year 2007 on the Limited Liability Companies and Articles of Association Article 23, paragraph 8, then the decisions were made by deliberation to consensus. If deliberations for consensus were not reached, then the proposals were to be voted on.
- g. Decisions on proposals submitted in the AGMS were valid if approved by votes representing more than ½ (one half) of all shares with voting rights present at the AGMS.
- h. In order to facilitate the course of the AGMS, voting on the proposals put forward in every AGMS (either about self or others) were made verbally by pooling method in the following manner:
  - 1) The Chairman of the AGMS shall request to the shareholders or representatives who do not approve or abstain (vote blank) against the proposed proposal to raise a hand to submit the ballot and then the ballot shall be counted by PT Raya Saham Registra, as the Securities Administration Agency of the Company and then verified by the Notary as an independent public official;
  - 2) The shareholders or representatives proxies who do not raise their hands and do not submit ballots to disagree or abstain (vote blank) to the proposed proposal, shall be deemed to approve the proposal submitted without the Chairman of the AGMS asking the shareholders or representatives proxies of such representatives to raise of agreement their respective hands as a sign.



- i. The shareholders or representatives proxies who represent abstained votes are considered to be voting in the same voices as the majority of the voting shareholders.
- j. Shareholders or proxies who leave the AGMS before the close of AGMS are considered to be present and approve proposals submitted in the AGMS .
- k. In the course of the AGMS, mobile phones or other communication devices brought into the AGMS room by participants must be disabled.

## 7. Decision Making Methods

Based on Article 23 paragraph 8 of the Articles of Association, a decision on the proposals submitted in any agenda of the AGMS shall be made on the basis of deliberations for consensus. If deliberations for consensus are not reached, then the decision will be taken by way of voting.

## 8. 2017 AGMS Vote Calculation Mechanism

Every shareholders or representative proxy has the right to inquire and/or submit an opinion to the 2017 AGMS Chairman before voting for each agenda of the 2017 AGMS takes place.

In every AGMS discussion agenda, the AGMS Chairman allows opportunities to shareholders or representatives proxies to ask questions before a vote is held.

The voting on the proposals submitted on any agenda of the AGMS were conducted verbally by a vote pooling method conducted by shareholders or representatives proxies who disagree or abstain from the proposed proposal to raise a hand to submit ballots and then ballots were counted by PT Raya Saham Registra as the Securities Administration Agency and verified by Notary as an independent party, in accordance with the Rules of Procedures of the AGMS of 2017.

Agenda	Agree	Disagree	Abstain	Inquires
First	18,211,116,477 (99.912%)	Nil	16,072,600 (0.088%)	1
Second	18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)	Nil
Third	17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)	Nil
Fourth	17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)	Nil
Fifth	18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)	Nil

## 9. Decisions of the 2017 AGMS and Realization

The 2017 Annual General Meeting of Shareholders and Realization are as follows:

No	Agenda	2017 AGMS Decision	Realization									
1.	<b>First Agenda Item</b> Approval of the Annual Report including the Company's Financial Report and the Supervisory Report of the Board of Commissioners for the fiscal year ending on December 31, 2016 and to provide the provide liability release and discharge (acquit et decharge) to the Directors and Commissioners of the Company for the actions of the management and supervision within the fiscal year ended on December 31, 2016.	<p>I Approve the Annual Report including the Supervisory Report of the Board of Commissioners of the Company for the fiscal year ended on December 31, 2016 contained in the 2016 Annual Report.</p> <p>II Ratify the Financial Statements covering the Company's Balance Sheet and Profit and Loss Statement for the fiscal year ended on December 31, 2016 audited by Public Accountant Firm Siddharta Widjaja &amp; Partners, KPMG International member contained in the 2016 Annual Report.</p> <p>III Grant the release and discharge of responsibility (acquit et decharge) to the member of the Board of Directors and the Board of Commissioners of the Company for the actions of management and supervision by each member of the Board of Directors and Board of Commissioners during the fiscal year ended on December 31, 2016, as long as the actions are recorded in the Annual Report, Financial Statements and notes of the Company for the fiscal year ended on December 31, 2016 and supporting documents.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>18,211,116,477 (99.912%)</td> <td>- (Nil)</td> <td>16,072,600 (0.088%)</td> </tr> </tbody> </table>	Result of the vote calculation			Agree	Disagree	Abstain	18,211,116,477 (99.912%)	- (Nil)	16,072,600 (0.088%)	Realized
Result of the vote calculation												
Agree	Disagree	Abstain										
18,211,116,477 (99.912%)	- (Nil)	16,072,600 (0.088%)										
2.	<b>Second Agenda Item</b> Determination of the use of the Company's Profit for the fiscal year ended on December 31, 2016.	I To stipulate, in accordance with the Company's Balance Sheet and Profit and Loss Statement for the fiscal year ended on December 31, 2016, audited by Siddharta Widjaja & Partners Public Accountant Firm, member of KPMG International, the net profit of the Company in the fiscal year ended on December 31, 2016 is Rp20,605,736,459,842.00 (twenty trillion six hundred five billion seven hundred thirty six million four hundred fifty nine thousand eight hundred forty two Rupiah) ("Net Profit 2016").	Realized On April 28, 2017, the Company distributed cash dividends for the fiscal year ended on December 31, 2016 to the rightful shareholders.									

No	Agenda	2017 AGMS Decision	Realization						
2.	<b>Second Agenda Item</b>	<p>II Stipulate the use of 2016 Net Profit, amounting to Rp20,605,736,459,842.00 (twenty trillion six hundred five billion seven hundred thirty six million four hundred fifty nine thousand eight hundred forty two Rupiah), as follows:</p> <ol style="list-style-type: none"> <li>1. Rp206,057,364,598.00 (two hundred six billion fifty seven million three hundred sixty four thousand five hundred ninety eight Rupiah) shall be appropriated for reserve fund.</li> <li>2. A sum of Rp4,931,002,000,000.00 (four trillion nine hundred thirty one billion two million Rupiah) or Rp200.00 (two hundred Rupiah) per share is distributed as cash dividend for the fiscal year ended on December 31, 2016 to shareholders entitled to receive cash dividends, where the total cash dividend includes an interim dividend of Rp1,725,850,700,000.00 (one trillion seven hundred twenty five billion eight hundred fifty million seven hundred thousand Rupiah) or Rp70.00 (seventy Rupiah) per share paid by the Company on December 22, 2016, so that the balance of Rp3,205,151,300,000.00 (three trillion two hundred five billion one hundred fifty one million three hundred thousand Rupiah) or Rp130.00 (one hundred and thirty Rupiah) per share.</li> </ol> <p>The payment of dividends applied the following terms and conditions:</p> <ol style="list-style-type: none"> <li>I. the remaining dividends for the fiscal year 2016 will be paid for each share issued by the Company recorded in the Register of Shareholders of the Company on the recording date to be determined by the Board of Directors.</li> <li>II. on the payment of the remaining dividends for the fiscal year 2016, the Board of Directors to withhold dividend tax in accordance with applicable taxation regulations.</li> <li>III. the Board of Directors is authorized and has the authority to determine matters relating to the implementation of the payment of the remaining dividends for the fiscal year 2016, among others (but not limited to): <ol style="list-style-type: none"> <li>(aa) to determine the registry date referred to in point (i) to determine the shareholders of the Company entitled to receive the payment of the remaining dividends for the fiscal year 2016; and</li> <li>(bb) to determine the date of payment of the remaining dividend for the fiscal year 2016, and other technical matters without prejudice to the rules of the Stock Exchange where the Company's shares are listed.</li> </ol> </li> <li>3. The remaining net profit for 2016 that has not allocated for specific use, shall be determined as retained earnings.</li> </ol> <p>III Resolving that such power as described in point II number 2 of this resolution shall be effective on the date on which the proposal forward under this point is approved by the AGMS.</p>							
		<b>Result of the vote calculation</b>							
		<table border="1"> <thead> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">18,106,963,678 (99.340%)</td> <td style="text-align: center;">79,042,599 (0.434%)</td> <td style="text-align: center;">41,182,800 (0.226%)</td> </tr> </tbody> </table>	Agree	Disagree	Abstain	18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)	
Agree	Disagree	Abstain							
18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)							

No	Agenda	2017 AGMS Decision	Realization									
3.	<b>Third Agenda Item</b> Determination of salary or honorarium and allowances for the fiscal year 2017 and tantiem for the fiscal year 2016 to the Board of Directors and the Board of Commissioners.	<p>I</p> <p>i. To give full authorization and power to PT Dwimuria Investama Andalan, as the majority shareholder of the Company, to determine the amount of honorarium and allowances to be paid by the Company to the members of the Board of Commissioners who served during the fiscal year 2017.</p> <p>ii. To grant full power and authority to the Board of Commissioners of the Company to determine the amount of remuneration and allowances to be paid by the Company to members of the Board of Directors of the Company who served during the fiscal year 2017.</p> <p>In exercising the above mentioned powers and authorities:</p> <p>i. PT Dwimuria Investama Andalan, presently as the majority shareholder of the Company, shall take into consideration the recommendations of the Board of Commissioners, which the Board of Commissioners shall take into consideration the recommendations of the Remuneration and Nomination Committee.</p> <p>ii. The Board of Commissioners shall take into account the recommendations of the Remuneration and Nomination Committee.</p> <hr/> <p>II</p> <p>Considering the performance of the members of the Board of Commissioners and Board of Directors of the Company in office and during the fiscal year 2016 and by observing the Regulation of the Financial Services Authority No.55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks in conjunction with Article 71 paragraph 1 of Law No. 40 Year 2007 on the Limited Liability Companies, and the consideration of the Board of Commissioners after having considered the recommendation of the Remuneration and Nomination Committee, stipulated a maximum of Rp309,086,046,898.00 (three hundred nine billion eighty six million forty six thousand eight hundred ninety eight Rupiah ), calculated based on the calculation of 1.5% of the Company's Net Profit value for the fiscal year 2016, to be paid as tantiem to members of the Board of Commissioners and Board of Directors of the Company in office and during the fiscal year 2016.</p> <p>In respect of the grant, the Meeting hereby authorizes and grant the power to PT Dwimuria Investama Andalan, presently as the majority shareholder of the Company, to determine the amount of tantiem to be distributed to the members of the Board of Commissioners and the Board of Directors serving in and during fiscal year 2016, and to decide the distribution of such tantiem among the members of the Board of Commissioners and Board of Directors of the Company in office and during the fiscal year 2016, including all matters related to the payment of the tantiem.</p> <hr/> <p>III</p> <p>Resolving the authorization and power contained in point I and item II of this decision shall be effective as of the date of the proposal submitted to this event approved by this AGMS.</p> <hr/> <p>IV</p> <p>The amount of the salary or honorarium and allowances to be paid by the Company to the members of the Board of Directors and Board of Commissioners who served during the fiscal year 2017, and the amount of tantiem to be paid by the Company to members of the Board of Directors and Board of Commissioners serving in and during the fiscal year 2016, in the Annual Report for fiscal year 2017.</p> <hr/> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>17,839,671,978 (97.874%)</td> <td>160,380,992 (0.880%)</td> <td>227,136,107 (1.246%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)	Realized
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Agree	Disagree	Abstain										
17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)										

No	Agenda	2017 AGMS Decision	Realization									
4.	<b>Fourth Agenda Item</b> Appointment of Registered Public Accountant to review the Company's books for the fiscal year ended on December 31, 2017.	<p>I Granting the power and authority to the Board of Commissioners to appoint a Registered Public Accountant Firm in the Financial Services Authority (including Registered Public Accountant of the Financial Services Authority incorporated in the Registered Public Accountant Firm) to audit the Company's books and records for the fiscal year ended on December 31, 2017 and determines the amount of honorarium and other terms of appointment of Registered Public Accountant Firm in the Financial Services Authority (including Registered Public Accountant in the Financial Services Authority incorporated in the Registered Public Accountant Firm) with due regard to the recommendations of the Audit Committee and the prevailing laws and other regulations in the Capital Market;</p> <p>II Resolving the granting of power and authority shall be effective as of the date of proposal submitted in this event approved by the AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>17,193,961,910 (94.331%)</td> <td>978,026,137 (5.366%)</td> <td>55,201,030 (0.303%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)	Realized The Board of Commissioners has appointed Registered Public Accountant, Public Accountant Firm Tanudiredja, Wibisana, Rintis & Partner, PwC International member (including Registered Public Accountant, Lucy Luciana Suhenda incorporated in the Registered Public Accountant Firm) that will audit the Company's books for the year 2017.
Result of the vote calculation:												
Agree	Disagree	Abstain										
17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)										
5.	<b>Fifth Agenda Item</b> Provision of power and authority to the Board of Directors to pay interim dividends for the fiscal year ended on 31 December 2017.	<p>I Granting the power and authority to the Board of Directors (with the approval of the Board of Commissioners), should the Company's financial circumstances permit, to establish and pay provisional/interim dividends for the fiscal year ended on December 31, 2017, subject to compliance with Article 72 of Law No. 40 Year 2007 on the Limited Liability Company. In the case of such interim dividends to be distributed, such dividends shall be made prior to the end of fiscal year 2017 to the shareholders, including determining the form, amount and method of payment of such interim dividends, without prejudice to the agreement authorized institutions and prevailing laws and regulations.</p> <p>II Confirming the granting of power and authority shall be effective as of the proposal submitted in this event is accepted and approved by the AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>18,106,923,478 (99.340%)</td> <td>79,082,799 (0.434%)</td> <td>41,182,800 (0.226%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)	Realized On December 20, 2017, the Company distributed interim dividends for the fiscal year ended on December 31, 2017 to the rightful shareholders.
Result of the vote calculation:												
Agree	Disagree	Abstain										
18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)										

## 10. Decisions of the 2016 AGMS and Realization

No	Agenda	2016 AGMS Decision	Realization									
1.	<b>First Agenda Item</b> Approval of the Annual Report including the Company's Financial Statements and the Supervisory Report of the Board of Commissioners for the fiscal year ended on December 31, 2015 and to provide liability release and discharge (acquit et decharge) to Directors and Commissioners of the company for the actions of the management and supervision carried out in the fiscal year ended on December 31, 2015.	<p>I Approval of the Annual Report, including the Supervisory Report of the Board of Commissioners for the fiscal year ended on December 31, 2015 contained in the 2015 Annual Report.</p> <p>II Ratifying the Financial Statements covering Balance Sheet and Profit and Loss Calculation for the fiscal year ending on December 31, 2015 audited by Siddharta Widjaja &amp; Partners Public Accountant Firm, a member of KPMG International contained in the 2015 Annual Report.</p> <p>III Granting release and discharge of responsibility (acquit et decharge) to the Board of Directors and the Board of Commissioners for the actions of management and supervision of each Director and Commissioner during the fiscal year ended December 31, 2015, as long as such actions are recorded in the Annual Report and Consolidated Financial Statements and supporting documents for the fiscal year ended on December 31, 2015.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,741,362,947 (99.916%)</td> <td>4,392,100 (0.021%)</td> <td>13,099,915 (0.063%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	20,741,362,947 (99.916%)	4,392,100 (0.021%)	13,099,915 (0.063%)	Realized
Result of the vote calculation:												
Agree	Disagree	Abstain										
20,741,362,947 (99.916%)	4,392,100 (0.021%)	13,099,915 (0.063%)										
2.	<b>Second Agenda Item</b> Determination of the utilization of the Company's profit for the fiscal year ended on December 31, 2015;	<p>I Resolve to accept that the Consolidated Balance Sheet and Income Statement for the fiscal year ended on December 31, 2015, audited by Siddharta Widjaja &amp; Partners Public Accountant Firm, member of KPMG International, the Company's net profit within the fiscal year ended on December 31, 2015 is Rp18,018,653,583,210.00 (eighteen trillion eighteen billion six hundred fifty three million five hundred eighty three thousand two hundred ten Rupiah) ("Net Profit 2015").</p> <p>II Stipulate the use of 2015 Net Income, amounting to Rp18,018,653,583,210.00 (eighteen trillion eighteen billion six hundred fifty three million five hundred eighty three thousand two hundred and ten Rupiah), as follows:</p> <ol style="list-style-type: none"> <li>Rp180,186,535,832.00 (one hundred eighty billion one hundred eighty six million five hundred thirty five thousand eight hundred thirty two Rupiah) shall be appropriated for reserve fund.</li> <li>Rp3,944,801,600,000.00 (three trillion nine hundred forty four billion eight hundred one million six hundred thousand Rupiah) or Rp160.00 (one hundred sixty Rupiah) per share is distributed as cash dividend for the fiscal year ended on December 31, 2015 to shareholders who have the right to receive cash dividends, in which the total cash dividend includes an interim dividend of Rp1,356,025,550,000.00 (one trillion three hundred fifty six billion twenty five million five hundred fifty thousand Rupiah) or Rp55.00 (fifty five Rupiah) per share paid on December 8, 2015, so the remaining amount is Rp2,588,776,050,000.00 (two trillion five hundred eighty eight billion seven hundred seventy six million fifty thousand Rupiah) or Rp105.00 (one hundred and five Rupiah) per share.</li> </ol>	Realized									

No	Agenda	2016 AGMS Decision	Realization									
	<b>Second Agenda Item</b>	<p>The payment of dividends apply the following terms and conditions:</p> <ul style="list-style-type: none"> <li>i. the remaining dividend for fiscal year 2015 to be paid for each share issued that is registered in the company's Register of Shareholders on the record date will be determined by the Board of Directors.</li> <li>ii. for the payment of the remaining dividends of the fiscal year 2015, the Board of Directors will withhold dividend tax in accordance with applicable tax laws.</li> <li>iii. the Board of Directors is authorized and empowered to define matters related to the implementation of the remaining dividend payment of fiscal year 2015, including (but not limited to): <ul style="list-style-type: none"> <li>(aa) determining record date as referred to in item (i) to determine the shareholders of the Company entitled to receive the payment of the remaining dividends for the fiscal year 2015; and</li> <li>(bb) determine the date of payment of the remaining dividend for the fiscal year 2015, and other technical matters without prejudice to the rules of the Stock Exchange where the company's shares are listed.</li> </ul> </li> </ul> <p>3. The remaining Net Profit 2015 that has not allocated for specific use, shall be determined as retained earnings.</p> <p>III Declare the granting of power in point II item 2 of this decision shall come into force the moment the proposal submitted to this event is approved by the AGMS.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20.671.824.763 (99,581%)</td> <td>58.540.099 (0,282%)</td> <td>28.490.100 (0,137%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	20.671.824.763 (99,581%)	58.540.099 (0,282%)	28.490.100 (0,137%)	
Result of the vote calculation:												
Agree	Disagree	Abstain										
20.671.824.763 (99,581%)	58.540.099 (0,282%)	28.490.100 (0,137%)										
3.	<b>Third Agenda Item</b> Confirmation of the expiration of the term of duty, and the appointment of members of the Board of Commissioners and the Board of Directors;	<p>I Confirming of the expiration of the term of duty of the Board of Commissioners and the Board of Directors member as of the close of this AGMS, and subsequently granting release and discharge of responsibility (acquit et discharge) to the members of the Board of Commissioners and the Board of Directors on their respective supervisory and management actions during their respective occupations, as long as the these actions are recorded in the books and records of the Company.</p> <p>II a. Re-appointing the members of the Board of Commissioners and Board of Directors of the Company, with the following structure:</p> <p><b>Board of Commissioners</b>  President Commissioner : Mr. Ir. Djohan Emir Setijoso  Commissioner : Mr. Tonny Kusnadi  Independent Commissioner : Mr. Cyrillus Harinowo  Independent Commissioner : Mr. DR. Ir. Raden Pardede</p> <p><b>Board Of Directors</b>  President Director : Mr. Jahja Setiaatmadja  Deputy President Director : Mr. Eugene Keith Galbraith  Director : Mr. Suwignyo Budiman  Director (also as Director of Compliance) : Tan Ho Hien / Subur also called as Subur Tan  Director : Mr. Henry Koenaifi  Independent Director : Mr. Erwan Yuris Ang  Director : Mr. Rudy Susanto</p> <p>with the term of duty of the members of the Board of Commissioners and the Board of Directors effective from the close of this Meeting until the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one).</p>	Realized									

No	Agenda	2016 AGMS Decision	Realization
	<p><b>Third Agenda Item</b></p>	<p>b. Appointing Mr. Sumantri Slamet Ph.D, as an Independent Commissioner, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one).</p> <p>c. Appointing Mr. Armand Wahyudi Hartono, as Vice President Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one). Provided that the approval of the Financial Services Authority has not been obtained, Mr. Armand Wahyudi Hartono is re-appointed as a Director, effective from the close of this Meeting, until the close of AGMS of the Company to be held in 2021 (two thousand twenty-one).</p> <p>d. Appointing Mrs. Inawaty Handoyo as a Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS to be held in 2021 (two thousand twenty-one).</p> <p>e. Appointing Mrs. Lianawaty Suwono as a Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS to be held in 2021 (two thousand twenty-one).</p> <p>f. Appointing Mr. Santoso as a Director of the Company, effective if and as of the date on which the Financial Services Authority approves the appointment, with the term of duty until to the close of the AGMS of the Company to be held in 2021 (two thousand twenty-one).</p> <p>The appointment of members of the Board of Commissioners and the Board of Directors with the term of duty shall not prejudice the right of the GMS to amend the composition of the Board of Commissioners and Board of Directors of the Company within and during the ongoing period.</p> <p>Pursuant to the provisions of Article 12, paragraph 9 of the Company's Articles of Association, then the AGMS shall authorize the Board of Commissioners to determine the distribution of duties and responsibilities among the members of the Board of Directors.</p>	



No	Agenda	2016 AGMS Decision	Realization									
	<b>Third Agenda Item</b>	<p>III Expressing the highest appreciation and gratitude to Mr. Sigit Pramono for the services that have been given during his tenure as Independent Commissioner of the Company.</p> <p>IV Expressing the highest appreciation and gratitude to Mrs. Dhalia Mansor Ariotedjo for the services that have been given during her tenure as Director of the Company.</p> <p>V Expressing the highest appreciation and gratitude to Mr. Anthony Brent Elam for the services that have been given during his tenure as Director of the Company.</p> <p>VI Granting the power and authority to the Board of Directors of the Company, with substitution rights, to decide on the composition of the members of the Board of Commissioners and Board of Directors mentioned above in the deed made before the Notary, including the composition of the Board of Commissioners and the Board of Directors after obtaining the Approval Letter from the Financial Services Authority related to the resolution of the AGMS, and further notify the competent authorities, and perform all and any necessary action in respect of such decisions in accordance with applicable laws and regulations.</p> <p>VII Confirming the granting of power in item VI of this decision shall come into force the moment the proposal submitted to this event is approved by this AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation:</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,217,977,812 (97.395%)</td> <td>318,310,050 (1.533%)</td> <td>222,567,100 (1.072%)</td> </tr> </tbody> </table>	Result of the vote calculation:			Agree	Disagree	Abstain	20,217,977,812 (97.395%)	318,310,050 (1.533%)	222,567,100 (1.072%)	
Result of the vote calculation:												
Agree	Disagree	Abstain										
20,217,977,812 (97.395%)	318,310,050 (1.533%)	222,567,100 (1.072%)										
4.	<b>Fourth Agenda Item</b> Determination of salary, honorarium, and allowances for fiscal year 2016 and tantiem for fiscal year 2015 to the Board of Directors and Board of Commissioners	<p>I a. Granting full power and authority to Farindo Investments (Mauritius) Limited, qualitate qua (qq) Robert Budi Hartono and Bambang Hartono, as the majority shareholder of the Company, to determine the amount of honorarium and other allowances to be paid by the Company to the members of the Board of Commissioners served during the fiscal year 2016.</p> <p>b. Granting full power and authority to the Board of Commissioners of the Company to determine the amount of salaries and other allowances to be paid by the Company to the members of the Board of Directors of the Company for the fiscal year 2016.</p> <p>In exercising the above mentioned powers and authorities:</p> <p>a. Farindo Investments (Mauritius) Limited, qualitate qua (q.q.) Mr. Robert Budi Hartono and Mr. Bambang Hartono, as the majority shareholder of the Company at this time, shall take into consideration the recommendations of the Board of Commissioners, by which the Board of Commissioners shall take into consideration the recommendations of the Remuneration and Nomination Committee.</p> <p>b. The Board of Commissioners shall take into account the recommendations of the Remuneration and Nomination Committee.</p>	Realized									

No	Agenda	2016 AGMS Decision	Realization						
	<b>Fourth Agenda Item</b>	<p>II Considering the performance of the members of the Board of Commissioners and Board of Directors of the Company who served and during the fiscal year 2015, and with regard to the Bank Indonesia Regulation No. 8/4/PBI/2006 dated January 30, 2006 on the Implementation of Good Corporate Governance for Commercial Banks following amendments juncto Article 71 paragraph 1 of Law No. 40 Year 2007 on the Limited Liability Companies, and consideration of the Board of Commissioners after taking into account the recommendation of the Remuneration and Nomination Committee, the AGMS then set a maximum of Rp270,279,803,748.00 (two hundred seventy billion two hundred seventy nine million eight hundred three thousand seven hundred forty eight Rupiah), calculated based on 1.5% of the Company's Net Profit for the fiscal year 2015, to be paid as tantiem to members of the Board of Commissioners and Board of Directors of the Company in office during the fiscal year 2015.</p> <p>In connection with the distribution of the tantiem, the AGMS hereby authorizes FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (qq) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the majority shareholder in the Company, to determine the amount of tantiem to be distributed to members of the Board of Commissioners and Board of Directors serving in and during the fiscal year 2015, and determining the distribution of tantiem among the members of the Board of Commissioners and Board of Directors of the Company who served in and during the fiscal year 2015, including anything related to the payment of the tantiem.</p> <p>III Resolving the authorization and power contained in point I and item II of this decision shall be effective as of the date of the proposal submitted to this event is approved by this AGMS.</p> <p>IV The amount of the salary or honorarium and benefits to be paid by the Company to the members of the Board of Directors and Board of Commissioners who served in and during the fiscal year 2016, as well as the amount of tantiem to be paid by the Company to members of the Board of Directors and Board of Commissioners who served in and during the fiscal year 2015, to be included in the Annual Report for fiscal year 2016.</p>							
		<b>Result of the vote calculation:</b>							
		<table border="1"> <thead> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20,489,315,203 (98.702%)</td> <td style="text-align: center;">124,380,844 (0.599%)</td> <td style="text-align: center;">145,158,915 (0.699%)</td> </tr> </tbody> </table>	Agree	Disagree	Abstain	20,489,315,203 (98.702%)	124,380,844 (0.599%)	145,158,915 (0.699%)	
Agree	Disagree	Abstain							
20,489,315,203 (98.702%)	124,380,844 (0.599%)	145,158,915 (0.699%)							

No	Agenda	2016 AGMS Decision	Realization									
5.	<b>Fifth Agenda Item</b> Appointment of Registered Public Accountant to review the Company's books for the fiscal year ended on December 31, 2016	<p>I Granting power and authority to the Board of Commissioners to appoint a Registered Public Accountant Office with an international reputation (including Registered Public Accountant who is incorporated in the Registered Public Accountant Firm) who will audit the books and records of the Company for the fiscal year ended on December 31, 2016 and the amount of honorarium and other requirements concerning the appointment of Registered Public Accountant Office with international reputation (including Registered Public Accountant who is incorporated in the Registered Public Accountant Firm) by taking into account the recommendations of the Audit Committee and the prevailing laws and regulations, such as, the Capital Market regulations.</p> <p>II Confirming the granting of power and authority shall be effective as of the date of proposal submitted in this event approved by the AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,446,878,461 (98.497%)</td> <td>269,810,116 (1.300%)</td> <td>42,166,385 (0.203%)</td> </tr> </tbody> </table>	Result of the vote calculation			Agree	Disagree	Abstain	20,446,878,461 (98.497%)	269,810,116 (1.300%)	42,166,385 (0.203%)	Realized The Board of Commissioners has appointed a Public Accountant Firm, Siddharta Widjaja & Partners, a member of KPMG international (including Registered Public Accountant, Kusumaningsih Angkawijaya incorporated in the Registered Public Accountant Firm) to audit the Company's books and records for the fiscal year 2016 .
Result of the vote calculation												
Agree	Disagree	Abstain										
20,446,878,461 (98.497%)	269,810,116 (1.300%)	42,166,385 (0.203%)										
6.	<b>Sixth Agenda Item</b> Provision of power and authority to the Board of Directors to disburse interim/provisional dividends for the fiscal year ended on December 31, 2016.	<p>I Granting power and authority the Board of Directors of the Company (with the approval of the Board of Commissioners), should the Company's financial condition allows, to establish and disburse provisional/interim dividends for the fiscal year ended on December 31, 2016, provided that it complies with Article 72 of Law No. 40 Year 2007 on the Limited Liability Company. In the case of such interim dividends to be distributed, such shares shall be made prior to the end of the fiscal year 2016 to the shareholders, including determining the form, amount and method of payment of such interim dividends, without prejudice to the approval of authorities and prevailing laws and regulations.</p> <p>II Confirming the granting of power and authority shall be effective as of the proposal submitted in this event is accepted and approved by this AGMS.</p> <table border="1"> <thead> <tr> <th colspan="3">Result of the vote calculation</th> </tr> <tr> <th>Agree</th> <th>Disagree</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td>20,672,283,374 (99.583%)</td> <td>58,081,488 (0.280%)</td> <td>28,490,100 (0.137%)</td> </tr> </tbody> </table>	Result of the vote calculation			Agree	Disagree	Abstain	20,672,283,374 (99.583%)	58,081,488 (0.280%)	28,490,100 (0.137%)	Realized The Company distributed Interim/ Temporary Dividend for the fiscal year 2016 on December 22, 2016.
Result of the vote calculation												
Agree	Disagree	Abstain										
20,672,283,374 (99.583%)	58,081,488 (0.280%)	28,490,100 (0.137%)										

#### 11. Statement Related to Unrealized AGMS Decision

In 2017, there was no decision of the 2017 AGMS that were unrealized or pending. There was also no decision of the AGMS 2016 unrealized or pending.

### MAJOR SHAREHOLDER/CONTROLLER INFORMATION

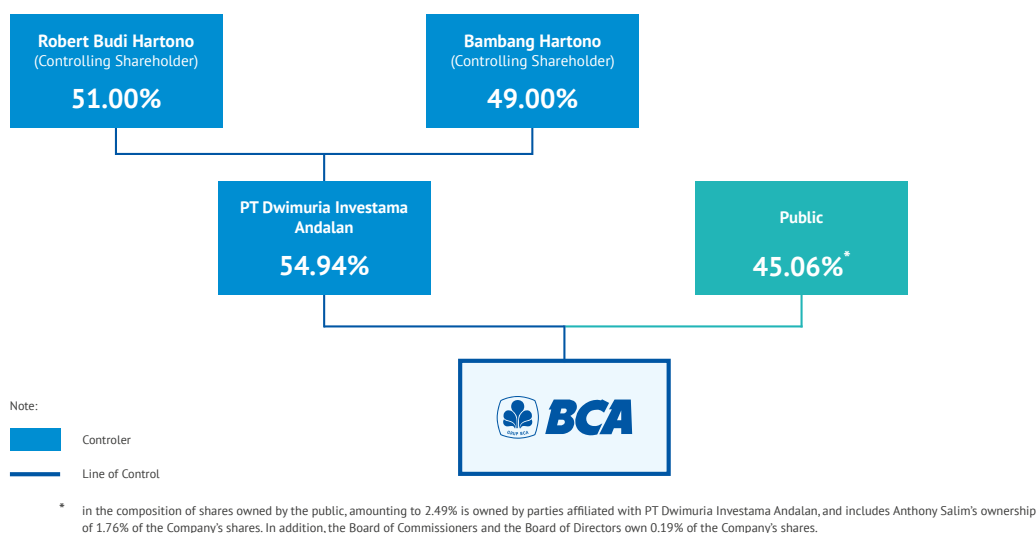
The Principal Shareholder/Controller of the Company as of November 11, 2016 is PT Dwimuria Investama Andalan. The Financial Services Authority has approved the change of the Company Controlling Shareholder through Letter No.KEP-15/D.03/2017 dated February 1, 2017 regarding PT Dwimuria Investama Andalan's Assessment and Compliance Result as the Controlling Shareholder of the Company.

In connection with the change of Controlling Shareholder, there is no change of control over the Company where the last Controlling Shareholder of the Company is still Mr. Robert Budi Hartono and Mr. Bambang Hartono.

Schematic diagram information concerning the Principal Shareholder/Controllers of the Company, whether directly or indirectly up to individual owners are as follows:

Schematic diagram information Concerning the Majority of Shareholders/Controller of the Company

as of December 31, 2017



### Board of Commissioners

Pursuant to the Law No.40 Year 2007 on the Limited Liability Companies, the Board of Commissioners is a function of the Company responsible for supervising general and/or specific business in accordance with the Articles of Association and providing advice to the Board of Directors. The Board of Commissioners is also responsible for ensuring the implementation of the principles of corporate governance in every business at all levels of the organization.

### 1. References

1. Law No. 40 Year 2007 on the Limited Liability Companies;
2. Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test;
3. Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates;
4. Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates;
5. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;

6. Financial Services Authority Regulation No. 27/POJK.03/2016 on the Assessment of Ability and Precision for the Main Parties of Financial Services Institutions;
7. Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
8. Financial Services Authority Regulation No. 11/POJK.04/2017 on the Ownership Report/Any Changes in Public Company Share Ownership;
9. Bank Indonesia Circular Letter No.13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia Circular Letter No.13/26/DPNP
10. Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates;
11. Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates;
12. Financial Services Authority Circular Letter No. 39/SEOJK.03/2016 on the Assessment of Ability and Powers for Prospective Controlling Shareholders, Candidates of Members of the Board of Directors and Candidates of Members of the Board of Commissioners of the Bank;
13. Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;

## 2. Guidelines and Code of Conduct of the Board of Commissioners

The guidelines or Charter of the Board of Commissioners are prepared based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on the Form and Contents of Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which among others states that the Issuer's or Public Company's Issuance Report contains a statement that the Board of Commissioners has a Board of Commissioners Guidelines or Charter.

The Board of Commissioners Charter provides among others:

1. Legal Basis
2. Values
3. Composition and Criteria of the Board of Commissioners

4. Independent Commissioner
5. The term of office of the Board of Commissioners
6. Appointment of the Board of Commissioners
7. Dual Position of Board of Commissioners
8. Obligations, Duties, Responsibilities and Authorities of the Board of Commissioners
9. Transparency of and Prohibitions for the Board of Commissioners
10. Orientation and Training of the Board of Commissioners
11. The Ethics and Working Time of the Board of Commissioners
12. Meetings of the Board of Commissioners
13. Reporting and Accountability
14. Remuneration

The Board of Commissioners Charter and Code of Conduct are set forth in the Corporate Governance Guidelines and can be found on the Company's website ([www.bca.co.id](http://www.bca.co.id)) section of Corporate Governance.

## 3. Duties and Responsibilities of Board of Commissioners

The Board of Commissioners has duties and responsibilities to:

- a. Supervise and be responsible for oversight of the Company's management policy, the running of the general management, and advise the Board of Directors. Supervision by the Board of Commissioners shall be conducted for the benefit of the Company in accordance with the purpose and objectives as well as the Articles of Association.
- b. Ensure the implementation of the principles of corporate governance in every business aspect of the Company organization and at all levels.
- c. Direct, monitor and evaluate the implementation of the Company's strategic policy.
- d. Ensure that the Board of Directors has followed up on audit findings and recommendations from the Internal Audit Division, External Auditor, the results of supervision by the authorities including but not limited to the Financial Services Authority, Bank Indonesia and/or Indonesia Stock Exchange.
- e. Notify the Financial Services Authority/Bank Indonesia no later than 7 (seven) working days after the violation of financial and banking regulations and/or circumstances or presupposition of circumstances that may jeopardize the Company's business continuity.

- f. Establish:
    - 1) Audit Committee
    - 2) Risk Oversight Committee
    - 3) Remuneration and Nomination Committee; and
    - 4) Integrated Governance Committee.

The Board of Commissioners shall ensure that the committees established by the Board of Commissioners perform their duties effectively and evaluate the performance of the committees that assist in the implementation of their duties and responsibilities at the end of each fiscal year.
  - g. Ensure that the committees established by the Board of Commissioners perform their duties effectively.
  - h. Allocate adequate time to carry out duties and responsibilities effectively.
  - i. Convene Board of Commissioners regular meetings in accordance with prevailing laws and regulations.
  - j. Prepare minutes of meetings of the Board of Commissioners as signed by all members of the Board of Commissioners attending the Board of Commissioners meeting.
  - k. Distribute copies Board of Commissioners minutes of meetings to all members of the Board of Commissioners and other related parties.
  - l. Convene periodic meetings with the Board of Directors at least 1 (one) meeting every 4 (four) months.
  - m. Submit reports on supervisory results performed during the preceding fiscal year to the Annual GMS and set forth in the Annual Report.
- e. Evaluate and decide on the application of the Board of Directors relating to transactions that require the approval of the Board of Commissioners in accordance with the Articles of Association.
    - 1) Lend money or provide loan facilities or other banking facilities that correspond or result in money borrowing:
      - i. To related parties as stipulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized institution concerning the Legal Lending Limit for Commercial Banks.
      - ii. Which exceeds the specified amount that from time to time shall be determined by the Board of Commissioners.
    - 2) Provide a guarantee or liability (borgtocht):
      - i. In order to guarantee payment obligations of related parties to other parties as stipulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized institution concerning the Legal Lending Limit for Commercial Banks.
      - ii. In order to guarantee the obligations of others for amounts exceeding certain amounts which from time to time will be determined by the Board of Commissioners.
    - 3) Purchase or otherwise acquire immovable property except in the course of carrying out what is stipulated in point (q) of paragraph 2 of Article 3 of the Articles of Association exceeding a certain amount which from time to time shall be determined by the Board of Commissioners, commonly done by banks as long as they are not contradictory to the prevailing laws and regulations, including among others proceedings in the framework of restructuring or credit rescue, among others, to purchase collateral, in whole or in part, by auction or otherwise, in the event that the debtor does not fulfill its obligations to the bank provided that the collateral purchased shall be disbursed as soon as possible.
    - 4) Establish a new company, undertake or dispose or reduce capital participation or increase capital participation, except:

#### 4. Authority of Board of Commissioners

The Board of Commissioners has the following authority to:

- a. Have access to buildings or other premises used or controlled by the Company.
- b. Check all the books, letters and other evidence.
- c. Request clarifications to the Board of Directors on all matters concerning the Company.
- d. Temporarily terminate one or more members of the Board of Directors should any of the member of the Board of Directors act contrary to the Articles of Association, harms the Company, neglects the obligation and/or violates the prevailing laws and regulations.

- i. Additional capital participation from the Company's share dividend, or;
  - ii. Equity participation in the framework of credit rescues; with due regard to the prevailing laws and regulations.
- 5) Borrowing money not included in point (a) paragraph 2 of Article 3 of the Articles of Association, which collects funds from the public in the form of deposits in the form of demand deposits, time deposits, certificates of deposit, savings and/or other similar forms.
  - 6) Divert or release the collateral rights of the Company, which have been written-off, either partially or in full, of which the amount shall be determined from time to time by the Board of Commissioners.
  - 7) Sell or transfer or dispose of rights or pledge, the Company's assets above a certain value to be determined from time to time by the Board of Commissioners but less than or equal to ½ (one half) of the total net worth of the Company stated in the balance sheet of the Company, either in 1 (one) transaction or in several independent transactions or related to each other within 1 (one) fiscal year.
  - 8) Conducting legal or transactional actions that are of a strategic nature and can have a significant impact on the business continuity of the Company, which type of legal action or such transaction from time to time shall be determined by the Board of Commissioners.

In performing its duties, responsibilities, and authorities, the Board of Commissioners observes the provisions of the Articles of Association, the Charter and Code of Conduct of the Board of Commissioners, as well as the prevailing laws and regulations.

## 5. Number, Composition and Criteria of Members of the Board of Commissioners

### Amount and Composition

Financial Services Authority Regulation No. 55/POJK.03/2016 on Application of Governance for Commercial Banks states that Banks are required to:

- a. has at least 3 (three) persons and is at most equal to the number of members of the board of directors (Article 23);

- b. has at least 1 (one) member of the board of commissioners domiciled in Indonesia;
- c. has independent commissioners of at least 50% of the total members of the board of commissioners.

As of December 31, 2017, the total number of members of the Board of Commissioners of the Company is 5 (five) persons, consisting of 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of members of the Board of Commissioners does not exceed the number of members of the Board of Directors. The number of Independent Commissioners is 60% (sixty) percent of the total members of the Board of Commissioners. All members of the Board of Commissioners are domiciled in Indonesia.

The term of office of a member of the Board of Commissioners is 5 (five) years. The term of office of the member of the Board of Commissioners for the current period shall expire at the close of the AGMS of the Company in 2021, without prejudice to the power of the General Meeting of Shareholders to dismiss one or more members of the Board of Commissioners at any time before their term expires.

### Criteria

Those who may be appointed as members of the Board of Commissioners are individuals, who meet the criteria and requirements in accordance with:

- a. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, which among others states that:
  - 1) Having good character, morals, and integrity;
  - 2) Be proficient in performing legal action;
  - 3) Within 5 (five) years before appointment and during the term of office:
    - a) Not declared bankrupt;
    - b) Has not been a member of the Board of Directors and/or a member of the Board of Commissioners who is found guilty of causing a company to be declared bankrupt;
    - c) Has not been punished for committing a criminal offense that is detrimental to state finances and/or relating to the financial sector; and

- d) Has not been a member of the Board of Directors and/or any member of the Board of Commissioners who, during his term of office:
- not held an Annual GMS;
  - accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has not been accepted by the GMS or has not been granted responsibility as a member of the Board of Directors and/or members of the Board of Commissioners to the General Meeting of Shareholders; and
  - not caused a company obtaining permit, approval or registration from the Financial Services Authority to fail to comply with the obligation to submit annual reports and/or financial statements to the Financial Services Authority.
- 4) Has the commitment to comply with laws and regulations;
- 5) Has knowledge and/or expertise in the field required by the company.
- b. Bank Indonesia Regulation No. 12/23/PBI/2010 concerning the Fit and Proper Test, which among others states that:
- 1) The requirements of integrity include:
    - a) Has good morals and character, among others, indicated by attitudes to comply with applicable provisions, including not been convicted for certain crimes within the last 20 (twenty) years before being nominated;
    - b) Has the commitment to comply with applicable laws and regulations;
    - c) Has the commitment towards the development of healthy bank operation;
    - d) Never been on the Disqualified List (DTL);
    - e) has a commitment not to commit and/or repeat the acts and/or acts as referred to in Article 27 and Article 28, for candidates for members of the board of commissioners who have had no predicate in the fit and proper test and have served the sanction as intended in Article 35 paragraph (1), Article 40 paragraph (4) a and Article 40 paragraph (5) of the aforementioned Bank Indonesia Regulation;
  - 2) Competence requirements include:
    - a) Having adequate knowledge in banking and relevant to the position; and/or
    - b) Having experience and expertise in banking and/or finance
  - 3) Financial reputation requirements include:
    - a) not having bad credit; and/or
    - b) have not been declared bankrupt or on a Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated
- c. Under Article 27 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks, each Commissioner must meet the requirements of the fit and proper test according to the Financial Services Authority Regulation No.27/POJK.03/2016 on the Assessment of Ability and Precision for the Main Parties of the Financial Services Institution, which among others states that:
- 1) Requirements of integrity, including:
    - a) able to perform legal action;
    - b) having good morals and character, at least indicated by attitudes to comply with applicable provisions, including not having been convicted for committing a crime within a certain period of time before being nominated;
    - c) has the commitment to comply with laws and regulations and uphold Financial Services Authority policies;
    - d) has the commitment towards the development of a healthy Financial Services Authority; and
    - e) not included as individual prohibited becoming a Principal Party.



- 2) Financial reputation requirements, at minimum demonstrated by:
- not having any bad credit and/or non-performing loan; and
  - has not been declared bankrupt and/or has not been a shareholder, controller of an insurance company who is not a shareholder, member of a board of directors or a board of commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.

In accordance with Bank Indonesia Regulation No.12/23/PBI/2010 concerning Fit and Proper Test and Bank Indonesia Circular Letter No.13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia Circular Letter No.13/26/DPNP dated November 30, 2011, essentially stating that the candidates for the Board of Commissioners and candidates for the Board of Directors shall obtain approval from Bank Indonesia (now from the Financial Services Authority) before performing their duties and functions in their positions. All members of the Board of Commissioners of the Company have met the requirements of the Financial Services Authority Regulation and Bank Indonesia Regulation above and have passed the fit and proper test of Bank Indonesia (now of the Financial Services Authority), such as:

#### The Board of Commissioners who Passed Fit and Proper Test

Name	Position	Approval Letter Number
D.E. Setijoso	President Commissioner	13/99/GBI/DPIP/Rahasia Dated August 25, 2011
Cyrillus Harinowo	Independent Commissioner	5/4/DpG/DPIP/Rahasia Dated September 4, 2003
Raden Pardede	Independent Commissioner	8/84/DPB3/TPB3-2 Dated August 6, 2006
Tonny Kusnadi	Commissioner	5/4/DpG/DPIP/Rahasia Dated September 4, 2003
Sumantri Slamet	Independent Commissioner	SR-117/D.03/2016 Dated July 11, 2016

#### 6. Composition of Board of Commissioners as of December 31, 2017

The composition of the Board of Commissioners in 2017 is published in the Deed of PT Bank Central Asia Tbk. No.216 dated August 26, 2016, made before Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

#### The composition of the Board of Commissioners as of December 31, 2017 is as follows:

Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrillus Harinowo
Independent Commissioner	Dr. Ir. Raden Pardede
Independent Commissioner	Sumantri Slamet

Based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on the Form and Content of Annual Report of the Issuer or Public Company, the attachment of the last membership of Board of Commissioners.

Based on the Annual General Meeting of Shareholders of 2017, there is no Change of Composition of Members of Board of Commissioners from 2016.

The The composition of the Board of Commissioners of the Company 2016 as follows:

## The composition of the Board of Commissioners of the Company 2016

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

### 7. Orientation Program for Members of the Board of Commissioners

The orientation program is held for new members of the Board of Commissioners, in order that they can carry out their duties and responsibilities as Commissioners as well as possible.

Corporate governance guidelines in the Company govern the policy of the Commissioner's orientation program in Part II of the Guidelines on the Implementation of Governance Principles - Chapter II on the Code of Conduct of the Board of Commissioners.

The orientation program encompasses:

- Knowledge of the Company, including the Company's vision, mission, strategy, mid-term and long-term plans, performance, governance and finances;
- Understanding of duties and responsibilities as a member of the Board of Commissioners, limits of authority, working hours, relationships with other members of Board of Commissioners, relevant internal and external rules/provisions and others

### Orientation Procedures

The new Commissioners' orientation procedures are:

- Work unit presentation to obtain clarification on various Company business aspects deemed necessary by involving the management, or
- Meetings with members of the Board of Directors and Board of Commissioners to discuss various issues in the Company or other necessary information, or
- Company branch office/ location visits together with other members of the Board of Commissioners/Management

### 8. Training Program to Boost Competence of Board of Commissioners Members

The Company's governance guidelines administer the Board of Commissioners training program in Part II of Guidelines on the Implementation Procedures of Governance Principles - Chapter II on the Code of Conduct of the Board of Commissioners.

Members of the Board of Commissioners shall participate in training programs at least 1 (one) time in a year to sustain their duties and obligations. The training programs attended by the Board of Commissioners members in 2017 are as follows:

#### The training programs attended by members of the Board of Commissioners in 2017 are as follows:

No	Commissioner	Training Program	Organizer	Location	Date
1.	Djohan Emir Setijoso	JP Morgan Investor Forum	JP Morgan	New York, USA	September 6-7, 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	October 3-4, 2017
2.	Tonny Kusnadi	Digital Strategy Innovation	Innovation Enterprise	Sydney, Australia	September 14-15, 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	October 3-4, 2017
3.	Cyrellus Harinowo	Global Emerging Market Conference with TD Securities	Global Emerging Market	Italy & Germany	September 20-28, 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	October 3-4, 2017
4.	Raden Pardede	Macro Prudential Economy	BI	Jakarta	November 2, 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	October 3-4, 2017

No	Commissioner	Training Program	Organizer	Location	Date
5.	Sumantri Slamet	JP Morgan Investor Forum	JP Morgan	New York, USA	September 6-7, 2017
		Cyber Security Strategies	The California Institute of Technology Center for Technology & Management Education	California, USA	October 17-18, 2017

**9. Nomination of Members of Board of Commissioners**  
**Legal Basis**

Nomination of Members of the Board of Commissioners shall be held in accordance with the following provisions:

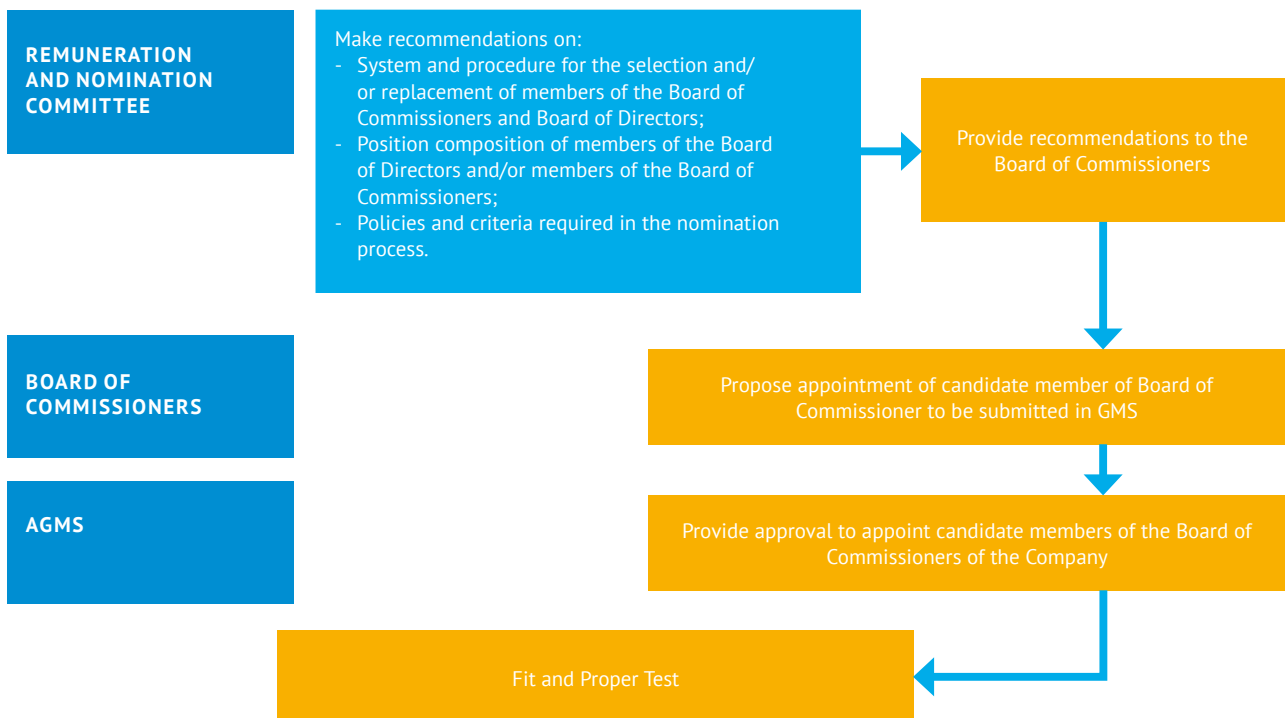
- a. Article 7 of Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that the proposal for the appointment, dismissal and/or replacement of members of the board of directors to the General Meeting of Shareholders shall take into account the recommendation of the board of commissioners or the committee performing the nomination function.
- b. Article 6 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Banks states that any proposed replacement and/or appointment

of members of the board of directors by the board of commissioners to the General Meeting of Shareholders shall take into consideration the recommendations of the remuneration and nomination committees.

**Nomination Mechanism**

The Remuneration and Nomination Committee recommends candidates for members of the Board of Commissioners to the Board of Commissioners. Furthermore, taking into account the recommendations of the Remuneration and Nomination Committee, the Board of Commissioners proposes the appointment of candidates for the Board of Commissioners to be submitted in the GMS. The GMS appoints a candidate for the Board of Commissioners to become a member of the Board of Commissioners.

**Nomination Mechanism of Members of the Board of Commissioners**



## 10. Information on Independent Commissioners and Statement of Independent Commissioners

Based on Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks states that an independent commissioner is a member of the board of commissioners who has no financial relationship, management, share ownership and/or family relationships with members of the board of directors, board of commissioners and/or controlling shareholders or relationships with the company that may affect the ability of those concerned to act independently.

### Independent Commissioner Criteria

Independent Commissioners must meet the criteria/requirements include:

- a. The Independent Commissioner is a member of the Board of Commissioners from outside the Company who is required to meet the following requirements:
  - Not a person who is employed or has the authority and responsibility to plan, lead, control or oversee the Company's activities within the last 6 (six) months, except for re-appointment as an Independent Commissioner in the following period;
  - Not having any share directly or indirectly in the Company;
  - Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors or the Main Shareholders of the Company; and
  - Has no direct or indirect business relationship related to the Company's business activities

These requirements must be met by the Independent Commissioner during his term of office. In addition, the Independent Commissioner must also meet the requirements of the candidates for the Board of Commissioners.
- b. Former members of the Board of Directors or executive officers of the Company or parties with relationships with the Company, which may affect the ability of those involved to act independently shall undergo a cooling off period of at least 1 (one) year before becoming an Independent Commissioner.
- c. Non-Independent Commissioners who shall be appointed as Independent Commissioners shall undergo a cooling off period of 6 (six) months.

- d. Independent Commissioners who have served for 2 (two) consecutive term periods may be reappointed in the next period as Independent Commissioners in the case of:
  - Meetings of the Board of Commissioners assess that the Independent Commissioner may act independently; and
  - Independent Commissioners declare in the GMS concerning their independence.

### Statement of Independent Commissioners

All Independent Commissioners have no financial relationship, management relationship, shareholder relationship and/or family relationship up to the second degree with members of the Board of Commissioners of the Board of Directors, and/or Controlling Shareholders or any relationship with the Company that may affect its ability to act independently.

At the Annual General Meeting of Shareholders of the Company of 2017, there was no appointment of Independent Commissioners. A statement of independency of an Independent Commissioner was read out at the time of appointment at the Annual GMS 2016.

The independency statement read out by Independent Commissioners at the Annual General Meeting of Shareholders is as follows:

"In connection with my nomination as Independent Commissioner of PT Bank Central Asia Tbk ("Company") and considering I have served as an Independent Commissioner of the Company for more than 2 (two) terms of tenure, in order to comply with the provisions of Article 25 paragraph 1 of the Financial Services Authority Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, hereby I certify that I:

1. am not working or having the authority and responsibility to plan, lead, control or oversee the Company's activities within the last 6 (six) months, except as Independent Commissioner of the Company;
2. do not have any shares directly or indirectly in the Company;
3. do not have any affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors or major shareholders of the Company;

4. do not have any direct or indirect business relationship related to the Company's business activities.

Thus this statement of independency I declare truthfully."

## 11. Share Ownership of Board of Commissioners amounting 5% or More than Paid-in Capital

### Legal Basis

Share ownership of members of the Board of Commissioners totaling 5% or more of the Paid-in Capital shall be disclosed with reference to the following provisions:

- a. Article 39 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that members of a Board of Commissioners are required to disclose the ownership of shares of 5% or more at the relevant bank as well as at other banks and companies domiciled in and outside the country;
- b. Article 2 of Financial Services Authority Regulation No. 11/POJK.04/2017 concerning Ownership Report or Any Changes in the Share Ownership of a Public Company stating that the member of the Board of Directors or Board of Commissioners shall report to the Financial Services Authority the ownership and any change of ownership in the company's shares either directly or indirectly

### Application

Name	Share ownership of members of the Board of Commissioners amounting to 5% or more of the paid up capital at:			
	Company	Other Bank	Non-Bank Financial Institutions	Other Companies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrellus Harinowo	-	-	-	-
Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

**Remarks:**  
√ holds shares of 5% (five percent) or more of paid up capital

## 12. Dual Position of Board of Commissioners

Dual positions of the Board of Commissioners shall be conducted in accordance with prevailing regulations.

### Legal Basis

- a. Members of the Board of Commissioners of the Company do not hold concurrent positions except for the matters specified in:
- Financial Services Authority Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies
  - Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks
  - Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks
- b. Members of a board of commissioners are prohibited from taking double positions as members of a board of directors, board of commissioners or executive officers:
- at a financial institution or financial company, whether bank or non-bank;
  - on more than 1 (one) non-financial institution or non-financial company, both domiciled within and outside the country.
- c. Excluding the dual position referred to in the above paragraph if:
- Members of the board of commissioners are members of the board of directors, members of the board of commissioners or executive officers performing supervisory functions in 1 (one) non bank company controlled by the Company.
  - Non-independent commissioners perform functional duties of shareholders of the company in the form of legal entities in the Company's business group; and/or

- Members of the board of commissioners hold positions in nonprofit organizations or institutions.

### Disclosure

The application of dual positions to the Board of Commissioners takes into account the provisions of Article 28 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, among others as follows:

- A Commissioner concurrently serves as the President Commissioner of a company other than a non-financial institution;
- 2 (two) Independent Commissioners also serve as Independent Commissioners in one company other than a non-financial institution;
- Another Independent Commissioner serves as Independent Commissioner in one company other than a non-financial institution as well as a member of the Board of Trustees of the University of Indonesia.

**Table of Company's Board of Commissioners Dual Position**

Name	Position in the Company	Position in Other Banks	Position in Company / Institution	Business Field
Djohan Emir Setijoso	President Commissioner	-	-	-
Tonny Kusnadi	Commissioner	-	President Commissioner of PT Sarana Menara Nusantara Tbk	Operator of Telkom Communication Tower
Cyriillus Harinowo	Independent Commissioner	-	Independent Commissioner of PT Unilever Indonesia Tbk	Consumer Goods
Raden Pardede	Independent Commissioner	-	Independent Commissioner of PT Adaro Energy Tbk	Coal Mining
Sumantri Slamet	Independent Commissioner	-	- Independent Commissioner of PT Multibintang Indonesia Tbk - Member of Majelis Wali Amanat Yayasan Universitas Indonesia	- Beverages Company - Education

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

### a. Performance Appraisal of Board of Commissioners

The performance appraisal of the Board of Commissioners and its implementation encompasses at least:

- Performance Assessment Implementation Procedures**

Implementation of assessment on the performance of the Board of Commissioners is conducted once every year, utilizing Self Assessment indicators.

- The criteria used in the Performance Assessment**

- Contributions and support of the Board of Commissioners demonstrates pursuant to the Company's vision and mission through the current year's work program while upholding the Company's values.
- Good Corporate Governance monitoring

- Persons conducting Performance Assessment**

The parties conducting the performance appraisal of the Board of Commissioners are the shareholders. Assessment of the performance of the Board of Commissioners is executed in the GMS. The Board of Commissioners is responsible for the performance of the Board of Commissioners during the period of 2017.

### b. Performance Assessment of Directors

Assessment of the performance of the Board of Directors and its implementation encompasses at least:

- Performance Appraisal Performance Procedures**

The Board of Directors performance assessment is conducted annually based on self-assessment reviewed by the Board of Commissioners.

- The norms employed in Performance Assessment**

The general criteria used to assess the performance of the Board of Directors are:

1. The manner in which the Board of Directors implements the Company's vision and mission through the current year's work program by upholding Company's values.
2. Implementation of Good Corporate Governance

- **Parties conducting Performance Assessment**

Parties conducting performance assessment of the Board of Directors are the Board of Commissioners and the GMS. Assessment of Board of Directors performance is performed by the Board of Commissioners with reference to the duties and responsibilities of the Board of Directors in accordance with the Articles of Association and/or the prevailing laws and regulations. The Board of Directors is responsible for the performance of the Board of Directors for the period of 2017.

**c. Performance Achievement Results**

The results of the performance of the Board of Commissioners and Board of Directors in 2017 shown by the Company's performance as follows:

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

**d. Performance Assessment of Committees under Board of Commissioners**

In 2017, the Committees under the Board of Commissioners performed their functions and responsibilities well. These committees include:

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

**1) Audit Committee**

In 2017, the Audit Committee performed its duties effectively, convened 21 (twenty-one) meetings, and carried out work programs as follows:

- a) Convened a meeting with Public Accountant Firm (KAP) Siddharta Widjaja & Partners, to discuss the final result of audit of Company's Financial Report 2016 and Management Letter.
- b) Recommend to the Board of Commissioners the change of KAP to audit the Company's Financial Statements for the fiscal year 2017.
- c) Conducted meetings with KAP Tanudiredja, Wibisana, Rintis & Partners, to discuss the plan and audit scope of the Company's Financial Statements for the fiscal year 2017.
- d) Held meeting with the Finance and Planning Division to review the Company's Financial Statements to be published quarterly.
- e) Held 8 (eight) meetings with Internal Audit Division to:
  - (1). Evaluate annual planning,
  - (2). Evaluate the implementation of internal audit every semester,
  - (3). Conduct discussions on audit results that are considered significant.
- f) Attended Internal Audit exit meeting at 3 (three) Main Branch Offices, 2 (two) work units of head office and conducted of 2 (two) Sub-Branch Office reviews as part of internal audit quality assessment and assessment of adequacy and effectiveness of internal control.
- g) Reviewed internal audit reports (more than 150 reports) and monitored the follow-ups.
- h) Assessed Company compliance with the prevailing banking regulations, regulations and laws through the compliance reports reviews on prudential provisions conveyed every semester.
- i) Reviewed the credit portfolio reports published every semester.
- j) Supervised the implementation of risk management through the Company's Risk Profile quarterly and monthly report of the Operation Risk Management Information System (ORMIS).

- k) Performed reviews on::
  - (1) Financial Services Authority inspection results and its follow-ups.
  - (2) Bank Indonesia inspection results and its follow-ups.
  - (3) Management letter from KAP Siddharta Widjaja & Partners and follow-ups.
- l) Reported routine reviews and evaluation of governance, risk management, compliance and control aspects to the Board of Commissioners every quarter.
- m) Attended GMS, Analyst Meeting, and 2018 National Work Meetings of the Company to monitor the implementation of good corporate governance.

## 2) Risk Oversight Committee

Throughout 2017, the Risk Oversight Committee convened 12 (twelve) meetings and implemented the Risk Oversight Committee work programs as follows:

- a) Monitored the performance of the Risk Management Committee tasks.
- b) Monitored the performance of the Risk Management Unit tasks.
- c) Reviewed the Company's Risk Profile, particularly related to operational risk, reputation risk, market risk and liquidity.
- d) Reviewed and stress tested Market Risk, Liquidity Risk, and Credit Risk.
- e) Formulated Risk Oversight Committee Charter adapted to the new regulations.
- f) Reviewed the Financial Services Authority Regulation No. 14/POJK.03/2017 on the Recovery Plan for Systemic Banks, particularly in relation to the authority of the Board of Commissioners and the Board of Directors.
- g) Created Risk Grading to monitor credit risk, market, liquidity & operations.
- h) Ensured Good Corporate Governance implementation is conducted appropriately and properly by attending the General Meeting of Shareholders.

## 3) Remuneration and Nomination Committee

Throughout 2017, the Remuneration and Nomination Committee convened 5 (five) meetings and carried out the Remuneration and Nomination Committee work programs as follows:

- a) Recommended to the Board of Commissioners the distribution of *tantiem* for the fiscal year 2016 to all members of the Board of Commissioners and Board of Directors holding office during the fiscal year 2016 to be submitted at the Annual General Meeting of Shareholders (AGMS) dated April 6, 2017 for approval.
- b) Recommended to the Board of Commissioners regarding the follow-up on Bank Indonesia Regulation on the Employment of Foreigners related to Controlling Shareholder Amendment of Company.
- c) Advised the Board of Commissioners to add additional member to the Board of Directors in charge of Finance for the period 2018 – 2021.
- d) Discussed the proposed policy related to postponement of *tantiem* and clawback arrangements for Board of Directors and Board of Commissioners in consideration of the the Finance Services Authority No. 45/POJK.03/2015 implementation of Corporate Governance in the Provision of Remuneration for Commercial Banks.

## 4) Integrated Governance Committee

Throughout 2017, Integrated Governance Committee held 5 (five) meetings and implemented the Integrated Governance Committee work programs as follows:

- a) Evaluated integrated governance in Company's Financial Conglomerates, through presentations and discussions of Integrated Internal Audit Result Report, Integrated Compliance Report, Integrated Risk Profile Report.
- b) Reviewed and followed-up on OJK review results.
- c) Reviewed the Integrated Governance Guidelines.



#### 14. Board of Commissioners Duties Implementation

The Board of Commissioners exercises supervisory duties to ensure that the Company's business is in the right direction, maintaining business continuity and adding value to all stakeholders. The following is a summary of the duties of the Board of Commissioners in 2017:

The Board of Commissioners assessment of the Board of Directors' performance in 2017 is based on the annual work plan submitted by the Board of Directors and approved by the Board of Commissioners. In view of the Board of Commissioners, overall the Board of Directors has performed well in the management of the Company throughout 2017 amid the moderation of the Indonesian economy.

The following are the main summaries of the Board of Commissioners recommendations and advice to the Board of Directors::

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

#### Assessment of Good Corporate Governance Implementation

The Company has full confidence that Good Corporate Governance plays a central role in maintaining stakeholders' trust and the sustainability of the Company's business. Consequently, the Board of Commissioners constantly monitors the implementation of good corporate governance principles and practices at all levels of the organization.

To ensure good corporate governance implementation, the Board of Directors of the Company periodically convenes meetings and constructs effective communication with stakeholders. With such close

relationship, the Company can better comprehend any changes in the business environment and adapt accordingly.

The Company consistently strengthens the implementation of integrated governance. To enhance the implementation effectiveness of the Integrated Governance Committee tasks, in 2017, the Company appointed the Independent Commissioner of PT BCA Sekuritas as one of the Committee's members.

To make certain that good corporate governance implementation conforms to the prevailing principles, the Company regularly performs GCG self-assessment,

whether individually or integrated with the subsidiaries. In 2017, the Company's self-assessment outcome on the implementation of good corporate governance yielded a composite rating of "[Very Good]", both individually and integrated.

## BOARD OF DIRECTORS

Based on Law No. 40 Year 2007 on Limited Liability Companies, the Board of Directors is a Company function fully responsible for the management of the Company for the interest and in accordance with the purposes and objectives of the Company, as well as representing the Company both inside and outside of court in accordance with the Articles of Association and prevailing laws and regulations.

### 1. Reference

- Law No. 40 Year 2007 on Limited Liability Companies;
- Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test;
- Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates;
- Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates;
- Financial Services Authority Regulation No. 33/POJK.04 /2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;
- Financial Services Authority Regulation No. 27/POJK.03/2016 on the Fit and Proper Test for the Main Parties of Financial Services Institutions;
- Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
- Financial Services Authority Regulation No. 11/POJK.04/2017 on Ownership Report/Any Changes in Public Company Share Ownership;
- Bank Indonesia Circular Letter No. 13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP.
- Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates;
- Financial Services Authority Circular Letter Regulation No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates;
- Financial Services Authority Circular Letter No. 39/SEOJK.03/2016 on the Fit and Proper Test for Candidates of Controlling Shareholders, Candidates of the Board of Directors and Candidates of the Board of Commissioners of Banks;
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;

### 2. Board of Directors Charter

Disclosure of guidelines or Charter of the Board of Directors is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which among other matters states that the Governance Report of an Issuer or Public Company contains a statement that the Board of Directors has Guidelines or a Charter.

Article 18 of Financial Services Authority Regulation No. 55/POJK.03 /2016 concerning the Implementation of Good Corporate Governance for Commercial Banks related to Article 35 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, and the Board of Directors Charter governs among other matters:

- a. Legal References
- b. Values
- c. Composition, Criteria, and Independence of the Board of Directors
- d. The Duty Period of the Board of Directors
- e. Dual Positions of the Board of Directors
- f. Appointment of the Board of Directors
- g. Duties, Responsibilities and Authorities of the Board of Directors
- h. Transparency Aspect and Prohibitions for the Board of Directors
- i. Orientation and Training of the Board of Directors
- j. Ethics and Working Time of the Board of Directors
- k. Board of Directors Meetings
- l. Reporting and Accountability

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

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

The duties and responsibilities of the Board of Directors are detailed in the Articles of Association and other related regulations to:

- a. Lead and manage the Company in accordance with the purposes and objectives of the Company.
- b. Master, maintain and manage the Company's assets for the benefit of the Company.
- c. Create internal control structures, ensuring the implementation of the Internal Audit function at every level of management and following-up on the Company's internal audit findings in accordance with the policies or directives provided by the Board of Commissioners.
- d. Submit the Annual Work Plan containing the Annual Budget to the Board of Commissioners for approval prior to the commencement of the forthcoming fiscal year, taking into account prevailing regulations.
- e. Implement the principles of Good Corporate Governance in every business activity at all levels and stages of the organization.
- f. Conduct meetings of the Board of Directors periodically, at least 1 (one) time each month.
- g. Record the minutes of meetings of the Board of Directors and have them signed by all members of the Board of Directors present at the Board of Directors meeting.
- h. Distribute copies of the minutes of meetings of the Board of Directors to all members of the Board of Directors and related parties.
- i. Conduct meetings of the Board of Directors with the Board of Commissioners in accordance with regulation.
- j. To hold and keep a List of Shareholders, Special List, Minutes of General Meetings of Shareholders, and Minutes of Board of Directors meetings.
- k. Prepare Annual Reports and other company documents as referred to in the prevailing laws and regulations.

- l. Follow-up audit findings and recommendations of the external auditor, the results of the supervision of the Financial Services Authority, Bank Indonesia and the results of supervision of other authorities including but not limited to the Indonesia Stock Exchange.
- m. Be responsible for implementation of its duties and responsibilities to shareholders through the General Meeting of Shareholders.

### 4. Authority of Board of Directors

The authority of the Board of Directors is based on the Articles of Association and other related regulations to:

- a. Represent the Company in and out of court on all matters and in any event, binding the Company with other parties and other parties with the Company and carrying out all actions, both regarding management and ownership, with restrictions as set forth in the Articles of Association.
- b. Arrange the handover of the powers of the Board of Directors to represent the Company within and outside the Court to a person or several members of the Board of Directors specifically appointed or to an employee or employees of the Company, either alone or with other persons or bodies.
- c. The Board of Directors shall be entitled to appoint one or more persons authorized to perform certain acts in accordance with the terms stipulated by the Board of Directors in a special power of attorney.
- d. Establish policies to lead and manage the Company.
- e. Arrange provisions on employment, including the determination of salaries, pensions or old-age benefits and other income for employees, in accordance with applicable laws and /or resolutions of the General Meeting of Shareholders.
- f. Hire and dismiss employees based on personnel regulations.
- g. Carry out other actions, either on management or on ownership, in accordance with the provisions set forth by the Board of Commissioners with due regard to the prevailing laws and regulations.

In performing its duties, responsibilities and authorities, the Board of Directors shall take actions in good faith, with full responsibility and prudence, with regard to the Articles of Association, the Board of Directors Code of Conduct and prevailing laws and regulations.

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

Disclosure on the duties and responsibilities of the Board of Directors of the Company is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company

in Chapter III on the Content of the Annual Report, stating that the Governance Report of Issuer or Public Company contains a brief description of the duties and responsibilities of each member of the Board of Directors.

The Board of Commissioners Decision Letter No. 327/SK/KOM/2017 regarding Division of Duties and Responsibilities of the Board of Directors and Organization Frameworks of PT Bank Central Asia Tbk dated December 18, 2017 is described in the table as follows.

No.	Name	Position	Duties and Responsibilities	Alternate Director I	Alternate Director II	Alternate Director III
1.	Jahja Setiaatmadja (JS)	President Director (PD)	<ul style="list-style-type: none"> <li>Audit Internal ****)</li> <li>Anti Fraud</li> <li>Corporate Social Responsibility</li> </ul>	WP1 DHC DTP	DCR DCR DCR	DJW DJW DJW
2.	Eugene K. Galbraith (EG)	Deputy President Director (WP1)**)	<ul style="list-style-type: none"> <li>Finance &amp; Planning</li> <li>Corporate Secretariat</li> <li>Information Technology 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>Strategy &amp; Development of Service Operations</li> <li>Information Technology</li> <li>Domestic Payment Services</li> <li>Electronic Banking Services</li> <li>International Banking Services</li> <li>Digital Services</li> <li>Central Capital Ventura</li> </ul>	DJW  DBI DKR DTP DBK DTP DBI	DHC  DHC DJW DJW DTP DJW DHC	DKS  DTP DKS DHC DHC DTP
4.	Subur Tan (ST)	Compliance and Risk Management Director (DCR)**)	<ul style="list-style-type: none"> <li>Compliance****)</li> <li>Law</li> <li>Risk management****)</li> </ul>	DHC DJW DJW	DKR WP1 WP1	DJW PD PD
5.	Rudy Susanto (RS)	Corporate Banking Director (DBK)**)	<ul style="list-style-type: none"> <li>Corporate Business</li> <li>Corporate Branch</li> <li>Treasury</li> <li>International Banking</li> <li>BCA Finance Ltd. (Hongkong)</li> <li>BCA Securities</li> </ul>	DKS DKS PD WP1 WP1 WP1	DBI DBI WP1 PD DTP PD	WP1 WP1 DBI DBI DKR DKR
6.	Henry Koenafi (HK)	Director of Commercial Banking & SME (DKS)**)	<ul style="list-style-type: none"> <li>Commercial &amp; SME Business</li> <li>Cash Management</li> <li>Credit Service</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)	Director of Individual Banking (DBI)**)	<ul style="list-style-type: none"> <li>Consumer Credit (KPR, KKB)</li> <li>Individual Customer Business Development</li> <li>Wealth Management</li> <li>BCA Syariah</li> <li>BCA General Insurance (BCA Insurance)</li> <li>BCA Life Insurance</li> </ul>	DKS DKS  DKS DTP DKR  DHC	DTP DTP  DTP DJW DKS  DKS	DBK WP2  WP2 WP2 DTP  DTP
8.	Erwan Yuris Ang (EY)	Director of Regional & Branch Networks (DJW)*)	<ul style="list-style-type: none"> <li>Area &amp; Branch Management</li> <li>Network Management &amp; Regional Development</li> <li>Procurement</li> </ul>	WP2 WP2  DKR	DHC DHC  DHC	DKS DKS  WP1
9.	Inawaty Handoyo (IH)	Director of Credit (DKR)	<ul style="list-style-type: none"> <li>Credit Analysis</li> <li>Credit Rescue</li> </ul>	DJW DJW	WP1 WP1	PD PD

No.	Name	Position	Duties and Responsibilities	Alternate Director I	Alternate Director II	Alternate Director III
10.	Santoso (SL)	Director of Banking Transaction (DTP)	<ul style="list-style-type: none"> <li>Business Development &amp; Marketing Banking Transactions</li> <li>Development of Banking Transaction Cooperation Solutions</li> <li>Development of Banking Product Transactions</li> <li>Business Services &amp; Business Support for Banking Transaction</li> </ul>	DKS	WP2	DBI
				DBI	WP2	DKS
				WP2	DBI	DKS
				DBI	DKS	WP2
11.	Lianawaty Suwono (LS)	Director of Human Resources (DHC)	<ul style="list-style-type: none"> <li>Human Resources</li> <li>Learning &amp; Development</li> </ul>	DCR	PD	WP1
				DCR	WP2	WP1

**Remarks:**

- The Alternate Director reports to the respective (functional) Director all actions taken/decisions made during the period of acting in place of the Director.
- Subsidiaries' Management Function is regulated as follows:
  - Perform a comprehensive monitoring and coordination function on the management of Subsidiaries.
  - Perform monitoring functions Subsidiary business growth.
  - Perform risk-monitoring function of Subsidiaries in the context of integrated risk management.
  - Monitoring the implementation of the internal audit/risk management/compliance function of Subsidiaries in order to implement integrated governance and integrated risk management.

Implementation of the above functions shall consider the principles in Limited Liability Companies, where the Subsidiary is an independent/separate legal entity. The responsibility of the Boards of Directors and/or the Boards of Commissioners of Subsidiaries is to the Subsidiary's General Meeting of Shareholders. Holding Company as the shareholder exercises its authority and function through the Subsidiary's General Meeting of Shareholders.
- <sup>\*)</sup> Director of Regional & Branch Networks is responsible as daily executor, supervisor and monitoring regional and branch management. The Head of each Regional Office is responsible to the Board of Directors.

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

### Number and Composition

Article 4 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks states that Banks are required to have at least 3 (three) members of the Board of Directors.

As of December 31, 2017, memberships of the Board of Directors comprises 11 (eleven) persons, consisting of:

- 1 (one) President Director;
- 2 (two) Vice President Directors;
- 1 (one) Compliance Director;
- 1 (one) Independent Director; and
- 6 (six) other Directors.

One member of the Board of Directors is also the Director of Compliance. The President Director is an independent party from the controlling shareholder.

The duty period of Board of Directors is 5 (five) years. The current period shall expire at the close of the Annual General Meeting of Shareholders to be held in 2021, without prejudice to the power of the General Meeting of Shareholders to dismiss one or more members of the Board of Directors at any time before their term expires.

### Criteria

Those who may be appointed as a Director is an individual who meets the criteria and requirements in accordance with:

- Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies namely to:
  - Have good ethics, morals, and integrity.
  - Be proficient in performing legal actions.
  - Within 5 (five) years before appointment and during the term of office:
    - not have been declared bankrupt.
    - not have been a member of a board of directors or board of commissioners found guilty of causing a company to be declared bankrupt.
    - not have been punished for committing a crime detrimental to state finances or relating to the financial sector; and
    - not have been a member of a board of directors or board of commissioners in which during his/her term of office:
      - did not organize an AGMS;
      - had his/her accountability as a member of the board of directors or board of commissioners not

- accepted by the GMS or he/she did not submit his/her accountability as a member of the board of directors or board of commissioners to the General Meeting of Shareholders; and
- have caused a company that obtained license, approval or registration from the Financial Services Authority to not fulfill the obligation to submit annual report and/or financial report to the Financial Services Authority.
- 4) Have a commitment to comply with laws and regulations.
  - 5) Have knowledge and/or expertise in the field required by the Company.
- b. Bank Indonesia Regulation No. 12/23/PBI/2010 regarding the Fit and Proper Test among others states that:
- 1) The requirements of integrity include to:
    - a) have good character and morals, among others shown by the attitudes to comply with applicable provisions, including not having been convicted for specific crimes within the last 20 (twenty) years prior to nomination.
    - b) have a commitment to comply with applicable laws and regulations.
    - c) be committed to the development of healthy Bank operations.
    - d) not be included on the Disqualified List (DTL).
    - e) be committed not to conduct and/or repeat offenses and/or actions as referred to in Article 27 and Article 28, for a candidate of the Board of Directors who had once been disqualified in the fit and proper test and undergone a period of sanction as referred to Article 35 paragraph (1), Article 40 paragraph (4) letter a and Article 40 paragraph (5) of the above mentioned Bank Indonesia Regulation.
  - 2) Competence requirements include having:
    - a) adequate knowledge in banking relevant to his/her position.
    - b) experience and expertise in banking and/or finance.
    - c) the ability to undertake strategic management in the framework of healthy Bank development.
  - 3) Financial reputation requirements include:
    - a) not having bad credit; and
    - b) not having been declared bankrupt or on a board of directors or board of commissioners found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated.
- c. Based on Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, each Director must meet the requirements of fit and proper test according to Financial Services Authority Regulation No. 27/POJK.03/2016 on the Assessment of Ability and Compatibility for the Main Party of the Financial Services Institution, which among other matters details:
- 1) Requirements of integrity, including to:
    - a) be capable of performing legal actions;
    - b) have good character and morals, at least indicated by attitudes to comply with regulatory requirements, including to have not been convicted a specific crime within a certain period prior to nomination;
    - c) be committed to comply with laws and regulations and support Financial Services Authority policies;
    - d) be committed to the development of a healthy Financial Service Institution; and
    - e) be not included as a party prohibited to become a Principal Party.
  - 2) Financial reputation requirements, at least proven by:
    - a) having no bad credit and/or non-performing financing; and

- b) having not been declared bankrupt and/or has not been a shareholder, insurance company controller who is not a shareholder, member of a board of directors or board of commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years prior to nomination.

In accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test and Bank Indonesia Circular Letter No.13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia

Circular Letter No. 13/26/DPNP dated November 30, 2011, which essentially states that candidates for members of board of commissioners and board of directors shall obtain approval from Bank Indonesia (now from the Financial Services Authority) before performing their duties and functions in their positions.

All members of the Board of Directors of the Company have met the requirements of the Financial Services Authority Regulations and Bank Indonesia Regulations above and have passed the fit and proper test of Bank Indonesia (now of the Financial Services Authority), namely:

#### Board of Directors who passed the fit and proper test

Name	Position	Approval Letter
Jahja Setiaatmadja	President Director	13/21/DPBB3/ TPB3-7 dated June 17, 2011
Eugene Keith Galbraith	Deputy President Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016
Suwignyo Budiman	Director	4/69/DpG/DPIP/Rahasia dated August 13, 2002
Tan Ho Hien/Subur/ Subur Tan	Director (also acting as Compliance Director)	4/69/DpG/DPIP/Rahasia dated August 13, 2002
Henry Koenaifi	Director	10/32/DPB3/TPB3-2 dated February 13, 2008
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011
Rudy Susanto	Director	SR-119/D.03/2014 dated 21 July 2014
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016
Inawaty Handoyo	Director	SR-144/D.03/2016 dated August 8, 2016

All members of the Board of Directors of the Company who have passed the Fit and Proper Test are domiciled in Indonesia as referred to in Article 4 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks.

#### 7. Composition of Members of the Board of Directors of the Company as of December 31, 2017

The composition of the Board of Directors of the Company in 2017 is published in the Deed of PT Bank Central Asia Tbk. No. 216 dated August 26, 2016, made before Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

**The members of the Board of Directors as of December 31, 2017 are as follows:**

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

During 2017 there was no change in the composition of the members of the Board of Directors.

**The composition of the Company's Board of Directors as of December 31, 2016 was:**

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

**8. Orientation Program for New Members of Board of Directors**

The orientation program is held for new Directors, so that the person concerned can perform the duties and responsibilities soundly as a member of the Board of Directors.

The corporate governance guidelines have established the Board of Directors orientation program policy in Part II of the Guidelines on the Implementation Procedures of Governance Principles - Chapter IV on the Guidelines and Code of Conduct of the Board of Directors.

The orientation program includes:

- Knowledge of the Company, including the Company's vision, mission, strategy, as well as mid-term and long-term plans, performance, governance and finances;

- Understanding of duties and responsibilities as members of the Board of Directors, limits of authority, working hours, relationships with the Board of Commissioners, relevant internal and external rules/provisions and others.

**Orientation Procedures**

The orientation procedures of new Directors may be conducted by:

- Presentation by a work unit to obtain an explanation of the various aspects deemed necessary by involving subordinates, or
- Meetings with members of the Board of Directors and Board of Commissioners to discuss various issues in the Company or other required information, or
- Visits at various locations of the Company's business activities/branches along with other members of the Board of Directors/Management.



## 9. Training Program in Order to Improve Competence for Directors

The Company's governance guidelines have established the Board of Directors training program policies in Part II of the Guidelines on the Implementation Procedures of Governance Principles - Chapter IV on the Board of Directors Code of Conduct.

Board of Directors shall participate in a training program at least 1 (one) time in a year to support the implementation of their duties and obligations. Training programs that were followed by Board of Directors in 2017 are as follows:

No	Director	Training Program	Organizer	Location	Date
1.	Jahja Setiaatmadja	CEO Forum Perbanas	Perbanas	Jakarta	26 January 2017
		IMC Meeting	IMC	London	12-13 June 2017
		G-20 Summit International	G-20 Summit International Organizing	Evian, France	27 September-1 October 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	1-2 November 2017
2.	Eugene Keith Galbraith	Nomura Indonesia All Acces	Nomura	Jakarta	17 January 2017
		Deutsche Bank Conference	Deutsche Bank	London	23-24 February 2017
		Indonesia Conference 2017	UBS	Jakarta	6 March 2017
		Indonesia Conference 2017	Citi	Jakarta	8 May 2017
		Asia Pasific CEO-CFO Conference	JP Morgan	New York, USA	6-7 September 2017
		Best of Indonesia 2017	Daiwa-Bahana	Tokyo, Japan	5-6 October 2017
		Asia Pacific Summit	Morgan Stanley	Singapore	16-17 November 2017
3.	Armand Wahyudi Hartono	International Banking Conference	CIBFM	Brunei	14-15 May 2017
		Gartner Symposium	Gartner	Barcelona, Spanyol	5-9 November 2017
4.	Subur Tan	BCA Capital Market Community Business Trip 2017	BCA Cash Management	Munich (Germany), Salzburg and Vienna (Austria)	7-16 October 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
5.	Rudy Susanto	Special Program (fast track) certification in the Field of Treasury Advance Level	ACI Financial Market Association Indonesia	Jakarta	25 February 2017
		Deutsche Bank Access Conference	Deutsche Bank	Singapore	15-16 May 2017
		Risk Management Refreshment Program: Deeper Understanding on IFRS 9 & Basel III Implementation	BARa Risk Forum	Bali	18-19 May 2017
		Bali Center for Sustainable Finance	OJK	Bali	12 July 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017

No	Director	Training Program	Organizer	Location	Date
		Indonesia Infrastructure Finance Forum	Ministry of Finance, PT Sarana Multi Infrastruktur, PT Penjaminan Infrastruktur Indonesia dan PT Indonesia Infrastructure Finance	Jakarta	25 July 2017
		Investors' Forum	CLSA	Hong Kong	11-12 September 2017
6.	Henry Koenafi	Brand Leadership: Strategy, Management Performance	Columbia Business School	New York, USA	8-10 May 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
7.	Suwignyo Budiman	Intensive Wealth Management & Risk Management Programs for Executives	MMUGM - IBI	Frankfurt (Germany) & Vienna (Austria)	19-27 August 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		Indonesia Financial Services Authority (IFSA) International Seminar	Indonesia Financial Services Authority	Bali	4-5 Mei 2017
8.	Erwan Yuris Ang	Assessment of Ability and Precision	Indonesian Banking Development Institute	Jakarta	23 February 2017
		Indonesia Knowledge Forum (IKF) 2017	BCA	Jakarta	3-4 October 2017
9.	Lianawaty Suwono	Binus Industry Partnership Program 2017	Binus University	Seoul, South Korea	24- 28 April 2017
		AGLP - Leadership in a Transformation Digital Era	SRW&Co	Cambridge, UK	11-15 September 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
10.	Santoso	AGLP - Shaping Our Future Leaders of Innovation	SRW&Co	California, USA	8-12 May 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		Gartner Symposium	Gartner	Barcelona, Spanyol	5-9 November 2017
		Asia Pacific Summit	Morgan Stanley	Singapore	16-17 November 2017
11.	Inawaty Handoyo	AGLP - Shaping Our Future Leaders of Innovation	SRW&Co	Berkeley, California	8-12 May 2017
		The 3 <sup>rd</sup> Annual Asean Meeting Summit	Mark Plus & Perbanas	Jakarta	7 September 2017
		Indonesia Knowledge Forum (IKF)	BCA	Jakarta	3-4 October 2017
		National Conference 3 <sup>rd</sup> -IIA, Internal Audit Landscape	IIA	Bandung	11 October 2017

### 10. Nomination for Members of the Board of Directors

#### Legal Basis

Nomination of Directors shall be conducted based on the following provisions:

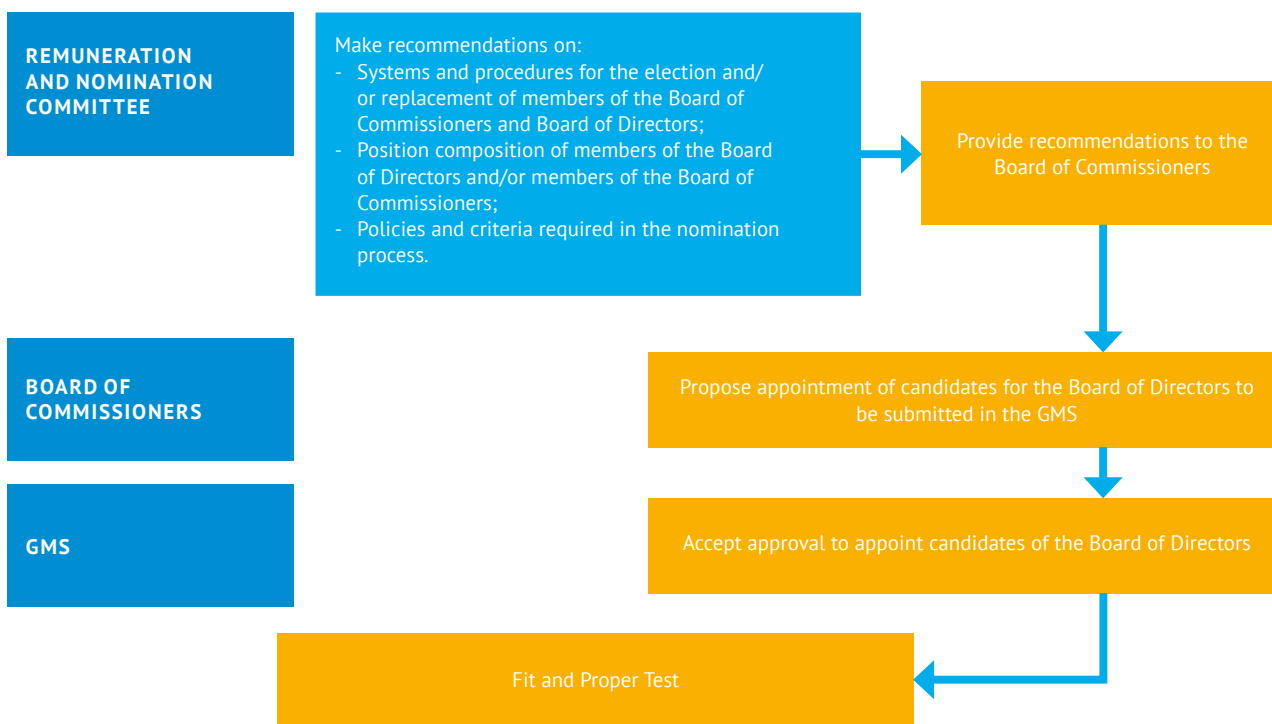
- a. Article 7 of Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that the proposal for the appointment, dismissal and/or replacement of members of the Board of Directors to the General Meeting of Shareholders shall take into account the recommendation of the Board of Commissioners or the committee performing the nomination function.
- b. Article 6 of the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial

Banks states that any proposed replacement and/or appointment of members of the Board of Directors by the Board of Commissioners to the General Meeting of Shareholders shall take into account the recommendations of the remuneration and nomination committees.

#### Nomination Mechanism

The Remuneration and Nomination Committee (RNC) recommends candidates of the Board of Directors to the Board of Commissioners. Furthermore, by considering the recommendation of the RNC, the Board of Commissioners proposes the appointment of candidates for the Board of Directors to be submitted in the GMS. The General Meeting of Shareholders appoints the candidates of the Board of Directors to become members of the Board of Directors, by taking into account the recommendations of the Board of Commissioners.

#### Nomination Mechanism for Members of the Board of Directors of the Company



### 11. Share Ownership for Directors that amounts to 5% or Above of the Paid-Up Capital

#### References

Share ownership for Directors that amounts to 5% or more of the Paid-Up Capital shall be disclosed with reference to the following provisions:

- a. Article 21 Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Application of Good Corporate Governance for Commercial Banks states that members of the Board of Directors shall disclose share ownership of 5% or more at the Bank or other banks and companies domiciled in and outside the country;

- b. Article 2 of Financial Services Authority Regulation No. 11/POJK.04/2017 concerning Report of Ownership or Any Changes in the Share Ownership of a Public Company stating that a member of the Board of Directors or Board of Commissioners shall report to the Financial Services Authority ownership and any change of ownership of the Company's shares either directly or indirectly.

#### Implementation for Reporting Policy of Ownership or Any Change of Share Ownership

In accordance with Article 3 of Financial Services Authority Regulation No. 11/POJK.04/2017 regarding Ownership Report or Any Changes in the Share Ownership of the Public Company, the Company has a policy regarding the obligations of members of

the Board of Directors and Board of Commissioners to convey ownership information and changes to the Company's shares contained in the Governance Guidelines. Socialisation of Financial Services Authority Regulation No. 11/POJK.04/2017 also referred to in Corporate Secretary Memo No. 120/MO/DCS/2017 dated 25 April 2017 to all members of the Board of Directors and Board of Commissioners.

As a manifestation of the implementation of internal and external policies concerning the share ownership report, in 2017 the Company submitted reports on changes of ownership of Directors' shares to the Company according to procedures as stipulated in Financial Services Authority Regulation No. 11/POJK.04/2017 regarding Ownership Report or Any Changes in the Share Ownership of the Public Company.

Table of Share Ownership of Directors that amounts to 5% or Above

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

## 12. Concurrent Position for Members of the Board of Directors

### Legal basis

- a. Article 7 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks states that members of the Board of Directors are prohibited from serving concurrently as members of the Board of Directors, members of the Board of Commissioners or Executive Officers at banks, companies and/or other institutions (excluding concurrent positions if the Directors is responsible to supervise participation in a subsidiary company, perform functional duties of being a member of the Board of Commissioners of non-bank subsidiaries controlled by the Bank).
- b. Article 6 Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that members of the Board of Directors may also serve as members of a Board of Directors at most 1 (one) issuer or other public company, Board of Commissioners at most 3 (three) in issuer or any other public company and/or committee member at a maximum of 5 (five) committees in the issuer or public company in which the member also serves as a member of the Board of Directors or a member of the Board of Commissioners. This concurrent position can only be done as long as it is not contrary to other laws and regulations.

## Disclosure

All members of the Board of Directors not concurrently serve as members of a board of directors, members of the board of commissioners or executive officers of banks, companies and/or other institutions with due regard to the provisions of Article 7 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks.

### Concurrent Position Table

Name	Position at the Company	Position at other bank	Position at company/other institution	Business Field
Jahja Setiaatmadja	President Director	-	-	-
Eugene Keith Galbraith	Deputy President Director	-	-	-
Armand Wahyudi Hartono	Deputy President Director	-	-	-
Suwignyo Budiman	Director	-	-	-
Henry Koenafi	Director	-	-	-
Tan Ho Hien/Subur/Subur Tan	Director (concurrently Director of Compliance)	-	-	-
Erwan Yuris Ang	Independent Director	-	-	-
Rudy Susanto	Director	-	-	-
Lianawaty Suwono	Director	-	-	-
Santoso	Director	-	-	-
Inawaty Handoyo	Director	-	-	-

### 13. Performance Assessment of Executive Committees of Board of Directors

Disclosure for the performance of the Board of Directors committees in this Annual Report is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the performance assessment of the committees that support the implementation of the Board of Directors duties.

#### Executive Committees of Board of Directors

In conducting its management duties, the Board of Directors established committees at the Board of Directors level in accordance with the Company's business requirements and regulatory requirements, which are expected to create operational effectiveness and efficiency.

Members of Executive Committees are appointed by the Board of Directors to contribute in accordance with the areas of duties and responsibilities of the Board of Directors. The Board of Directors reviewed that during 2017 the Committees under the Board of Directors performed their functions and duties well.

The following are the 7 (seven) Executive Committees under the Board of Directors and their performance during 2017:

- 1) Asset & Liability Committee (ALCO).
- 2) Risk Management Committee (KMR).
- 3) Integrated Risk Management Committee (KMRT).
- 4) Credit Policy Committee (KKP).
- 5) Credit Committee (KK).
- 6) Information Technology Steering Committee (KPTI).
- 7) Civil Service Advisory Committee (KPKK).

#### Assessment of Executive Committee Performance

Performance assessment the Director's Executive Committees in 2017 was based on the realization of Committee's work program conducted in 2017.

#### 1) Asset and Liability Management Committee

The Asset & Liability Committee (ALCO) is a permanent committee under the Board of Directors with a mission to achieve optimal levels of corporate profitability and liquidity risk, interest rate risk and foreign exchange risk through establishment of policies and strategies for the Company's asset and liability management.

#### Realization of ALCO Work Program in 2017

In performing its duties during 2017, ALCO held 12 (twelve) meetings with the agenda:

- a. Follow-up reports of previous ALCO meeting resolutions.
- b. Economic parameters covering inflation, Bank Indonesia Term Deposit rate, yield curves of Rupiah and USD, Rupiah & USD market liquidity, and Rupiah exchange rate.
- c. Reserves of liquidity consisting of Primary Reserve Rupiah and Foreign Currency and Secondary Reserve in Rupiah and Foreign Currency, Rupiah and Foreign Currency Structure, Credit Projections, Liquidity Projections and Liquidity Loss.
- d. Interest Rate Risk consisting of Reprising Gap and Sensitivity Analysis, for both Rupiah and forex.
- e. Forex Risk, concerning the development of Net Open Position (NOP) and related risks.
- f. Loan Portfolio consisting of ceiling and credit outstanding and class of debtors.
- g. Yield and Cost of Funds for Rupiah and forex.
- h. Asset Liability Management Analysis.
- i. Development of Bank funds for Total Banking.
- j. Discuss and decide changes in the interest rate of Funds and Loans, Basic Interest Rate of Credit (SBDK) and the limits related to Asset Liability Management (ALM).
- k. Reviewing the results of profit/loss simulations according to ALM strategy.

## 2) Risk Management Committee

The Risk Management Committee (RMC) was established to ensure that the risk management framework provides adequate protection against all risks to the Company.

### Realization of RMC Work Program in 2017

In performing its duties during 2017, RMC held 4 (four) meetings, with the realization of RMC's work program as follows:

- a. Inform about the adjustment of authority of the Board of Directors in determining the loan interest rate.
- b. Inform about the related credit risk stress test results.
- c. Inform about the related methods and measurement results of Interest Rate Risk in the Banking Book (IRRBB).
- d. Inform about the results of Risk Appetite review.

- e. Inform about the determination of liquidity gap limit.
- f. Inform about the condition of Company's loan portfolio as of September 2017.

## 3) Integrated Risk Management Committee

The Integrated Risk Management Committee (IRMC) was established to ensure that the risk management framework provides an adequate protection against all risks of the Company and subsidiaries in an integrated manner.

### Realization of IRMC Work Program in 2017

In performing its duties during 2017, IRMC held 3 (three) meetings, covering several topics as follows:

- a. Integrated Risk Management Information System for the Company Financial Conglomerates
- b. Risk Appetite and Risk Tolerance for the Company Financial Conglomerates
- c. Information for the Company Financial Conglomerate 2017 New Business Line Review
- d. Integrated Business Continuity Plan for the Company Financial Conglomerates
- e. Integrated Stress Test for the Company Financial Conglomerates
- f. Status updates and follow-up on Integrated Financial Services Authority input
- g. Integrated Risk Profile Report (LPRT) for the Company Financial Conglomerates Semester I Year 2017
- h. Integrated Risk Limit for the Company Financial Conglomerates

## 4) Credit Policy Committee

The Credit Policy Committee (CPC) was established for direct lending through the formulation of credit policies in order to achieve prudent lending targets.

### Realization of CPC Work Program in 2017

In performing its duties during 2017, CPC implemented a work program among other matters to recommend the actions to the Board of Directors in providing credit decisions that require Board of Commissioners approval, above Rp 1 trillion to above Rp 3 trillion/group of debtors (including to invest in securities) for counterparty non-bank or counterparty bank.

## 5) Credit Committee (CC)

The Credit Committee (CC) was established to assist the Board of Directors in evaluating and/or providing credit decisions within the limits of authority established by the Board of Directors as stipulated in the Articles of Association with due regard to business developments without abandoning prudent principles. The Credit Committee consists of Corporate Credit Committee (Corporate Credit) and Commercial Credit Committee (Commercial Credit).

### Realization of Corporate Credit & Commercial Credit Working Programs for the Year 2017

In performing its duties in 2017, the Corporate Credit and Commercial Credit working programs included Corporate Credit holding 8 (eight) meetings and Commercial Credit holding held 8 (eight) meetings.

## 6) Information Technology Steering Committee (ITSC)

The Information Technology Steering Committee (ITSC) was established to ensure the implementation of information technology (IT) system is in line with Company's strategic plan. ITSC has a mission to enhance the Company's competitive advantage through the utilization of appropriate information technology.

### Realization of ITSC Work Program in 2017

In performing its duties during 2017, ITSC conducted 4 (four) meetings and implemented work programs such as:

- a Evaluating and monitoring the implementation of strategic IT projects in harmony with strategic corporate objectives and business direction.
- b Evaluating the implementation of processes and technologies used in developing IT projects.
- c Reviewing and monitoring strategic measures to minimize IT investment risk.
- d Monitoring the use of IT budgets by 2017.
- e Reviewing and evaluating new IT strategic projects:
  - Omni-Channel, developed to maximize features and functions on Company channels.

- Utilization of API to strengthen Company's position in transactional banking.
- Development of Data Lake (Big Data) to support business and data analysis needs in the future.

### f Evaluating and monitoring IT initiatives implemented to support delivery of strategic IT projects:

- Development of micro services architecture as useful for the development of new technology.
- Procurement and development of Report Management Software for efficient report distribution process at Head Office and Branches.
- Implementation of multi-function link networks and utilization of VSAT provider distribution as a mitigation step and effort to improve ATM services.
- Development of BCA Mobile Keyboard to enable customers to conduct financial transactions.

### g Reviewing and evaluating the development of IT HR capabilities and Management Office.

### h Reviewing and evaluating the IT Risk Management process and IT Governance compliance.

## 7) Civil Service Advisory Committee

The formation of the Civil Service Advisory Committee (CSAC) was established with a mission to provide recommendations to the Board of Directors on the settlement of cases that meet the principles of justice and equity through reviewing cases of violations and/or crimes committed by employees.

### Realization of CSAC Work Program in 2017

In performing its duties during 2017, the CSAC held 12 (twelve) meetings in which the realization of the work program was to provide input in the form of information, analysis and consideration to create recommendations to the Board of Directors on several cases of violations committed by employees which required a decision by the Board of Directors for the follow-up of the settlement in the form of imposition of sanctions and/or correcting of operational systems and procedures and/or processing of cases by law.

Explanations regarding the Executive Committee of the Board of Directors are detailed in the Chapter of the Executive Committees of the Board of Directors

## MEETING OF BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND JOINT MEETINGS

Meetings of the Board of Commissioners, Board of Directors and Joint Meetings during 2017 are as follows:

### 1. Board of Commissioners Meeting

Disclosure is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of the Issuer or Public Company contains a brief description of the policy and implementation of the frequency of meetings, including joint meetings with the Board of Directors, and the attendance of members of the Board of Commissioners in the meeting.

#### References

References of Board of Commissioners meetings is as follows:

- Article 31 paragraph 1 of the Financial Services Authority Regulation No. 33/POJK.04/2014 on the the Board of Directors and the Board of Commissioners of the Issuer or Public Company states that the Board of Commissioners shall organize a meeting at least 1 (one) time every 2 (two) months.
- Article 16 paragraph 2 of the Financial Services Authority Regulation No. 33/POJK.04/2014 on the the Board of Directors and Board of Commissioners of the Issuer or Public Company states that of the Board of Directors shall organize a meeting with

the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.

- Article 37 paragraph 1 of the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Bank states that a Board of Commissioners meeting shall be held periodically at least 4 (four) times in 1 (one) year.

#### Meeting Policy

Corporate governance guidelines in the Company govern the policy of the Board of Commissioners Meetings in Part II of Guidelines regarding the Implementation Procedures of Governance Principles - Chapter II on the Code of Conduct of the Board of Commissioners, which essentially states that Board of Commissioners meetings shall be held periodically, at least 4 (four) times a year.

#### Implementation

During 2017, the Board of Commissioners held 49 (forty nine) meetings.

The Company complied with the provisions of the Financial Services Authority Regulation concerning the minimum meeting of the Board of Commissioners and joint meetings of the Board of Directors and Board of Commissioners.

Decision-making is done by consensus deliberation. In the absence of consensus deliberations, decision-making is based on the majority of votes. All decisions taken in the Board of Commissioners meetings are binding. Any dissenting opinion of the Board of Commissioners shall be clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.

### Attendance and Schedule of Board of Commissioners Meetings

Frequency of Meetings and Attendance of Commissioners during 2017 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioners	49	45	92%
Tonny Kusnadi	Commissioner	49	43	88%
Cyrellus Harinowo	Independent Commissioner	49	43	88%
Raden Pardede	Independent Commissioner	49	42	86%
Sumantri Slamet	Independent Commissioner	49	45	92%

The schedule of 2017 meetings have been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.



### Schedule and agenda of the Board of Commissioners Meetings during 2017 are as follows:

No	Month	Date	Agenda
1	January 2017	1, 11, 18, 25	<p>Related with the business continuity:</p> <ul style="list-style-type: none"> <li>• Credit facility that approve by Board of Directors and require to decision from the Board of Commissioners.</li> <li>• Discussion on the Corporate action.</li> <li>• Growth business update and the Company performance with the subsidiaries company, among others: IT strategy platform, bancassurance, transactional banking strategy, etc.</li> <li>• Work Unit presentation</li> </ul> <p>The banking industry growth and economy, among others : Indonesia economy outlook 2017, etc.</p> <p>Related to risk management, among others :</p> <ul style="list-style-type: none"> <li>• Bank liquidity condition include secondary reserve.</li> <li>• Bank Soundness Level.</li> </ul> <p>Discussion of non performing loans a credit restructuring the development of large debtors businesses.</p> <p>Reporting from the risk oversight committee every quarter.</p> <p>Related to corporate governance, internal control and compliance, among others:</p> <ul style="list-style-type: none"> <li>• Discussion of audit intern realization and the work programme on the year.</li> <li>• Audit committee report for every quarters</li> <li>• The implementation of AML and counter terrorist financing</li> <li>• The integrated governance committee's report</li> </ul> <p>Discussion related to legal action strategic transaction that required to decision from the Board of Commissioners.</p>
2	February 2017	1, 8, 16, 22	
3	March 2017	1, 8, 9, 21, 22 (2x), 29 (2x)	
4	April 2017	5, 13, 26	
5	May 2017	3, 10, 17, 24, 31	
6	June 2017	7 (2x), 9, 14 (2x)	
7	July 2017	12, 19, 26	
8	August 2017	2, 9, 23, 30, (2x)	
9	September 2017	6, 20	
10	October 2017	4, 11, 19, 25	
11	November 2017	1, 8, 15, 22	
12	December 2017	6, 13	

### Board of Commissioners Meeting Plan in 2018

The Company has scheduled meetings of the Board of Commissioners in 2018 as follows:

#### The Board of Commissioners Schedule Plan in 2018

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	10, 17, 24	May	2, 16, 23	September	5, 12, 19
February	7, 21, 28	June	6, 27	October	3, 10, 17
March	14, 21, 28	July	4, 11, 18	November	7, 14, 21
April	4, 11, 18	August	1, 8, 15	December	5, 12

The schedule may change at any time as needed. The meeting schedule in 2018 has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>

## 2. Board of Directors Meetings

Disclosure of the Board of Directors Meetings is based on Financial Services Authority Circular Letter No. 30/SEOJK.04 /2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the policy and implementation of the frequency of meetings, joint meeting of Boards of Commissioners and Directors, attendance of members of the Boards of Commissioners and Directors in the meeting.

## Reference

Reference of the implementation of Board of Directors is as follows:

- a. Article 16 paragraph 1 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of the Issuer or Public Company, which states that the Board of Directors shall hold meetings periodically at least 1 (one) time once every month.
- b. Article 16 paragraph 2 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of the Issuer or Public Company, which states that the Board of Directors shall hold a meeting of the Board of Directors together with the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.
- c. Article 20 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Banks states that any policies and strategic decisions are decided through the Board of Directors meeting with due regard to supervision in accordance with the duties and responsibilities of the Board of Commissioners.

## Meeting Policy

The governance guidelines of the Company govern the policy of the Board of Directors Meeting in Part II on the Implementation of Governance Principles Procedures - Chapter IV concerning the Code of Conduct and Guidelines of the Board of Directors, which essentially states that Board of Directors meetings are held at least 1 (one) time in each month and the Board of Directors shall hold a meeting of the Board of Directors together with the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.

## Implementation

During 2017, the Board of Directors held 43 (forty three) meetings.

The Company has complied with the provisions of Financial Services Authority Regulation concerning the Minutes of the Board of Directors and the joint meetings of the Board of Directors and Board of Commissioners.

Decision-making is done by consensus deliberation. In the absence of consensus deliberations, decision-making is based on the majority of votes. All decisions taken in the Board of Directors meetings are binding. Any dissenting opinion that occurs in a Board of Directors meeting must be clearly stated in the minutes of the meeting along with the reasons for the difference of opinion.

## Attendance and Schedule of Board of Directors Meetings

The frequency of meetings and attendance of members of the Board of Directors during 2017 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	43	35	81%
Eugene Keith Galbraith	Deputy President Director	43	40	93%
Armand Wahyudi Hartono	Deputy President Director	43	33	77%
Suwignyo Budiman	Director	43	40	93%
Henry Koenafi	Director	43	33	77%
Tan Ho Hien/Subur/Subur Tan	Director (also the Director of Compliance)	43	39	91%
Erwan Yuris Ang	Independent Director	43	35	84%
Rudy Susanto	Director	43	31	72%
Lianawaty Suwono	Director	43	40	93%
Santoso	Director	43	38	88%
Inawaty Handoyo	Director	43	37	86%

The schedule of 2017 meetings has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>

### Schedule and agenda of Board of Directors Meetings during 2017 are as follows:

No	Month	Date	Meeting Agenda, among others:
1	January 2017	10, 12, 19, 26	Discussion and Reports of Regional Offices, among others:
2	February 2017	2, 3, 9, 16, 23	<ul style="list-style-type: none"> <li>regional office discussion : economy condition, business and performance.</li> </ul>
3	March 2017	2, 3, 16, 23	<ul style="list-style-type: none"> <li>Jabodetabek regional office brainstorming</li> </ul>
4	April 2017	6, 11, 13, 20	<ul style="list-style-type: none"> <li>National regional office brainstorming</li> </ul>
5	May 2017	4, 9, 18	Discussion business strategy and banking solution, among others:
6	June 2017	8, 22	<ul style="list-style-type: none"> <li>Passport chip launching</li> </ul>
7	July 2017	6, 13, 20, 27	<ul style="list-style-type: none"> <li>ATM for disable</li> </ul>
8	August 2017	3, 16, 24, 28, 31	<ul style="list-style-type: none"> <li>status update of Operating model review</li> </ul>
9	September 2017	14	<ul style="list-style-type: none"> <li>Corporate scorecard for Key Performance Indicator alignment</li> </ul>
10	October 2017	19, 26	<ul style="list-style-type: none"> <li>Update new agreement for bancassurance</li> </ul>
11	November 2017	2, 9, 14, 28, 30	<ul style="list-style-type: none"> <li>Update UMKM and loan potential programme</li> </ul>
12	December 2017	4, 14, 20, 21	<ul style="list-style-type: none"> <li>Funding Loyalty program</li> <li>Partnership credit card cobrand BCA extension</li> <li>Strategic action plan for wealth management</li> <li>Discussion of KUR</li> <li>Security &amp; privacy protection insurance</li> <li>Branchless banking</li> <li>virtual account multi credit</li> <li>Update preparation of domestic card</li> <li>Update of company asset management</li> <li>Recovery plan of 2018</li> <li>Profitability analyst</li> </ul> <p>Discussion and report from the Finance and Planning Division among others :</p> <ul style="list-style-type: none"> <li>Bank Business Plan and the work plan and Annual budget</li> <li>The recommendation of Profitability usage and dividend allocation</li> <li>Financial and bank performance report</li> <li>Adjustability of main structure</li> </ul> <p>Business potential development, among others :</p> <ul style="list-style-type: none"> <li>The usage of three gold chances</li> <li>Seamless commerce</li> <li>Socialization of invest assessment and life cycle fund</li> <li>Core GL evaluation result</li> </ul> <p>Discussion of organizational development among others:</p> <ul style="list-style-type: none"> <li>Man power planning &amp; organizational structure</li> <li>Corporate image management, corporate uniform concept</li> <li>Review working space</li> <li>Corporate scorecard for Key Performance Indicator alignment</li> <li>Adjustment of the Board of Directors's right for consumer credit rate's decision</li> <li>Key Performance Indicator</li> </ul> <p>IT development, among others :</p> <ul style="list-style-type: none"> <li>Finhack 2017</li> <li>Software IBM license</li> </ul> <p>Discussion of corporate action, among others,</p> <ul style="list-style-type: none"> <li>Corporate action planning for subsidiaries company.</li> <li>AGMS preparation</li> <li>Ownership restructuring for subsidiaries company.</li> </ul>

No	Month	Date	Meeting Agenda, among others:
			<p>The corporate governance management, risk management, internal control and compliance, among others:</p> <ul style="list-style-type: none"> <li>• Special Discussion of BCA ATM</li> <li>• ATM Service Management strategy because of Telkom 1 satelit disturbance</li> <li>• Risk Based Approach Company</li> <li>• Regulation update</li> <li>• Quality assurance review of Internal audit function</li> </ul> <p>Discussion of Survey result, among others:</p> <ul style="list-style-type: none"> <li>• Outlook economy update 2017</li> <li>• Macro economy update 2017 + Customers Survey Result</li> <li>• Customer engagement study 2016</li> <li>• EFMA 2h2017 in house briefing</li> <li>• The report of derivative transaction in Indonesia capital market 2017</li> <li>• Analytic data</li> </ul> <p>Subsidiaries company's update, among others:</p> <ul style="list-style-type: none"> <li>• Performance semester 1 2017, CSF, BCA Sekuritas, BCA Insurance, BCA Syariah, BCA Finance, BCA Life</li> </ul>

The schedule of the 2017 meeting is published on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.

### Board of Directors Meeting Plan in 2018

The Company has scheduled Board of Directors meeting as follows:

#### Schedule of the Board of Directors Meeting in 2018

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	25	May	3, 17	September	6, 13
February	1, 8	June	7, 28	October	11, 18, 25
March	1, 8, 15	July	5, 12, 19	November	8, 22
April	5, 12, 19	August	2, 9	December	13

The schedule may change at any time as needed. The schedule of 2018 meetings has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.

### 3. Joint Meetings of the Boards of Commissioners and Directors

During 2017, the Board of Commissioners and the Board of Directors held 18 (eighteen) joint meetings.

#### Attendance of Board of Commissioners in Joint Meetings of the Boards of Commissioners and Directors during 2017

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioners	18	17	94%
Tonny Kusnadi	Commissioners	18	15	83%
Cyrellus Harinowo	Independent Commissioners	18	15	83%
Raden Pardede	Independent Commissioners	18	14	78%
Sumantri Slamet	Independent Commissioners	18	18	100%

### Attendance of the Board of Directors in the Joint Meeting of the Board of Commissioners with the Board of Directors During 2017

Meeting Schedule and attendance of the Board of Directors in the Joint Meetings of the Boards of Commissioners and Directors held during 2017 are as follows:

#### Attendance of the Board of Directors in the Joint Meeting of the Board of Commissioners with the Board of Directors During 2017

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	18	14	78%
Eugene Keith Galbraith	Deputy President Director	18	16	89%
Armand Wahyudi Hartono	Deputy President Director	18	11	61%
Suwignyo Budiman	Director	18	15	83%
Tan Ho Hien/Subur/Subur Tan	Director (concurrently the Director of Compliance)	18	16	89%
Henry Koenafi	Director	18	17	94%
Erwan Yuris Ang	Independent Director	18	13	72%
Rudy Susanto	Director	18	18	100%
Lianawaty Suwono	Director	18	16	89%
Santoso	Director	18	16	89%
Inawaty Handoyo	Director	18	14	78%

#### Meeting Schedule in the Joint Meeting of the Boards of Commissioners and Directors during 2017 are as follows:

No	Month	Date	Meeting Agenda, among others:
1	January 2017	18	Discussion , among others
2	February 2017	9, 22	• Comprehensive strategic bank, such as business model, Brainstorming Session strategic.
3	March 2017	21	• corporate action planning, such as subsidiaries company, etc.
4	April 2017	5, 13, 20	• Bank Business Plan and the work plan and Annual budget
5	May 2017	9, 31	• Proposal for profit utilization and amount interim dividend
6	June 2017	-	• Financial and Performance Statements of the Bank
7	July 2017	26	• Risk profile report
8	August 2017	2, 16	• Bank Financial Soundness evaluation and implementation of Anti money laundering and prevention of terrorism funding
9	September 2017	20, 27	• Regulation update ( Financial Services Authority Regulation No.14/POJK.03/2017)
10	October 2017	25	
11	November 2017	21, 29	
12	December 2017	13	

#### The Plan of Joint Meetings of the Boards of Commissioners and Directors for 2018

The Company has scheduled joint meetings of the Boards of Commissioners and Directors as follows:

Schedule Plan of Joint Meetings of the Boards of Commissioners and Directors 2018

Month	Date
March	7
April	25
July	25
October	24

The schedule may change at any time as needed. The schedule of the 2018 meeting has been posted on the Company's website and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan>.

## AFFILIATED RELATIONSHIPS

Affiliated relationships between Directors, Commissioners and the Principal Shareholders and/or controllers are as follows:

### 1. Affiliated Relationships of the Board of Commissioners

Article 39 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Application of Governance for Commercial Banks states that

Commissioners shall disclose financial and family relationships with other Commissioners, Directors and/or controlling shareholders of the Bank in the report on the implementation of good governance

The following table illustrates the affiliation relationship between the Board of Commissioners and other members of the Board of Commissioners, Directors and/or the controlling shareholders of the Company.

**Table of Affiliated Relationships of the Board of Commissioners**

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

### 2. Affiliated Relationship of the Board of Directors

Article 21 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states Directors shall disclose financial and family relationships with other members of the board of Directors, Commissioners and/or controlling

shareholders of the Bank in the report on the implementation of good governance.

The following table illustrates the affiliation relationship of the Board of Directors with other Directors, Commissioners and/or the controlling shareholders of the Company.

**Table of Affiliated Relationships of the Board of Directors**

Name	Position	Family Relationship with:						Financial Relationship with:					
		The Board of Commissioners		The Board of Directors		Controlling Shareholders		The Board of Commissioners		The Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jahja Setiaatmadja	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Eugene Keith Galbraith	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Suwignyo Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Henry Koenaifi	Director	-	√	-	√	-	√	-	√	-	√	-	√

Name	Position	Family Relationship with:						Financial Relationship with:					
		The Board of Commissioners		The Board of Directors		Controlling Shareholders		The Board of Commissioners		The Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Tan Ho Hien/ Subur/Subur Tan	Director (concurrently Director of Compliance)	-	√	-	√	-	√	-	√	-	√	-	√
Erwan Yuris Ang	Independent Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Direktur	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Inawaty Handoyo	Director	-	√	-	√	-	√	-	√	-	√	-	√

### 3. Statement of Independence

Section IX point 1 letter a of Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks on disclosure of Governance shall at least cover the performance of the duties and responsibilities of the Board of Directors and Board of Commissioners, which consist of:

- the number, composition, criteria, and independence of members of the Board of Directors and members of the Board of Commissioners;
- duties and responsibilities of the Board of Directors and Board of Commissioners; and
- recommendations of the Board of Commissioners.

#### Independence of Commissioners and Directors

All members of the Board of Commissioners have no financial relationship, family relationship up to the second degree with fellow Commissioners, Directors, and/or Controlling Shareholders, or relations with the Company which may affect his/her ability to act independently.

The majority of Directors have no financial relationship, management relationship, shareholder relationship and/or family relationship up to the second degree with Commissioners, other Directors and/or controlling shareholder or relationship with the Company which may affect its ability to act independently.

### DIVERSITY IN THE COMPOSITION OF THE BOARDS OF COMMISSIONERS AND DIRECTORS

The Company has diversity in the composition of the membership of the Board of Commissioners and Board of Directors. The diversity in the composition is important as this supports the organization, management, operation and execution of duties of members of the Board of Commissioners and the Board of Directors.

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

The composition diversity policy of the Board of Commissioners is set forth in the Board of Commissioners Code of Conduct and Working Guidelines in Section 3 concerning the Composition and Criteria of the Board of Commissioners. The composition of the members of the Board of Commissioners reflects the diversity of its members, whether in terms of education (field of study), work experience, age, and expertise. Each Commissioner is highly competent in supporting the improvement of the Company's performance.

**Diversity in Composition of Members of Board of Commissioners can be seen in the following table:**

No	Factor/Diversity	Description
1	Independent Commissioners	Out of 5 (five) members of the Board of Commissioners of Company, 3 (three) of them are Independent Commissioners.
2	Skill/Education	Level of education of members of the Board of Commissioners varies, starting from Bachelor, Magister, and Doctoral degree with different competences such as Economics, Technology, and Business.
3	Experience	Diversity in work experiences of members of the Board of Commissioners, such as banking professionals and national/multi-national financial institutions, consultant, lecturer, and government official.
4	Age	The age of members of the Board of Commissioners varies within the age range of 57-76 years.

Complete information of the Board of Commissioners can be viewed on the Corporate Profile page 66 – 69 of this 2017 Annual Report of the Company.

**Diversity in the Composition of Members of the Board of Directors**

The composition diversity policy of the Board of Directors has been set forth in the Board of Directors Code of Conduct and Working Guidelines in Section 3 concerning the Composition, Criteria and Independence of the Board of Directors. The composition of the membership of the Board of Directors reflects the diversity of its members, whether in terms of education (field of study), work experience, age, gender, and expertise. Each Director is highly competent to support the improvement of the Company's performance.

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

No	Factor/Diversity	Description
1	Independent Director	The Company has 1 (one) Independent Director out of 11 (eleven) members of the Board of Directors.
2	Skill/Education	The level of education of members of the Board of Directors varies, starting from Bachelor, Master, and Doctorate degrees with different competence including Economics, Accountancy, Information Technology, Legal, Technology, and Business.
3	Experience	Diversity in work experience of members of the Board of Directors, such as banking professionals as well as national/multinational financial institution, consultant, lecturer, corporate accountant, and economic planning advisor.
4	Age	The age of members of the Board of Directors varies within the age range 42-67 years old.
5	Gender	Out of 11 (eleven) members of the Board of Directors, the Company has 2 (two) female Directors and 9 (nine) male Directors.

Complete information of the Board of Director, can be viewed on the Corporate Profile page 56 – 65 of this 2017 Annual Report.

**REMUNERATION POLICY****1. Remuneration for the Board of Commissioners**

The remuneration of the Board of Commissioners has been adjusted to the prevailing regulations and based on the procedures, structures and indicators, which form the basis of the determination of remuneration.

**References of Disclosure**

Disclosure of Remuneration of the Board of Commissioners is based on:

- a. Article 40 paragraph 3 of the Financial Services Authority Regulation No. 55/POJK.03/2016

concerning the Implementation of Good Corporate Governance for Commercial Banks states that the members of a board of commissioners shall disclose the remuneration and other facilities determined by the GMS in the governance implementation report with reference to the Financial Services Authority Regulation concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks.

- b. Article 28 of the Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that banks are required to disclose remuneration



policy information in the annual report on the implementation of good governance as stipulated in the implementation of Good Corporate Governance for commercial banks.

- c. Chapter IV concerning Disclosure in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that banks are required to disclose remuneration policy information in the annual report on good governance as stipulated in the provisions regulating good governance for commercial banks.
- d. Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance

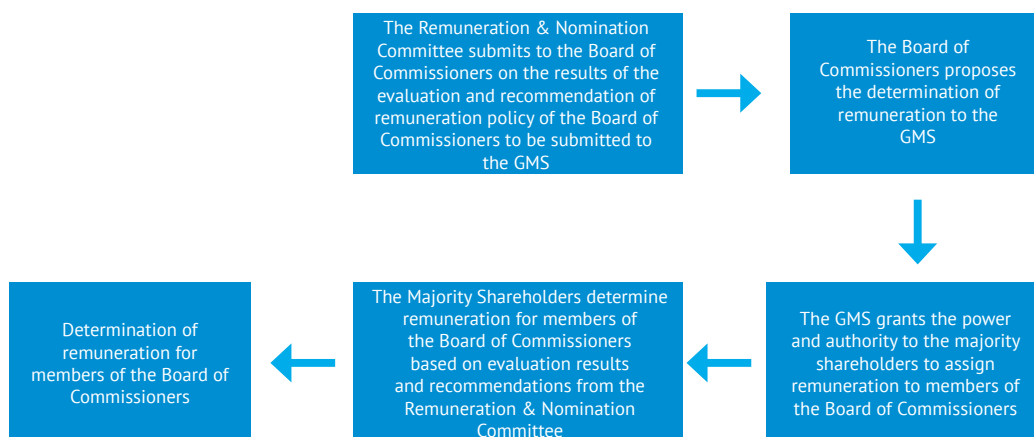
Report of Issuers or the Public Company contains a brief description of the procedures, the basis for determination, structure and amount of remuneration for each member of the board of commissioners.

**Procedure**

Based on Resolution of the AGMS held in 2017, the 2017 AGMS authorized and granted:

- a. The majority shareholder to determine the amount of honorarium and other allowances to be paid by the Company to the members of the Board of Commissioners who served during fiscal year 2017.
- b. The majority shareholder to determine tantiem distribution among members of the Board of Commissioners and Board of Directors of the company.

**Procedure for Proposal and Determination of Remuneration of the Board of Commissioners**



**Remuneration Structure of the Board of Commissioners**

Based on Chapter IV letter i related to Disclosures in the Financial Services Authority Circular Letter No.40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages and facilities received by the Board of Commissioners cover remuneration structure and details of nominal amounts, as in the table below:

Type of Remuneration and Facilities	Amount Received in 1 Year	
	Board of Commissioners	
	Persons	In million Rupiah
1. Salary, bonus, routine allowance, tantiem, and other non-natura facilities	5	97,393
2. Other facilities in the form of natura (housing, health insurance, etc.) which:		
a. Can be owned	-	-
b. Cannot be owned	-	-
<b>Total</b>		<b>97,393</b>

Based on Chapter IV letter j related to Disclosure in the Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages that are classified into income levels received by the Board of Commissioners within 1 (one) year, as shown in the table below:

Total Remuneration per Person in 1 (One) Year *)	Board of Commissioners
	Persons
Above Rp2 billion	5
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Under Rp500 million	-

Description: \*) received in cash

The amount of remuneration for each member of the Board of Commissioners in 1 (one) year is above Rp 2 billion, which was received in cash during 2017.

## 2. Remuneration for the Board of Directors

The remuneration of the Board of Directors has been adjusted to the prevailing regulations and based on the procedures, structures and indicators, which form the basis of the determination of remuneration.

### Legal Reference of Disclosure

Disclosure of Remuneration for the Board of Directors is based on:

- a. Article 22 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that members of the Board of Directors shall disclose remuneration and other facilities in the good governance report with reference to the Financial Services Authority Regulation concerning Good Corporate Governance in Remuneration for Commercial Banks.
- b. Article 28 of Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks that states that banks are required to disclose remuneration policy information in the annual report on good governance as stipulated in Good Corporate Governance for commercial banks.
- c. Chapter IV Related to Disclosures in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that Banks are required to disclose remuneration policy information in

the annual report on the implementation of good governance as stipulated in the implementation of good governance for commercial banks.

- d. Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the procedures, the basis for determination, structure and amount of remuneration, for each member of the Board of Directors, as well as the relationship between remuneration and performance of the Issuer or Public Company.

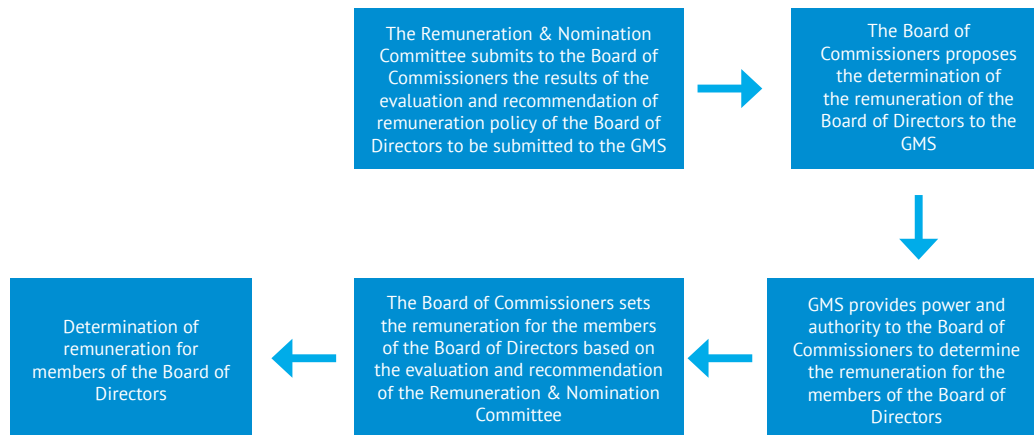
### Procedure

Based on Resolution of the Company's AGMS, which was held in 2017, the 2017 AGMS authorized and granted:

- a. The Board of Commissioners to determine the amount of salary and other allowances to members of the Board of Directors;
- b. The Majority shareholder to determine tantien distribution among members of the Board of Commissioners and Board of Directors of the Company.

In exercising such power and authority, the Board of Commissioners is concerned with the recommendations of the Remuneration and Nomination Committee.

### Procedure of Proposal and Determination of Remuneration of the Board of Directors



### Remuneration Structure of the Board of Directors

Based on Chapter IV letter i Related to the Disclosure in Financial Services Authority Circular Letter No.40/SEOJK.03/2016 concerning Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages and facilities received by the Board of Directors cover the remuneration structure and details of nominal amounts, as in the table below:

Type of Remuneration and Facilities	Amount Received in 1 (one) Year	
	The Board of Directors	
	Persons	In million Rupiah
1. Salary, bonus, routine allowance, tantiem, and other non natura facilities	11	353.807
2. Other facilities in the form of natura (housing, health insurance, etc.) which:		
a. Can be owned	-	-
b. Can not be owned	-	-
<b>Total</b>		<b>353.807</b>

Based on Chapter IV letter j Related to Disclosure in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning Good Corporate Governance in Remuneration for Commercial Banks, remuneration packages are classified into income levels received by the Board of Directors within 1 (one) year, as shown below:

Total Remuneration per Person in 1 (One) Year *)	Directors
	People
Above Rp2 billion	11
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Under Rp500 million	-

Description: \*) received in cash

The amount of remuneration for each Director in 1 (one) year is above Rp 2 billion received in cash during 2017.

### Indicators of Remuneration for the Board of Directors

Indicators as the basis for determining the remuneration of members of the Board of Directors are as follows:

- The performance of each individual member of the Board of Directors.
- Financial performance and reserve fulfillment as referred to in Law No. 40 Year 2007 on the Limited Liability Companies.
- Fairness with peer group. The equality of positions within the Company and to several similar banks in terms of assets and characteristics.
- Consideration of the Company's long term goals and strategies.

### 3. Company's Remuneration Structure 2017

No	Regulation	Detail	Disclosure								
a.	Remuneration Committee	Member name, composition, duties and responsibilities	<p>Name of members:</p> <ol style="list-style-type: none"> <li>D.E. Setijoso</li> <li>Raden Pardede</li> <li>Hendra Tanumihardja</li> </ol> <p>Composition of the remuneration committee:</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Filled by</th> </tr> </thead> <tbody> <tr> <td>Chairman (concurrently member)</td> <td>Independent Commissioner</td> </tr> <tr> <td>Member</td> <td> <ul style="list-style-type: none"> <li>Commissioner</li> <li>Executive Officers (officers directly responsible to the Board of Directors and in charge of human resources)</li> </ul> </td> </tr> <tr> <td>Secretary (concurrently member)</td> <td>A committee member appointed by the Committee for a period of time</td> </tr> </tbody> </table> <p>Duties and Responsibilities: Related to the remuneration function:</p> <ul style="list-style-type: none"> <li>Evaluate and ensure that the remuneration policy is in compliance with prevailing provisions that are based on performance, risk, fairness with peer group, long term goals and strategies of the Company,</li> <li>The fulfillment of reserves as stipulated in legislation and future revenue potential of the Company in the future.</li> <li>Assist the Board of Commissioners to conduct performance appraisals with the appropriateness of remuneration received by each member of the Board of Directors and/or the Board of Commissioners.</li> <li>Submits evaluation and recommendation results to the Board of Commissioners on: <ol style="list-style-type: none"> <li>Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders (GMS);</li> <li>The structure and amount of remuneration for Directors and Commissioners;</li> <li>Remuneration Policy for Executive Officers and employees as a whole to be submitted to the Board of Directors.</li> </ol> </li> <li>Conduct periodic evaluations of the implementation of remuneration policies.</li> </ul>	Position	Filled by	Chairman (concurrently member)	Independent Commissioner	Member	<ul style="list-style-type: none"> <li>Commissioner</li> <li>Executive Officers (officers directly responsible to the Board of Directors and in charge of human resources)</li> </ul>	Secretary (concurrently member)	A committee member appointed by the Committee for a period of time
Position	Filled by										
Chairman (concurrently member)	Independent Commissioner										
Member	<ul style="list-style-type: none"> <li>Commissioner</li> <li>Executive Officers (officers directly responsible to the Board of Directors and in charge of human resources)</li> </ul>										
Secretary (concurrently member)	A committee member appointed by the Committee for a period of time										

No	Regulation	Detail	Disclosure
			<p>Related to the nomination function:</p> <ul style="list-style-type: none"> <li>Establish and provide recommendations to the Board of Commissioners on the system and procedures for the selection and/or replacement of Commissioners and Directors to be submitted to the General Meeting of Shareholders (GMS).</li> <li>Provide recommendations to the Board of Commissioners on:               <ol style="list-style-type: none"> <li>Composition of positions of Directors and/or Commissioners</li> <li>The policies and criteria required in the nomination process,</li> <li>Performance evaluation policy for Directors and/or Commissioners.</li> </ol> </li> <li>Assisting the Board of Commissioners to evaluate the performance of Directors and/or Commissioners based on the benchmarks that have been prepared as evaluation materials.</li> <li>Provide recommendations to the Board of Commissioners regarding the capacity building program for Directors and/or Commissioners.</li> <li>Provide recommendation on candidate members of the Board of Directors and eligible members of the Board of Commissioners to be submitted to the GMS.</li> <li>Provide recommendations on Independent Parties who will be a member of the Audit Committee and Risk Oversight Committee to the Board of Commissioners.</li> </ul>
		Number of meetings conducted	During 2017, the Remuneration and Nomination Committee of the Company held 5 (five) meetings.
		Remuneration paid to Remuneration Committee members for 1 (one) year	Remuneration paid to Remuneration Committee members for 1 (one) year was Rp48,887,841,912.00.
b.	The process of formulating the Remuneration policy	A review of the background and objectives of the Remuneration policy	<p>Fixed remuneration policies at least notice the business scale, business complexity, peer group, inflation rate, financial condition and capability, as well as not contrary to statutory regulations.</p> <p>Specific variable remuneration, remuneration also concerns risk factors in the Company's business activities, namely credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk.</p>
		Review of Remuneration policy in the previous year, together with its improvements	Improvements to the remuneration policy review in accordance with the provisions of the Financial Services Authority Regulation No. 45/POJK.03/2015 on Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
		Mechanisms to ensure that the Remuneration for Personnel in the control unit is independent of the work unit under its supervision	<p>Performance appraisal in the control unit is not associated with achieving the business/performance targets of the supervised work units, this matter is ensured through 2 (two) ways:</p> <ol style="list-style-type: none"> <li>Separation of organizational structure of the control unit to be independent</li> <li>For approval of business targeting shall be subject to the approval of the direct superior and the superior of the direct superior.</li> </ol>
c.	Remuneration policy coverage and implementation per business unit, by region, and on subsidiary companies or branch offices located overseas		The Company has no overseas branch office.
d.	Remuneration is associated with risk	Key risk types used in applying Remuneration	The main risk of the Company at present is Credit Risk.
		Criteria for determining the types of major risks, including those for risk that are difficult to measure	The most significant type of transaction and business in generating profits and decisions taken for a business decision that have a major impact on the Company's business.

No	Regulation	Detail	Disclosure
		The impact of determining the types of major risks to the Variable Remuneration policy	Given the determination of the main types of risk will have an impact on KPI determination and impact on the variable.
		Changes in determining the main types of risk compared to last year and reason, if any	There was no change compared to last year.
e.	Performance measurement is associated with Remuneration	A review of the Remuneration policy associated with performance appraisal	<p>Indicators for the remuneration of Directors are as follows:</p> <ul style="list-style-type: none"> <li>- Performance of each individual Director</li> <li>- The Company's financial performance</li> <li>- Benchmark industry</li> <li>- Risks that may arise in the future resulting in loss to the Company</li> </ul> <p>Performance appraisal system of the Company is conducted as objectively as possible and oriented to the development of employees:</p> <ol style="list-style-type: none"> <li>1. Performance appraisal is directed at work performance and potential in employee where: <ul style="list-style-type: none"> <li>• Employee promotions/rewards are the result of work and the achievement of employees to the job goals/targets</li> <li>• Employee potential is those factors within the self that affect the success of carrying out duties and responsibilities (competence)</li> </ul> </li> <li>2. Performance appraisal results become a reference to determine the direction of employee development</li> </ol>
		Methods in relating individual Remuneration to Company performance, work unit performance, and individual performance	The performance of the Company will affect the determination of the amount of remuneration, especially those areas that are variable, and the individual performance is reviewed once every 1 year. The results of the individual performance appraisal will be the basis for the Company's appreciation in the form of promotion, rank review, and wage/salary increase, as well as employee benefits.
		A description of the method used by the Company to state that agreed performance cannot be achieved so that adjustment of Remuneration is required and the amount of Remuneration adjustment if the condition occurs	Performance measurements based on the performance agreed at the beginning of the year. Bonus based on individual performance appraisal where the determination has been established based on the Decision or Circular Letter. For the assessment of the achievement of a quantitative business/work objective, guidance is used such as; exceeding the target (> 110%), reaching the target (100-110%) and reaching part of the target (80-99%).
f.	Remuneration Adjustment is associated with Performance and Risk	The Variable Deferred Remuneration Policy, the magnitude, and the criteria for determining the amount	<p>For Material Risk Takers, in this case all the Board of Directors and the Board of Commissioners, 15% Tantiem are deferred and paid in pro rata in cash and stock, as follows:</p> <ol style="list-style-type: none"> <li>1. 5% in cash</li> <li>2. 10% in the form of shares to be in lockup during the with-holding period</li> </ol> <p>(Especially for Independent Commissioners, tantiems deferred are entirely in cash).</p>
		The Company policy regarding suspended variable remuneration which is delayed payment (Malus), or withdrawn in case already paid (Clawback)	Under certain conditions, the tantiem paid for Material Risk Takers (MRT) in cash or stock can be withdrawn (clawback).

No	Regulation	Detail	Disclosure																																						
g.	Remuneration Adjustment is associated with Performance and Risk	<p>The vesting policy of suspension is done, among other things, the term of payment</p> <hr/> <p>Disclosure of factors that determine the difference of Variable Remuneration that is suspended among the Employee or group of Employees</p>	<p>The with-holding period is 3 (three) years from the date the variable remuneration is announced to be paid.</p> <hr/> <p>The with-holding period is the same for all MRT</p>																																						
h.	Name of external consultant and consultant duties related to Remuneration policy		<p>Willis Tower Watson</p> <p>Scope:</p> <ul style="list-style-type: none"> <li>- Identify the gap analysis with the stipulated conditions</li> <li>- Salary survey</li> </ul>																																						
i.	Remuneration Package and facilities received by the Board of Directors and Board of Commissioners cover the Remuneration structure and details of the nominal amount		<p>Remuneration Package and facilities received by the Board of Directors and Board of Commissioners cover the remuneration structure and details of the nominal amount, as in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="3">Type of Remuneration and Facilities</th> <th colspan="4">Amount Received in 1 (one) Year</th> </tr> <tr> <th colspan="2">The Board of Directors</th> <th colspan="2">The Board of Commissioners</th> </tr> <tr> <th>Person</th> <th>In million Rupiah</th> <th>Person</th> <th>In million Rupiah</th> </tr> </thead> <tbody> <tr> <td>Salaries, Bonuses, routine allowances, tantiem, and other facilities in non-natura form</td> <td>11</td> <td>353.807</td> <td>5</td> <td>97.393</td> </tr> <tr> <td>Other facilities in the form of natura (housing, health insurance, etc.) which:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>a. Can be owned</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>b. Cannot be owned</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td></td> <td>353.807</td> <td></td> <td>97.393</td> </tr> </tbody> </table>	Type of Remuneration and Facilities	Amount Received in 1 (one) Year				The Board of Directors		The Board of Commissioners		Person	In million Rupiah	Person	In million Rupiah	Salaries, Bonuses, routine allowances, tantiem, and other facilities in non-natura form	11	353.807	5	97.393	Other facilities in the form of natura (housing, health insurance, etc.) which:					a. Can be owned	-	-	-	-	b. Cannot be owned	-	-	-	-	Total		353.807		97.393
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j.	Remuneration packages that are grouped into earning levels received by Directors and Commissioners within 1 year		<p>Remuneration Packages are grouped into income levels received by Directors and Commissioners within 1 (one) year, as in the table below:</p> <table border="1"> <thead> <tr> <th>Total Remuneration per Person in 1 (One) Year *)</th> <th>Number of Directors</th> <th>Number of Commissioners</th> </tr> </thead> <tbody> <tr> <td>Above Rp2 billion</td> <td>11 people</td> <td>5 people</td> </tr> <tr> <td>Above Rp1 billion up to Rp2 billion</td> <td>-</td> <td>-</td> </tr> <tr> <td>Above Rp500 million up to Rp1 billion</td> <td>-</td> <td>-</td> </tr> <tr> <td>Under Rp500 million</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Description: *) received in cash</p>	Total Remuneration per Person in 1 (One) Year *)	Number of Directors	Number of Commissioners	Above Rp2 billion	11 people	5 people	Above Rp1 billion up to Rp2 billion	-	-	Above Rp500 million up to Rp1 billion	-	-	Under Rp500 million	-	-																							
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Above Rp500 million up to Rp1 billion	-	-																																							
Under Rp500 million	-	-																																							

No	Regulation	Detail	Disclosure						
k.	Variable Remuneration	Forms of Variable Remuneration and the reasons for choosing the form	<p>The variable remuneration consists of cash and stock. Shares in the form of extra bonuses purchased by PT Bank Central Asia Tbk (BBCA) shares.</p> <p>Extra bonuses purchased by BCA by the Company are subsequently withheld (lock up) for 3 (three) years from the announcement of the distribution of bonuses.</p> <p>The additional bonuses purchased by BCA shares are intended:</p> <ul style="list-style-type: none"> <li>• In recognition of the contribution of employees throughout the year of performance</li> <li>• Growing the sense of belonging of employees is expected to have a positive impact on the increased engagement</li> <li>• Increase productivity of employees</li> <li>• The creation of alignment among employees, management and shareholders in improving Company performance</li> </ul>						
		Explanation in the case of differences in the provision of Variable Remuneration among Directors, Commissioners and Employees, including the explanation of the factors that determine the difference and the underlying considerations	<p>Differences in the provision of Variable Remuneration, namely in the budget bonus (cash and stock) are differentiated based on the level of position:</p> <ol style="list-style-type: none"> <li>1. Board of Directors and Board of Commissioners</li> <li>2. S1-S3 echelon Officer</li> <li>3. S4-S8 echelon employee</li> </ol> <p>The underlying consideration is the impact of the position on the achievement of the Company's performance, so the higher the level of office the greater the bonus budget.</p>						
l.	Number of Directors, Board of Commissioners and Personnel receiving Variable Remuneration for 1 (one) year and total nominal		<p>Number of Directors, Commissioners and Employees receiving Variable Remuneration for 1 (one) year and total nominal as in the table below</p> <table border="1"> <thead> <tr> <th colspan="2">Total Variable Remuneration for 1 (one) Year</th> </tr> <tr> <th>Persons</th> <th>In million Rupiah</th> </tr> </thead> <tbody> <tr> <td>24,117</td> <td>2,100,323</td> </tr> </tbody> </table>	Total Variable Remuneration for 1 (one) Year		Persons	In million Rupiah	24,117	2,100,323
Total Variable Remuneration for 1 (one) Year									
Persons	In million Rupiah								
24,117	2,100,323								
m.	Position and number of parties who become MRT		<ol style="list-style-type: none"> <li>1. President Director</li> <li>2. All Directors</li> <li>3. President Commissioner</li> <li>4. All Commissioners</li> </ol> <p>Total of MRT: 16 people</p>						
n.	Shares option owned by the Board of Directors, Board of Commissioners, and Executive Officers		No share options for the Board of Directors, Board of Commissioners and/or Executive Officers during 2017						



No	Regulation	Detail	Disclosure								
o.	The ratio of the highest and lowest salaries		The highest and lowest salary ratio, which includes: 1) highest and lowest salary ratio = 32.99 2) the highest and lowest salary ration of Board of Directors = 3.00 3) the highest and lowest salary ratio of the Board of Commissioners = 1.62 and 4) the highest salary ratio of Board of Directors and highest employee = 8.05								
p.	The number of recipients and the total amount of Unconditional Variable Remuneration will be granted by the Bank to prospective Directors, candidates for Board of Commissioners and/or prospective Employees during the first 1 (one) year of work		There was no correlation in the Company/no sign-on bonus.								
q.	Number of employees affected by termination of employment and total nominal severance paid		Number of employees affected by termination of employment and total nominal severance paid as shown in the table below: <table border="1" data-bbox="788 1012 1458 1218"> <thead> <tr> <th>Nominal Amount of Severance paid per Person in 1 (One) Year</th> <th>Number of Employees</th> </tr> </thead> <tbody> <tr> <td>Above Rp1 billion</td> <td>74 people</td> </tr> <tr> <td>Above Rp500 million up to Rp1 billion</td> <td>231 people</td> </tr> <tr> <td>Below Rp500 million</td> <td>518 people</td> </tr> </tbody> </table>	Nominal Amount of Severance paid per Person in 1 (One) Year	Number of Employees	Above Rp1 billion	74 people	Above Rp500 million up to Rp1 billion	231 people	Below Rp500 million	518 people
Nominal Amount of Severance paid per Person in 1 (One) Year	Number of Employees										
Above Rp1 billion	74 people										
Above Rp500 million up to Rp1 billion	231 people										
Below Rp500 million	518 people										
r.	Total deferred Variable Remuneration, consisting of cash and/or shares or stock-based instruments issued by Bank		Total deferred Variable Remuneration, which consists of cash and/or shares or stock-based instruments issued by the Company, has not been implemented for payment of 2017								
s.	Total Deferred Variable Remuneration paid for 1 (one) year		Total Deferred Variable Remuneration paid for 1 (one) year has not been implemented for payment of 2017								

No	Regulation	Detail	Disclosure																		
t.	Details of Remuneration amount given in 1 (one) year	<ol style="list-style-type: none"> <li>Fixed Remuneration or Variable Remuneration;</li> <li>Deferred and non-suspended remuneration; and</li> <li>Form of Remuneration granted in cash and / or shares or stock-based instruments issued by Bank</li> </ol>	<p>The details of remuneration given in 1 (one) year include:</p> <table border="1"> <thead> <tr> <th colspan="2">A. Fixed Remuneration *)</th> </tr> </thead> <tbody> <tr> <td>1. Cash</td> <td>155.614</td> </tr> <tr> <td>2. Shares/stock-based instruments issued by the Bank</td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">B. Variable Remuneration *)</th> </tr> <tr> <th></th> <th>Not With-held</th> <th>With-held</th> </tr> </thead> <tbody> <tr> <td>1. Cash</td> <td>263.629</td> <td>Rp 0</td> </tr> <tr> <td>2. Shares/stock-based instruments issued by the Bank **)</td> <td>26.985</td> <td>Rp 0</td> </tr> </tbody> </table> <p>Description:            *) Only for MRT is disclosed in millions of Rupiah            **) Shares locked up for 3 years</p>	A. Fixed Remuneration *)		1. Cash	155.614	2. Shares/stock-based instruments issued by the Bank		B. Variable Remuneration *)				Not With-held	With-held	1. Cash	263.629	Rp 0	2. Shares/stock-based instruments issued by the Bank **)	26.985	Rp 0
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u.	Quantitative information	<ol style="list-style-type: none"> <li>Remaining total Remuneration still pending, whether exposed to implicit or explicit adjustments;</li> <li>Remuneration deductions total caused due to explicit adjustment during the reporting period; and</li> <li>Remuneration deductions total caused due to implicit adjustment during the reporting period</li> </ol>	<p>Quantitative information relating to total residual Remuneration that still pending, whether exposed to implicit or explicit adjustments, total Remuneration deductions caused by explicit adjustments during the reporting period, and total Remuneration deductions caused by implicit adjustments during the reporting period are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Variable Remuneration *)</th> <th rowspan="2">Shares That Are Still With-held</th> <th colspan="3">Total Reductions during the Reporting Period</th> </tr> <tr> <th>Caused Explicit Adjustment (A)</th> <th>Caused Implicit Adjustment (B)</th> <th>Total (A)+(B)</th> </tr> </thead> <tbody> <tr> <td>1. Cash ( In Million Rupiah)</td> <td>-</td> <td>-</td> <td></td> <td>-</td> </tr> <tr> <td>2. Shares/ stock-based instruments issued by the Bank (in shares and nominal amount in million Rupiah converted from such shares)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Description: *) For Material Risk Takers only</p>	Variable Remuneration *)	Shares That Are Still With-held	Total Reductions during the Reporting Period			Caused Explicit Adjustment (A)	Caused Implicit Adjustment (B)	Total (A)+(B)	1. Cash ( In Million Rupiah)	-	-		-	2. Shares/ stock-based instruments issued by the Bank (in shares and nominal amount in million Rupiah converted from such shares)	-	-	-	-
Variable Remuneration *)	Shares That Are Still With-held	Total Reductions during the Reporting Period																			
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1. Cash ( In Million Rupiah)	-	-		-																	
2. Shares/ stock-based instruments issued by the Bank (in shares and nominal amount in million Rupiah converted from such shares)	-	-	-	-																	

## COMMITTEES UNDER BOARD OF COMMISSIONERS

Committees under the Company's Board of Commissioners are:

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

### AUDIT COMMITTEE

The Audit Committee is formed by, and answers directly to, the Board of Commissioners. The purpose of Audit Committee is to assist the Board of Commissioners to support the effectiveness of the oversight/supervision duties and functions on matters related to financial reporting, internal control systems, performance of intern and extern audit function, implementation of Good Corporate Governance (GCG) and compliance with the applicable laws and regulations.

#### A. Legal References

The formation of Audit Committee refers to:

- Financial Services Authority Regulation No. 55/POJK.04/2015 on Establishment and Guidelines of Work Implementation of Audit Committee.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.

#### B. Audit Committee Charter

In performing its duties and responsibilities to monitor internal control, the Company's Audit Committee has already been equipped with work program established in the Audit Committee Charter. The Company's Audit

Committee Charter and Code of Conduct have been adjusted to the prevailing provisions of Financial Services Authority and approved based on the Decision of Board of Commissioners No. 057/SK/KOM/2016 dated March 16, 2016 on Approval of Audit Committee Charter of PT Bank Central Asia Tbk.

The scope governed in Audit Committee Charter is as follows:

- Duties and Responsibilities.
- Authority.
- Structure and Membership Committee.
- Membership requirements.
- Term of Duty.
- Work mechanism.
- Work hours.
- Meetings.
- Reporting.
- Handling of Complaints/Reports regarding Claims about Infractions in Financial Reports.
- Code of ethics.

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

#### C. Structure and Membership of Audit Committee

The Company's Audit Committee comprises 3 (three) members as follows:

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

#### Composition of Audit Committee as of December 31, 2017

Name	Position	Period of Service
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)	2016 - 2021
Ilham Ikhsan	Member (Independent Party)	2016 - 2021
Tjen Lestari	Member (Independent Party)	2016 - 2021

The Company's Audit Committee has complied with the prevailing provisions and is appointed based on the Decision Letter of Board of Directors No. 078/SK/DIR/2016 dated June 2, 2016 and Meeting Decision of Board of Commissioners No. 23/RR/KOM/2016 dated June 1, 2016.

**D. Profile of Audit Committee Members****Cyrellus Harinowo**

Educational background, position and work experience of Audit Committee member can be seen in Corporate Profile section on page 70 of this 2017 Annual Report.

**Ilham Ikhsan**

Educational background, position and work experience of Audit Committee member can be seen in Corporate Profile section on page 70 of this 2017 Annual Report.

**Tjen Lestari**

Educational background, position and work experience of Audit Committee member can be seen in Corporate Profile section on page 71 of this 2017 Annual Report.

**E. Education or Training Activities**

During the year, members of Audit Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Ilham Ikhsan	9 <sup>th</sup> National Conference	IAIB	Surabaya	November 9-10, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017
2.	Tjen Lestari	9 <sup>th</sup> National Conference	IAIB	Surabaya	November 9-10, 2017
		Indonesia Knowledge Forum	BCA	Jakarta	October 3-4, 2017

**F. Term of Duty of Audit Committee**

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

**G. Independence and Requirements of Audit Committee Members**

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

Independency aspect the Audit Committee is described in the following table:

Independency Aspect	Cyrellus Harinowo	Ilham Ikhsan	Tjen Lestari
Having no financial relationship with the Board of Commissioners and the Board of Directors	√	√	√
Having no management relationship at the Company, subsidiaries or affiliated companies	√	√	√
Having no share ownership in the Company	√	√	√
Having no family relationship with the Board of Commissioners, Board of Directors, and/or other members of Audit Committee	√	√	√
Not serving as an officer at any political party or government official	√	√	√

Requirements for Audit Committee members are as follows:

1. Having good integrity, character and morals.
2. Possessing the skills, knowledge and experience in accordance to his/her field of duties, and having good communication skills.
3. Having the understanding of the financial statements, business of the Company – particularly in relation to Company's services or business activities, audit process, and rules and regulation in Capital Markets and other relevant laws and regulations.
4. Complying with the Company's code of ethics and Audit Committee's code of conduct established by the Company.
5. Being willing to continuously improve competence through training and education.
6. Having at least one member with educational background and expertise in accounting and/or finance.
7. Not serving as a member of Public Accountant Firm, Law Firm, Appraiser, or other parties providing assurance service, non-assurance service, appraisal service, and/or other consulting services to the Company within the past 6 (six) months.
8. Not working or having authority and responsibilities to plan, lead, control, or supervise the Company's activities within the past 6 (six) months, except for position as Independent Commissioner.
9. Not serving on a board of directors in other banks.
10. Not having either direct or indirect share ownership in the Company.
11. In the event an Audit Committee member acquires shares either directly or indirectly as a result of a legal event, the concerned member must transfer the shares to other parties within a maximum period of 6 (six) months after the shares were acquired.
12. Not being affiliated with the members of Board of Commissioners or Board of Directors, or major shareholders of the Company.
13. Not having direct or indirect business relationship with the Company's business activities.
14. For the Head of Audit Committee, only having another concurrent position as Head of Committee at 1 (one) Committee in the Company.

15. For Audit Committee members who are independent parties, holding more than one position as an independent party at other Committees in the Company, other banks, and/or other companies is allowed, as long as he/she:
  - a. Meets all the required competencies;
  - b. Meets the independence criteria;
  - c. Is able to keep Company matters confidential;
  - d. Observes the applicable code of conduct; and
  - e. Not neglecting the implementation of duties and responsibilities as a member of the Committee

#### H. Duties and Responsibilities of Audit Committee

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

- 1) Monitoring and evaluating the planning and implementation of audit activities as well as monitoring the follow-up actions of audit findings in order to assess the adequacy of internal controls including the adequacy of financial reporting process.
- 2) To conduct duties as describe in point 1) and to provide and evaluating the following in order to carry out the above-stated duties and to provide recommendations to the Board of Commissioners, Audit Committee, provide the oversight and evaluation to:
  - The implementation of tasks by the Internal Audit Division;
  - The adherence of the conduct of audit performed by Public Accountant Firm with the prevailing auditing standards;
  - The adherence of Financial Statements to the prevailing Accounting Standards;
  - Provision of independent opinion in the event of dissenting opinions between the Management and Public Accountant Firm for the service rendered.
- 3) Conducting follow up actions made by the Board of Directors on the findings of Audit Internal Division, Public Accountant Firm and supervision results of Financial Services Authority and Bank Indonesia.
- 4) Reviewing other financial information that will be issued by the Company to the public and/or authorities such as projections and other reports relating to the financial information of the Company.

- 5) Reviewing the Company's compliance with the laws and regulations in banking, capital market, and other laws and regulations pertaining to the Company's business activities.
  - 6) Providing recommendation to the Board of Commissioners concerning the appointment of Public Accountant Firm, based on the independence, scope of work, and fees.
  - 7) Reviewing and reporting to the Board of Commissioners regarding complaints in relation to the accounting process and financial reporting of the Company.
  - 8) Reviewing and providing advice to the Board of Commissioners in relation to potential conflict of interest at the Company.
  - 9) Reviewing and monitoring the implementation of effective and sustainable GCG practices.
  - 10) Performing other tasks relevant to the functions of Audit Committee at the request of the Board of Commissioners.
  - 11) Maintaining the confidentiality of documents, data and information of the Company.
- 2) To access documents, data and information regarding the Company's employees, funds, assets and other resources as required.
  - 3) To communicate directly with employees, including the Board of Directors and other parties executing internal audit and risk management functions, and Accountants regarding the duties and responsibilities of Audit Committee.
  - 4) If needed, to involve independent parties outside the members of Audit Committee whose services are required in order to assist the Committee in carrying out its duties.
  - 5) To perform other actions with authority granted by the Board of Commissioners.

#### J. Policies and Implementation of Audit Committee Meetings

Audit Committee holds 4 (four) meetings, at the very least, in a year as stipulated in Decision Letter of the Board of Commissioners No. 057/SK/KOM/2017 on Audit Committee Charter. During 2017, the Company's Audit Committee has held 21 (twenty-one) meetings.

Delivery of results of Audit Committee meeting is as follows:

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

#### I. Authority of Audit Committee

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

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

Attendance of Audit Committee's members in meetings conducted during the year is described in the following table:

Name	Total Meetings	Attendance	Percentage
Cyrellus Harinowo	21	21	100%
Ilham Ikhsan	21	20	95%
Tjen Lestari	21	21	100%

Meetings of Audit Committee during 2017 are as follows:

Date	Agenda
8 February 2017	Audit Committee Q4 2016 Report to the Board of Commissioners
10 February 2017	Audit Result of KPMG (Public Accountant Firm)
16 February 2017	Work Realization of Internal Audit Division in 2016 and 2017 Work Plan
26 February 2017	Published Financial Statement December 2016 (Audited)
29 March 2017	Audit Committee Report to the Board of Commissioners on LAKU Project Update
5 April 2017	Routine Meeting of Audit Committee with Internal Audit Division (I)
13 April 2017	Published Financial Statement Q1 2017

Date	Agenda
26 April 2017	Routine Meeting of Audit Committee with Internal Audit Division (II)
17 May 2017	Audit Committee Q1 2017 Report to the Board of Commissioners
7 June 2017	Presentation for the Appointment of Public Accountant Firm in 2017
12 July 2017	Routine Meeting of Audit Committee with Internal Audit Division (III)
26 July 2017	Published Financial Statement Q2 2017
23 August 2017	Audit Committee Q2 2017 Report to the Board of Commissioners
30 August 2017	Realization of Internal Audit Division of Semester II of 2017
11 October 2017	Routine Meeting of Audit Committee with Internal Audit Division (IV)
25 October 2017	Published Financial Statement Q3 2017
25 October 2017	Audit Plan and Audit Progress (KAP-PwC)
15 November 2017	Audit Committee Q3 2017 Report to the Board of Commissioners
22 November 2017	Routine Meeting of Audit Committee with Internal Audit Division (V)
15 December 2017	Routine Meeting of Audit Committee with Internal Audit Division (VI)
15 December 2017	PwC (Public Accountant Firm) Audit Results

#### K. Realization of Work Program and Implementation of Activities of Audit Committee in 2017

The following points described the realization of work programs as well as activities of the Audit Committee in 2017:

- 1) Conducted meetings with Siddharta Widjaja & Partners Public Accountant Firm to discuss the final audit results on the Company's Financial Statements for 2016 fiscal year along with the Management Letter.
- 2) Provided recommendations to the Board of Commissioners regarding Public Accountant Firm replacement to conduct audit activities on the Company's Financial Statements for 2017 fiscal year.
- 3) Conducted meetings with Tanudiredja, Wibisana, Rintis & Partners Public Accountant Firm to discuss the plan and scope of audit activities on the Company's Financial Statements for 2017 fiscal year.
- 4) Conducted meetings with Finance and Planning Division to review the Bank's Financial Statements to be published quarterly.
- 5) Conducted 8 (eight) meetings with the Internal Audit Division to:
  - a) Evaluate annual planning.
  - b) Evaluate internal audit implementation in every semester.
  - c) Discuss audit results deemed significant.
- 6) Attended internal audit exit meetings at 2 (two) work units at the Head Office and 3 (three) Main Branch Offices, and inspection of 2 (two) Supporting Branch Offices as part of internal audit quality assessment process as well as assessment of the internal audit adequacy and effectiveness.
- 7) Reviewed internal audit result reports (more than 150 reports) and monitor the follow-up actions.
- 8) Reviewed the Company's compliance with the applicable provisions, regulations, and laws in banking field through the review of compliance report on prudent principles reported in each semester.
- 9) Reviewed the credit portfolio report issued in each semester.
- 10) Monitored the implementation of risk management through the Company's Risk Profile quarterly report and Operation Risk Management Information System (ORMIS) monthly report.
- 11) Conducted reviews on:
  - a) Examination results by the Financial Services Authority and its follow-ups.
  - b) Examination results by Bank Indonesia and its follow-ups.
  - c) Management Letter from Siddharta Widjaja & Partners Public Accountant Firm and its follow-ups.
- 12) Reported the result of reviews and regular evaluation on the aspects of governance, risk management, compliance and control to the Board of Commissioners every quarter.
- 13) Attended GMS, Analyst Meeting, and the 2018 National Meeting of the Company to monitor GCG implementation.

## RISK OVERSIGHT COMMITTEE

Risk Oversight Committee (ROC) is established to assist the Board of Commissioners in carrying out their responsibilities to supervise risk in accordance with the prevailing regulations.

### A. References

The establishment of Risk Oversight Committee refers to the following:

- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.
- Decision Letter of Board of Commissioners of PT Bank Central Asia Tbk No. 033/SK/KOM/2007 dated February 22, 2007 on Risk Oversight Committee Structure.
- Decision Letter of Board of Directors of PT Bank Central Asia Tbk No. 108/SK/DIR/2016 dated August 11, 2016 on Appointment and Replacement of Chairman of Risk Oversight Committee.
- Decision Letter of Board of Directors of PT Bank Central Asia Tbk No. 144A/SK/DIR/2016 dated September 30, 2016 on Appointment

and Replacement of Members of Risk Oversight Committee.

### B. Risk Oversight Committee Charter

In performing their duties and responsibilities, the Risk Oversight Committee has established work guidelines stipulated in the Risk Oversight Committee Charter. The Risk Oversight Committee Charter has been approved by the Decision of Board of Commissioners No. 188/SK/KOM/2017 dated July 12, 2017 on Risk Oversight Committee Charter of PT Bank Central Asia, Tbk.

The Charter governs the Committee's duties and responsibilities, authority, membership structure, membership requirements, work mechanism, code of ethics, work hours, and meeting mechanism.

### C. Structure and Membership of Risk Oversight Committee

The Risk Oversight Committee comprises 3 (three) members as follows:

- One Independent Commissioners concurrently Chairman of Risk Oversight Committee;
- One Independent Party having expertise in risk management; and
- One Independent Party having expertise in finance.

### Composition of Risk Oversight Committee per December 31, 2017 is as follows:

Name	Position	Period of Service
Sumantri Slamet	Chairman (concurrently as Independent Commissioner)	2016 - 2021
Endang Swasthika Wibowo	Member (Independent Party)	2016 - 2021
Lianny Somyadewi D.	Member (Independent Party)	2016 - 2021

The appointment of members of Risk Oversight Committee of PT Bank Central Asia Tbk was conducted by the Board of Directors through Decision Letter No. 144A/SK/DIR/2016 dated September 30, 2017, and Meeting Decision of Board of Commissioners No. 40/RR/KOM/2016 dated September 28, 2016.

### D. Profile of Risk Oversight Committee Members

#### Sumantri Slamet

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2017 Annual Report.

#### Endang Swasthika Wibowo

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2017 Annual Report.

#### Lianny Somyadewi D.

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2017 Annual Report.

### E. Education or Training Activities

Throughout 2017, members of Risk Oversight Committee participated in the following education or training activities:



No	Name	Education/Training	Organizer	Location	Date
1.	Endang S. Wibowo	Liquidity Regulation, Parameters and Strategy	IAIB	Bali	August 9-10, 2017
		Seminar IBEX	Perbanas	Jakarta	September 19, 2017
		IKF VI	BCA	Jakarta	October 3-4, 2017
2.	Lianny Somyadewi D.	Refreshment Program: Risk Management Certification	BARa	Jakarta	March 23-24, 2017
		Seminar IBEX	Perbanas	Jakarta	September 19, 2017
		IKF VI	BCA	Jakarta	October 3-4, 2017

#### F. Term of Duty of Risk Oversight Committee

The Term of duty of the Risk Oversight Committee members shall expire upon the completion of the term of duty of the Chairman who also serves as an Independent Commissioner. Accordingly, the term of duty of Risk Oversight Committee members within this period also resembles the term of duty of the Board of Commissioners which will end upon the close of the Annual GMS of 2021.

#### G. Independency and Requirements of Risk Oversight Committee Members

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

Independency of the Risk Oversight Committee is described in the following table:

Independency Aspect	Sumantri Slamet	Endang S. Wibowo	Lianny Somyadewi D.
Having no financial relationship with the Board of Commissioners and Board of Directors	√	√	√
Having no management relationship at the Company, subsidiaries or affiliated companies	√	√	√
Having no share ownership in the Company	√	√	√
Having no family relationship with the Board of Commissioners, Board of Directors, and/or other members of Risk Oversight Committee	√	√	√
Not serving as an officer at any political party or government official	√	√	√

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

- Chairman of Risk Oversight Committee can hold only 1 (one) other concurrent positions at another committee of the Company.
- For Risk Oversight Committee members who are independent parties, holding more than one position as an independent party at other Committees in the Company, other banks, and/or other companies is allowed, as long as he/she:
  - Meets all the required competencies;
  - Meets the independence criteria;
  - Is able to keep Company matters confidential;
  - Observes the applicable code of conduct; and
- For Risk Oversight Committee members who are independent parties, they must be originate from external party of the Company and have no financial and management relationship, share ownership and/or controlling shareholders or relationship with the Company that may influence their ability to act independently.
- Former members of Board of Directors or Executive Officers of the Company or other parties having relationship with the Company that may influence the ability to act independent are not allowed to become an Independent Party to serve on the

Company's Risk Oversight Committee, if he/she has not passed the cooling off period for 6 (six) months. This provision is not applicable for former Directors or Executive Officers whose duties are to conduct oversight function.

5. Members of Risk Oversight Committee shall have good integrity, character and moral.
6. Members of Board of Directors are not allowed to become a member of Risk Oversight Committee.

#### H. Duties and responsibilities of Risk Oversight Committee

Duties and responsibilities of the Risk Oversight Committee are, among others:

1. Assisting and making recommendations to the Board of Commissioners in order to improve the effectiveness of oversight duties and responsibilities in risk management and ensuring that risk management policies are properly implemented.
2. In regard with the process to provide recommendation, the Risk Oversight Committee should:
  - a. Evaluate the consistency between risk management policies and policy implementation.
  - b. Monitor and evaluate the implementation of duties of Risk Management Committee and Risk Management Unit.

3. Preparing and/or updating work guidelines and procedures of Risk Oversight Committee.
4. Conducting other duties that are relevant with the oversight function as requested by the Board of Commissioners.

#### I. Authority of Risk Oversight Committee

In implementing its function, the Risk Oversight Committee has the following authority:

1. To receive reports from the Board of Directors and management regarding significant risk management issues so as to be able to provide recommendations to the Board of Commissioners.
2. To perform other activities in accordance with the Guidelines of Risk Oversight Committee as delegated by the Board of Commissioners.

#### J. Policies and Meeting Implementation of Risk Oversight Committee

Risk Oversight Committee meetings are held at least 4 (four) times a year as stipulated in the Risk Oversight Committee Charter. During 2017, Risk Oversight Committee held 12 (twelve) meetings. Minutes of meetings are prepared for each meeting detailing the dates of meetings, attendance of the Risk Oversight Committee members, meeting agenda, and meeting materials.

Attendance of Risk Oversight Committee's members in the meeting conducted during the year is described in the following table:

Name	Total Meetings	Attendance	Percentage
Sumantri Slamet	12	12	100%
Endang Swasthika Wibowo	12	11	92%
Lianny Somyadewi D.	12	12	100%

Agendas of Risk Oversight Committee meeting in 2017 are as follows:

Date	Agenda
January 30, 2017	Credit Risk: Review and stress test of credit issues at Branches and MSMEs
February 16, 2017	Risk Oversight Committee Q4/2016 Report to the Board of Commissioners
March 6, 2017	Reputation Risk: Fraud and non-Fraud events, and social media monitoring
April 17, 2017	Operational Risk: IT Security
May 24, 2017	Risk Oversight Committee Q1/2017 Report to the Board of Commissioners
July 31, 2017	Credit Risk: Corporate Loan Portfolio Review & Stress Test
August 8, 2017	Discussion: updated potential triggers, Crisis Management and BCP
August 23, 2017	Risk Oversight Committee Q2/2017 Report to the Board of Commissioners
October 24, 2017	Review on the Regulations of Recovery Plan and Risk Grading
October 31, 2017	Market Risk and Liquidity Risk: review and stress test
November 15, 2017	Risk Oversight Committee Q3/2017 Report to the Board of Commissioners
December 18, 2017	Review on the Regulations of Capital Additions by Seeking Loans to the Recovery Plan

## K. Realization of Work Program and Implementation of Activities of Risk Oversight Committee in 2017

The following points described the realization of work programs as well as activities of Risk Oversight Committee in 2017:

1. Monitored the implementation of duties of Risk Management Committee.
2. Monitored the implementation of duties of Risk Management Work Unit.
3. Reviewed the Company's Risk Profile, especially those related to operational risk, reputation risk, market risk and liquidity risk.
4. Reviewed and conducted stress test on Market Risk and Liquidity Risk, as well as stress test on Credit Risk.
5. Prepared Risk Oversight Committee Charter that is adjusted to the development of the new regulations.
6. Reviewed Financial Services Authority Regulation No. 14/POJK.03/2017 on Recovery Plan, particularly those related to the authority of Board of Commissioners and Board of Directors.
7. Prepared Risk Grading to monitor credit, market, liquidity and operational risks.
8. Ensured that the proper implementation of GCG is in place by attending the General Meeting of Shareholders, Analyst Meeting, and 2018 National Work Meeting.

## REMUNERATION AND NOMINATION COMMITTEE

### A. References

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

- Financial Services Authority Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee in Issuers or Public Companies.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.
- Corporate Governance Guidelines of the Company.
- The Board of Commissioners Decision Letter of PT Bank Central Asia Tbk No. 035/SK/KOM/2017 dated

February 24, 2017 on Structure of Remuneration and Nomination Committee.

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

### B. Principal Function of Remuneration and Nomination Committee

The Remuneration and Nomination Committee is established to enhance the quality of top management through the remuneration and nomination policies by always taking into account the Company's business sustainability.

### C. Remuneration and Nomination Committee Guidelines

In performing its duties and responsibilities, the Remuneration and Nomination Committee has been equipped with work guidelines of Remuneration and Nomination Committee as stipulated in the Good Corporate Governance Manual on the Chapter of Committees under Board of Commissioners.

Work Guidelines and Procedures of Remuneration and Nomination Committee cover:

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

### D. Membership of Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee comprises 3 (three) members as follows:

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

Composition of Remuneration and Nomination Committee as of December 31, 2017 is as follows:

Name	Position
Raden Pardede	Chairman (concurrently as Independent Commissioner)
D.E. Setijoso	Member (concurrently as President Commissioner)
Hendra Tanumihardja	Member (concurrently as Head of Human Capital Management Division)

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

Educational background, position and work experience of Remuneration and Nomination Committee members can be found under Corporate Profile section on page 73 of this 2017 Annual Report.

#### E. Profile of Remuneration and Nomination Committee Members

##### Raden Pardede

Educational background, position and work experience

#### F. Education or Training Activities

Throughout 2017, members of Remuneration and Nomination Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Hendra Tanumihardja	Workshop KPI Alignment	BCA	Jakarta	February 27, 2017
		Leadership in Agile Organization	BCA	Jakarta	July 14, 2017
		Strategic Leaders Program-Vision, Strategy and Managing The Organization To Drive Result	Michigan Ross Execution Education	Hong Kong	November 20-24, 2017

#### G. Term of Duty of Remuneration Committee KRN

Term of duty of the Remuneration and Nomination Committee members shall expire upon the completion of the term of duty of the Chairman who also serves as an Independent Commissioner. Accordingly, the term of duty of Remuneration and Nomination Committee members within this period will end upon the close of the AGMS of 2021.

#### H. Independency and Requirements of Remuneration and Nomination Committee

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

Independency of the Remuneration and Nomination Committee is described in the following table:

Independency Aspect	Raden Pardede	D.E. Setijoso	Hendra Tanumihardja
Having no financial relationship with the Board of Commissioners and Board of Directors	√	√	√
Having no management relationship at the Company, subsidiaries or affiliated companies	√	√	√
Having no share ownership in the Company	√	√	√
Having no family relationship with the Board of Commissioners, Board of Directors, and/or other members of Risk Oversight Committee	√	√	√
Not serving as an officer at any political party or government official	√	√	√

of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2017 Annual Report.

##### D.E. Setijoso

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2017 Annual Report.

##### Hendra Tanumihardja

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2017 Annual Report.

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

Duties and responsibilities of the Company's Remuneration and Nomination Committee are, among others:

- 1) To evaluate the remuneration and nomination policies of the Company.
- 2) To give recommendations to the Board of Commissioners on:
  - a) Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders of the Company.
  - b) Remuneration policy for all Executive Officers and employees to be delivered by the Board of Commissioners to the Board of Directors.
- 3) To develop and recommend the selection and/or replacement systems and procedures of the members of Board of Commissioners and Board of Directors to the Board of Commissioners, to be further submitted to the GMS.
- 4) To ensure that the remuneration policies of the Company are in accordance with:
  - a) Financial performance and fulfillment of reserve as governed under the prevailing laws and regulations;
  - b) Individual work performance;
  - c) Fairness based on peer group;
  - d) Mid-term/long-term targets and strategies of the Company.
- 5) To advise the Board of Commissioners regarding prospective Commissioners and /or prospective Directors to be submitted to the GMS.
- 6) To recommend independent parties as prospective members of Audit Committee and Risk Oversight Committee to the Board of Commissioners.
- 7) To review the policies regarding facilities provided for the Board of Commissioners and Board of Directors.
- 8) To conduct other tasks as assigned by the Board of Commissioners related to remuneration and nomination in accordance with the prevailing provisions.
- 9) To report needed to the Board of Commissioners the result of reviews and recommendations with regard to the tasks of the Remuneration and Nomination Committee.

In addition, pursuant to Financial Services Authority Regulation No. 34/POJK.04/2014 dated December

8, 2014 regarding Nomination and Remuneration Committee of Issuers or Public Companies, the Remuneration and Nomination Committee has the following duties and responsibilities:

- a. Relating to Nomination function:
  1. Providing recommendations to the Board of Commissioners on:
    - a) composition of Board of Directors and/or Board of Commissioners;
    - b) policies and criteria required in Nomination process; and
    - c) performance evaluation policy for Board of Directors and/or Board of Commissioners.
  2. Assisting the Board of Commissioners to assess the performance of Board of Directors and Board of Commissioners based on pre-established benchmarks as the evaluation material.
  3. Providing recommendations to the Board of Commissioners on the competence development for Board of Directors and/or Board of Commissioners.
  4. Nominating the candidates for Directors and/or Commissioners to the Board of Commissioners to be submitted to the GMS.
- b. Relating to Remuneration function:
  1. Providing recommendations to the Board of Commissioners on:
    - a) remuneration structure;
    - b) remuneration policy; and
    - c) amount of remuneration.
  2. Assisting the Board of Commissioners to assess the performance in accordance with the Remuneration received by each member of Board of Directors and/or Board of Commissioners.

## J. Policies and Meetings implementation of Remuneration and Nomination Committee

The Remuneration and Nomination Committee holds meetings in accordance with the needs of the Company, at the very least once every 4 (four) months, as stipulated in the Financial Services Authority Regulation No. 34/POJK.04/2014 dated December 8, 2014 on Nomination and Remuneration Committee of Issuers or Public Companies. In 2017, the Company's Remuneration and Nomination Committee held 5 (five) meetings.

Minutes of meetings are prepared for each Remuneration and Nomination Committee meeting, describing the date of meetings, attendance of the members, meeting agenda, and meeting materials.

Attendance of Remuneration and Nomination Committee's members in the meeting conducted during the year is described in the following table:

Name	Total Meetings	Attendance	Percentage
Raden Pardede	5	5	100%
D.E. Setijoso	5	5	100%
Hendra Tanumihardja	5	5	100%

#### K. Policies Concerning Board of Directors Succession Plan

- 1) Develop and provide recommendations on systems and procedure of selection and/ or replacement of members of Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the GMS.
- 2) Provide recommendations on prospective members of Board of Commissioners and/or Board of Directors to the Board of Commissioners to be submitted to the GMS.
- 3) Rotate the positions of each executive officer in order to prepare the executive officers of the Company to gain broad knowledge and experience as an officer at the head or branch offices.

#### L. Realization of Work Program of Remuneration and Nomination Committee in 2017

Over the course of the year, the Remuneration and Nomination Committee has held 5 (five) meetings and realized the Committee's work programs as follows:

1. Provided recommendations to the Board of Commissioners on the distribution of *tantiem* for 2016 fiscal year to all members of Board of Commissioners and Board of Directors who were in charge in 2016 fiscal year, to be communicated at the Annual GMS on April 6, 2017 for approval.
2. Provided recommendations to the Board of Commissioners of follow-up action of the implementation of Bank Indonesia's Regulation in the Employment of Foreign Workforce in relation to the Change in Controlling Shareholders of the company.
3. Provided recommendations to the Board of Commissioners to increase the number of Board of Directors' members that will lead the Finance function for the period of 2018 – 2021.
4. Conducted discussions related to the policy proposal on delay in *tantiem* and clawback

provisions for the Board of Directors and Board of Commissioners in order to implement Financial Services Authority Regulation No. 45/POJK.03/2015.

#### INTEGRATED GOVERNANCE COMMITTEE

The Integrated Governance Committee is established by and answer directly to the Board of Commissioners as the Primary Legal Entity within the Financial Conglomerates. The Committee's purpose is to assist the Company's Board of Commissioners to oversee the implementation of Integrated Governance.

#### A. Legal References

The establishment of Integrated Governance Committee refers to the following:

- Financial Services Authority Regulation No. 18/POJK.03/2014 on Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on Implementation of Integrated Governance for Financial Conglomerates.
- The Board of Commissioners Decision Letter of PT Bank Central Asia Tbk No. 037/SK/KOM/2015 dated February 26, 2015 on Establishment of Integrated Governance Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 109/SK/DIR/2016 dated August 11, 2016 on Appointment and Changes Made on the Position of Head of Integrated Governance Committee.

- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 119/SK/DIR/2017 on Appointment of Members of Integrated Governance Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 160A/SK/DIR/2017 dated November 21, 2017, on Revision to the Guideline of Integrated Governance.

## B. Integrated Governance Manual

In performing its duties and responsibilities, the Integrated Governance Committee has established work guidelines stipulated in the Integrated Governance Guidelines of the Company.

The Integrated Governance Manual covers the following matters:

- Legal references.
- Position.
- Duties and responsibilities.
- Structure of membership.
- Number and Composition of Independent Commissioners.

- Term of Duty.
- Work Mechanism.
- Committee Meetings.
- Minutes of Meetings.
- Reporting.

## C. Structure and Membership of Integrated Governance Committee

Membership of the Integrated Governance Committee at least must consist of:

- an Independent Commissioner of the Bank (as Primary Legal Entity) as the Chairman concurrently as Member of the Committee;
- Independent Commissioners representing and appointed by Financial Services Institution in the Financial Conglomerates as Committee's members;
- an Independent Party as Committee is member; and
- members of Sharia Supervisory Board from Financial Services Institution in the Financial Conglomerates as Committee is member.

Composition of Integrated Governance Committee per December 31, 2017 is as follows:

Name	Position	Period of Service
Sumantri Slamet	Chairman (concurrently as Independent Commissioner of Primary Legal Entity)	2016 - 2021
Wimpie Rianto	Member (Independent Party of Primary Legal Entity)	2016 - 2021
Adhi Gunawan Budirahardjo	Member (Independent Commissioner of PT BCA Finance)	2016 - 2021
Gustiono Kustianto	Member (Independent Commissioner of PT Asuransi Umum BCA)	2016 - 2021
Pudjianto	Member (Independent Commissioner of PT Asuransi Jiwa BCA)	2016 - 2021
Suyanto Sutjiadi	Member (Independent Commissioner of PT Bank BCA Syariah)	2016 - 2021
Sutedjo Prihatono	Member (Member of Sharia Supervisory Board of PT Bank BCA Syariah)	2016 - 2021
Rudy Harjono	Member (Independent Director of BCA Finance Limited)	2016 - 2021
Mendari Handaya	Member (Independent Commissioner of PT Central Santosa Finance)	2016 - 2021
Hendra Iskandar Lubis	Member (Independent Commissioner of PT BCA Sekuritas)	2017 - 2021

### Number and Composition of Independent Commissioners

The number and composition of Independent Commissioners serving as members of the Integrated Governance committee have been adjusted to the needs of the Financial Conglomerates as well as the efficiency and effectiveness in carrying out its duties, by at least taking into consideration the representation of each financial service provider within the Financial Conglomerates.

#### D. Profile of Integrated Governance Committee Members

##### Sumantri Slamet

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 74 of this 2017 Annual Report.

##### Wimpie Rianto

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 74 of this 2017 Annual Report.

##### Adhi Gunawan Budirahardjo

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 75 of this 2017 Annual Report.

##### Gustiono Kustianto

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 75 of this 2017 Annual Report.

##### Pudjianto

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 76 of this 2017 Annual Report.

##### Suyanto Sutjiadi

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 76 of this 2017 Annual Report.

##### Sutedjo Prihatono

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 77 of this 2017 Annual Report.

##### Rudy Harjono

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 77 of this 2017 Annual Report.

##### Mendari Handaya

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 78 of this 2017 Annual Report.

##### Hendra Iskandar Lubis

Educational background, position and work experience of Integrated Governance Committee member can be seen in Corporate Profile section on page 78 of this 2017 Annual Report.

#### E. Education or Training Activities

Throughout 2017, members of Integrated Governance Committee participated in the following education or training activities.

No	Name	Education/Training	Organizer	Location	Date
1.	Wimpie Rianto	IKF VI	BCA	Jakarta	October 3-4, 2017
2.	Adhi Gunawan Budirahardjo	National Seminar "Opportunities and Challenges in 2018"	Indonesian Financial Services Association	Yogyakarta	October 20, 2017
3.	Gustiono Kustianto	The "Nuts & Bolts" of Treaty Reinsurance	Singapore College of Insurance	Singapore	March 27-28, 2017
		Master Class Risk Governance International	ERMA	Yogyakarta	December 6, 2017
		Conference on Navigating the Future of Risk	ERMA	Yogyakarta	December 7-8, 2017



**F. Term of Duty of Integrated Governance Committee**

Term of duty of the Integrated Governance Committee members is the same as the term of duty of members of Board of Commissioners of the Company (Primary Legal Entity), and can be reappointed for the following period. The term of duty of Integrated Governance Committee members within this period will end upon the close of the Company's Annual GMS of 2021.

**G. Independency and Requirements Membership of Integrated Governance Committee**

Independency and requirements for members of Integrated Governance Committee follows the independency and requirements for the Board of Directors/Board of Commissioners of the Primary Legal Entity and/or independency and requirements for the Board of Directors/Board of Commissioners of Subsidiaries within the Financial Conglomerates.

**H. Duties and Responsibilities of Integrated Governance Committee**

The duties and responsibilities of the Company's Integrated Governance Committee are as follows:

- 1) Evaluating the implementation of Integrated Governance through, at the very least, assessing the adequacy of internal control and implementation of an integrated compliance function.
- 2) Providing recommendation to the Board of Commissioners of the Bank as the Primary Legal Entity within the Financial Conglomerates to improve the Integrated Governance Manual.

**I. Work Mechanism**

The work mechanism of the Integrated Governance Committee is as follows:

- 1) Duties and responsibilities of the Integrated Governance Committee, among others, are carried out through Integrated Governance Committee meetings.
- 2) To ensure that duties are well implemented, the Integrated Governance Committee is assisted by a Committee Secretary to perform secretarial duties such as:
  - a) Arranging the schedule of meetings.
  - b) Proposing and contacting the keynote speakers when needed.
  - c) Preparing and distributing invitation and materials for the meetings.
  - d) Preparing and distributing the minutes of meetings.
- 3) Whenever required, the Integrated Governance Committee may invite keynote speakers from the members of Board of Commissioners, Board of Directors, or other internal and external parties of the Primary Legal Entity and the Financial Services Institution within the Financial Conglomerates.

**J. Policies and Meeting Implementation of Integrated Governance Committee**

Integrated Governance Committee held at least 1 (one) meeting in 6 (six) months as governed under the Integrated Governance Committee Manual. In 2017, the Integrated Governance Committee held 5 (five) meetings.

Attendance of Integrated Governance Committee's members in the meetings conducted during the year is described in the following table.

Name	Total Meetings	Attendance	Percentage
Sumantri Slamet	5	5	100%
Wimpie Rianto	5	5	100%
Adhi Gunawan Budirahardjo	5	4	80%
Gustiono Kustianto	5	5	100%
Pudjianto	5	4	80%
Suyanto Sutjiadi	5	4	80%
Sutedjo Prihatono	5	5	100%
Rudy Harjono	5	5	100%
Mendari Handaya	5	5	100%
Hendra Iskandar Lubis*	1	1	100%

Remarks:

\*: has been serving as a member of Integrated Governance Committee since September 25, 2017.

Implementation of Integrated Governance Committee's meetings during 2017 is as follows:

Date	Agenda
March 13, 2017	Monitoring Results during Semester II/2016
May 4, 2017	Entry Meeting Review Financial Services Authority
June 12, 2017	Monitoring Results during Semester I/2017
September 20, 2017	Duties and Responsibilities, Results of On-Site Review of Financial Services Authority
December 13, 2017	Update of Monitoring Result and Follow-Up of Financial Services Authority's Review Results

#### K. Realization of Work Program and Implementation of Activities of Integrated Governance Committee in 2017

The following points describe the realization of work programs Integrated Governance Committee as well as activities of Integrated Governance Committee in 2017:

- 1) Evaluated the implementation of integrated governance within Company's Financial Conglomerates through, among others, presentation and discussion of Integrated Report of Internal Audit Results and Integrated Compliance Report, Integrated Risk Profile Report.
- 2) Conducted review and followed-up the results of Financial Services Authority's review.
- 3) Reviewed the Integrated Governance Manual.

#### EXECUTIVE COMMITTEES OF BOARD OF DIRECTORS

In carrying out their duties and responsibilities, the Company's Board of Directors is supported by 7 (seven) Executive Committees appointed by the Board of Directors. The Executive Committees are in charge of providing the Board of Directors with objective opinion and helping with the effectiveness of duty implementation of the Board of Directors in a systematic manner, as well as providing contributions in line with their duties and responsibilities. The Executive Committee under the Board of Directors are as follows:

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

##### I. Asset & Liability Committee

The Asset & Liability Committee (ALCO) is a permanent committee under the Board of Directors with the mission of achieving an optimum level of profitability for the Company as well as ensuring that liquidity risk, interest rate risk and foreign exchange risk are controlled through the establishment of policies and strategies for Company's asset and liability management.

ALCO is established based on the Board of Directors Decision Letter No. 114/SK/DIR/2017 dated September 12, 2017 on Structure of Asset & Liability Committee (ALCO), and the Board of Commissioners Decision Letter No. 327/SK/KOM/2017 dated December 18, 2017 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

##### A. Main Functions of ALCO

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

##### B. Authority of ALCO

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

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

### C. Membership Structure of ALCO and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as member)	President Director	Reserve voting rights
Member	<ul style="list-style-type: none"> <li>• Deputy President Director 1</li> <li>• Deputy President Director 2</li> <li>• Compliance &amp; Risk Management Director</li> <li>• Corporate Banking Director</li> <li>• SME &amp; Commercial Banking Director</li> <li>• Individual Banking Director</li> <li>• Network Distribution Director</li> <li>• Credit Director</li> <li>• Transaction Banking Director</li> <li>• Executive Vice President (EVP) of Treasury Division and International Banking Division</li> <li>• Executive Vice President (EVP) of Corporate Banking Group</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>• Banking Transaction 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 Work Unit Head</li> </ul>	Reserve voting rights
Secretary	Senior Adviser at Risk Management Work Unit of Asset Liability Management (ALM)	No voting rights

#### Independency of ALCO

All members of ALCO have met the independency criteria and are capable of conducting their duties independently.

### D. Education or Training Activities

During the year, members of ALCO have participated in the following education or training activities:

No	Name	Training Program	Organizer	Location	Date
1.	Branko Windoe	Global Banks Conference 2017	Citibank NA	Athens, Greece	May 8-10, 2017
		ACI World Congress 2017	ACI Dublin	Dublin, Ireland	May 11-13, 2017
2.	Wira Chandra	Term of Reference for Green Banking Delegation Tour in Berlin	Renewable Academy	Jerman	September 11-15, 2017
3.	Irianto Sutanto	Treasury Management Workshop 2017	BCA	Bogor	August 12, 2017
4.	Janto Havianto	ACI World Congress 2017	ACI Dublin	Dublin, Ireland	May 11-13, 2017
		Seminar of Impact Investing Discussion	PT. Bahana TCW Investment Management	Sydney, Australia	March 13-14, 2017
5.	Eduard G. Purba	Seminar BARA's Monthly Sharing Session : Risk Management Framework for Successful Transaction Banking Business	BARA	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017

No	Name	Training Program	Organizer	Location	Date
		Seminar Risk Minds Asia	Global Finance & Technology KNect 365	Singapore	October 9-11, 2017
		Workshop Assesor candidate Risk Competence Management	LSPP	Jakarta	November 16-20, 2017
		Seminar BARa's Monthly Sharing Session : Risk Management in Capital Market	BARa	Jakarta	November 21, 2017
6.	Aditijanto	Risk Mind Asia 2017	Global Finance & Technology	Singapore	October 10-11, 2017
7.	Edmund Tondobala	Commonwealth Bank of Australia's Asian Bank Seminar	Commonwealth Bank of Australia	Singapore	April 4, 2017
		Global Payment Advisory Group Seminar	Wells Fargo Bank	New York, USA	October 12, 2017
		Citi's Payment Operation Pre-Sibos Visit	Citi Bank	New York, USA	October 13, 2017
		Sibos 2017	SWIFT	Toronto, Canada	October 16-19, 2017
		International Banking Workshop 2017	BCA	Bogor	September 7, 2017
8.	Felicia M. Simon	Training BCA-KJPP 2017	BCA	Bogor	April 1, 2017
		Training CE Management KPR 2017	BCA	Bogor	May 6, 2017
		Training Operational KPR 2017	BCA	Bogor	August 5, 2017
9.	Ina Suwandi	Review Security Product E-Channel BCA	BCA	Bogor	February 7, 2017
		Gartner Customer Experience & Technologies Summit 2017	Gartner Summit	London	May 10-11, 2017
		Study Visit Union Pay International Headquarter	Union Pay International	Shanghai, Cina	December 6-8, 2017
10.	Mira Wibowo	Web Summit 2017	Web Summit Global Network	Portugal	November 6-9, 2017
11.	Niniek S. Rahardja	Mastercard Innovation Forum 2017	Master Card	Singapore	September 27-29, 2017
12.	Lay Susiana Santoso	Advance Cash Management & Supply Chain	BCA	Bogor	January 18, 2017
		Banking Seminar Program	JP Morgan	London & Bournemouth	June 5-9, 2017

#### E. Duties and Responsibilities of ALCO

ALCO, among others tasks, functions to establish the liquidity management policies and strategies to meet the liquidity needs of the Company and minimize idle funds. In addition, ALCO establishes policies and strategies related to market risk, pricing strategy, investment portfolio management

strategy, and balance sheet structuring strategies by anticipating interest rate movements so as to optimize the net interest margin (NIM). ALCO reports its performance and activities through regular meetings and special meetings held to discuss specific issues.

### Main Duties of ALCO Members

Voting ALCO members have main duties as follows:

- To provide input to the ALCO secretary for the preparation of meeting agenda and materials.
- To provide input in the form of information and analysis on the ALCO meeting, regarding:
  - Methodology of product pricing and loan funds.
  - Methodology of measuring liquidity risk, interest rate risk and foreign exchange risk.
  - Determination of product price and loan funds.
  - The competitiveness of interest rates and funding products.
  - Strategies of Bank competitors.
  - Constraints, if any, in the implementation of ALCO decisions.
  - The behavior of customers and market changes.

### Charter

In order to support the implementation of its duties, ALCO refers to the Decision Letter of Board of Directors No. 114/SK/DIR/2017 dated September 12, 2017, on Structure of Asset Liability Committee (ALCO).

### F. Meetings of ALCO

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

### G. Decision Making

- Decision making in relation with the exercise of ALCO's authority will only be taken through legitimate ALCO meeting decisions.
- ALCO meeting decisions are valid and binding if approved by ½ (half) plus 1 (one) of the members with voting rights present plus 1 (one) vote.

### H. Frequency of ALCO Meeting in 2017

Up until December 31, 2017, ALCO held 12 (twelve) meetings with details described in the following table:

Frequency of ALCO Meeting in 2017

Position	Total Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja) <sup>1)</sup>	12	11	92%
Deputy President Director (Eugene K. Galbraith)	12	9	75%
Deputy President Director (Armand W. Hartono)	12	7	58%
Compliance & Risk Management Director (Subur Tan)	12	11	92%
Corporate Banking Director (Rudy Susanto)	12	9	75%
SME & Commercial Banking Director (Henry Koenafi)	12	12	100%
Individual Banking Director (Suwignyo Budiman)	12	10	83%
Network Distribution Director (Erwan Yuris Ang)	12	9	75%
Credit Director (Inawaty Handoyo)	12	11	92%
Banking Transaction Director (Santoso)	12	7	58%
Executive Vice President (EVP) of Treasury Division and International Banking Division	12	11	92%
Executive Vice President (EVP) of Corporate Banking Group <sup>2)</sup>	5	2	40%

Members Division Head or Representing Officers			
International Banking Division	12	12	100%
Treasury Division	12	12	100%
Finance & Planning Division	12	12	100%
Corporate Banking and Corporate Finance Group	12	12	100%
SME & Commercial Business Division	12	11	92%
Banking Transaction Product Development Division	12	11	92%
Business Development & Marketing of Banking Transaction Division	12	6	50%
Joint Banking Transaction Solution Division	12	3	25%
Consumer Credit Business Division	12	12	100%
Risk Management Work Unit	12	12	100%

<sup>1)</sup> Chairman of ALCO

<sup>2)</sup> Has been serving as EVP since August 1, 2017

### I. Report of Responsibility

Realization of the Committee's work is reported through:

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

### J. Realization of Work Program in 2017

In performing its duties throughout 2017, ALCO held 12 (twelve) meetings with the following agenda:

1. Report of follow-ups of previous ALCO meeting decisions.
2. Review of economic parameters including inflation rates, Bank Indonesia Term Deposit interest rates, yield curves of Rupiah and USD, Rupiah & USD market liquidity and exchange rate of Rupiah.
3. Liquidity reserves comprising Primary and Secondary Rupiah and Foreign Exchange Reserves, Rupiah and Foreign Exchange Fund Structure, Credit Projection, Liquidity Projection and losses due to liquidity risk.
4. Interest rate risks, including Repricing Gap and Sensitivity Analysis, both for Rupiah and Foreign Exchange.
5. Foreign Exchange Risk, in regard with development of the Net Open Position (NOP) and the related risks.

6. Loan Portfolio, which comprises limit and outstanding loans and type of debtors.
7. Yield and Cost of Fund of Rupiah and Foreign Exchange.
8. Analysis of Assets/Liabilities Management.
9. Comparison of the composition of Bank Funds to the banking sector.
10. Discussion and decision of changes in interest rates for Funds and Loans, Prime Lending Rates and limits relating to the Asset Liability Management (ALM).
11. Review of the results of profit/loss simulations in accordance with the strategy applied by the ALM of the Company.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee is established to ensure that the enterprise-wide risk management framework provides adequate protection against all risks encountered by the Company. Risk Management Committee was established based on the Board of Directors Decision Letter No. 167/SK/DIR/2017 dated November 28, 2017 on Structure of Risk Management Committee. In addition, the establishment of Risk Management Committee refers to:

- Financial Services Authority Regulation No. 18/POJK/03/2016 dated March 16, 2016 on Implementation of Risk Management for Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

#### A. Main Functions of Risk Management Committee

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

#### B. Authority of Risk Management Committee

The Risk Management Committee is authorized to review and provide recommendations on risk management related matters to be requested approval from the Board of Directors.

#### C. Membership Structure of Risk Management Committee and Voting Right Status

Based on the Board of Director Decision Letter No. 167/SK/DIR/2017 dated November 28, 2017 in Structure of Risk Management Committee, the membership structure and voting right status of the Committee are described in the following table:

Position	Served by	Voting Rights
Chairman (concurrently as permanent Member)	Compliance & Risk Management Director	Reserve voting rights
Permanent member <sup>1)</sup>	<ul style="list-style-type: none"> <li>• All members of Board of Directors</li> <li>• Executive Vice President of Credit Risk Analysis Group (EVP GARK)</li> <li>• Head of Compliance Work Unit</li> </ul>	Reserve voting rights
Non-permanent member <sup>2)</sup>	<ul style="list-style-type: none"> <li>• Executive Vice President other than EVP GARK</li> <li>• All Head of Divisions/Units/Groups other than Permanent Members</li> </ul>	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Risk Management Work Unit/Alternate	Reserve voting rights

Note:

<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.

#### Independency of Risk Management Committee

All members of Risk Management Committee have met the independency criteria and are capable of conducting their duties independently.

#### D. Education or Training Activities

During the year, members of Risk Management Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Eduard Guntoro Purba	Seminar BARA's Monthly Sharing Session : Risk Management Framework for Successful Transaction Banking Business	BARA	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017
		Seminar Risk Minds Asia	Global Finance & Technology KNect 365	Singapore	October 9-11, 2017

No	Name	Education/Training	Organizer	Location	Date
		Seminar BARa's Monthly Sharing Session : Risk Management in Capital Market	BARa	Jakarta	November 21, 2017
		Workshop Assessor Candidate for Risk Management Competence	LSPP	Jakarta	November 16-20, 2017
2.	Arif Singgih Halim Wijaya	Training Wells Fargo Overseas Bankers Training Program, SSan Francisco, US	Wells Fargo Bank	San Fransisco, USA	June 5-14, 2017
		Workshop Mentorship of Implementation of Risk-Based APU PPT Programs in Financial Services Sector	Financial Services Authority	Jakarta	August 21-22, 2017
		Seminar Managing Risk In The Foreign Exchange, Money, Derivative Markets	Riehl World Training and Consulting	Jakarta	November 15-17, 2017

## E. Duties and Responsibilities of Risk Management Committee

### Main Duties of Risk Management Committee Members

- To provide input to the secretary of Risk Management Committee in the form of topics and meeting materials to be discussed in the Risk Management Committee meetings.
- To provide input in the form of information and analysis related to topics to be discussed in the Risk Management Committee meetings.
- Topics that can be discussed in the meetings include:
  - Directions and targets of the Company in formulating policies, strategies, and guidelines for risk management, with adjustments if deemed necessary.
  - Assessment of the effectiveness of risk management framework implementation.
  - Developments and trends of the total risk exposure of the Company and proposal of the overall risk tolerance level (risk appetite).
  - Results of the review on total risk exposure faced by the Company and its possible impacts.
  - Assessment of capital adequacy of the Company in responding to risk of loss that may arise under different stress test scenarios.
  - Propose development to the risk measurement methods, contingency plans for abnormal conditions (worst case scenario) as well as other methods related with risk management of the Company.

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

### Charter

In order to support the implementation of its duties, Risk Management Committee refers to the Decision Letter of Board of Directors No. 167/SK/DIR/2017 dated November 28, 2017, on Structure of Risk Management Committee.

## F. Meetings of Risk Management Committee

The following provisions regulate the meetings of Risk Management Committee:

- Risk Management Committee meetings are held as necessary, with a minimum of once in 3 (three) months or 4 (four) times in 1 (one) year.
- The meeting shall fulfill quorum if attended by at least 2/3 (two-thirds) of the number of permanent members or 1/2 (half) of total number of permanent members but with the approval of all permanent members.



## G. Decision Making

The following provisions regulate the decision making-process in the Committee:

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

## H. Frequency of Risk Management Committee Meeting in 2017

Up until December 31, 2017, the Risk Management Committee held 4 (four) meetings with details described in the following table:

Name of Director	Total Meetings	Meeting Attendance	Percentage
President Director (Jahja Setiaatmadja)	4	3	75%
Deputy President Director (Eugene Keith Galbraith)	4	4	100%
Deputy President Director (Armand W. Hartono)	4	2	50%
Compliance & Risk Management Director (Subur Tan) <sup>1)</sup>	4	4	100%
Individual Banking Business Director (Suwignyo Budiman)	4	2	50%
SME & Commercial Business Director (Henry Koenafi)	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	2	50%
Corporate Business Director (Rudy Susanto)	4	2	50%
Credit Director (Inawaty Handoyo)	4	4	100%
Banking Transaction Director (Santoso)	4	3	75%
Human Capital Director (Lianawaty Suwono)	4	2	50%
Compliance Work Unit Head	4	3	75%
EVP of Credit Risk Analysis Group	4	3	75%
Risk Management Unit Head (Secretary)	4	4	100%
Corporate Credit Risk Analysis Group Head (GARK) <sup>2)</sup>	1	1	100%
Finance and Planning Division Head <sup>2)</sup>	2	2	100%
Consumer Credit Strategic Management Sub-Division Head (DBKK) <sup>2)</sup>	1	1	100%
Corporate Banking Group Head (GBKF) <sup>2)</sup>	1	1	100%
SME & Commercial Business Development Sub-Division Head <sup>2)</sup>	2	2	100%
SME and Commercial Credit Risk Analysis Group Head (GARK) <sup>2)</sup>	1	1	100%

**Note:**

<sup>1)</sup> Chairman

<sup>2)</sup> Total meetings for non-permanent members correspond to the invitations for relevant topics

## I. Report of Responsibility

Responsibilities and work realization of Risk Management Committee are reported through:

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

## J. Realization of Work Program in 2017

In performing its duties throughout 2017, Risk Management Committee held 4 (four) meetings with the realization of work programs of the Committee as follows:

1. Informed the adjustment of Board of Directors' authority in determining loan interest rate.
2. Informed matters related to the results of credit risk stress test.
3. Informed matters related to the methods and measurement results of interest Rate Risk in the Banking Book (IRRBB).

4. Informed matters related the results of Risk Appetite review.
5. Informed matters related to the determination of liquidity gap limit.
6. Informed matters related loan portfolio condition of the Company per September 2017.

## INTEGRATED RISK MANAGEMENT COMMITTEE

The Integrated Risk Management Committee is established to ensure that the risk management framework has provided an integrated and adequate coverage over all risks faced by the Company and its Subsidiaries.

The Structure of Integrated Risk Management Committee is established based on Board of Directors Decision Letter No. 061/SK/DIR/2015 dated May 4, 2015 on Structure of Integrated Risk Management Committee, which has been revised through Board of Directors Decision Letter No. 168/SK/DIR/2017 dated November 28, 2017 on Structure of Integrated Risk Management Committee.

The establishment of Integrated Risk Management Committee refers to Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 on Implementation of Integrated Risk Management for Financial Conglomerates.

### A. Main Functions of Integrated Risk Management Committee

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

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

### B. Authority of Integrated Risk Management Committee

The Integrated Risk Management Committee is authorized to review and provide recommendations on risk management related matters to be requested approval from the Board of Directors.

### C. Membership Structure of Integrated Risk Management Committee and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as permanent Member)	Director who head integrated risk management function	Reserve voting rights
Permanent member <sup>1)</sup>	<ul style="list-style-type: none"> <li>• All members of Board of Directors</li> <li>• Head of Compliance Work Unit</li> </ul>	Reserve voting rights
Non permanent member <sup>2)</sup> 1. Executive Officer	<ul style="list-style-type: none"> <li>• All Executive Vice Presidents</li> <li>• All Heads of Divisions/Business Units/Groups/Work Units that are related with the Subsidiaries, other than Permanent Members</li> </ul>	Reserve voting rights
2. Director of Subsidiaries <sup>3)</sup>	Director who represents and is appointed by Subsidiaries	
Secretary (concurrently as permanent member)	Head of Risk Management Work Unit/Alternate	Reserve voting rights

Note:

<sup>\*)</sup> The number and composition are adjusted to the needs as well as efficiency and effectiveness of duty implementation of Integrated Risk Management Committee by taking into account, among others, the representation of each financial service sector

<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, he/she reserves no right to vote.

#### D. Education or Training Activities

During the year, members of Integrated Risk Management Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Arif Singgih Halim Wijaya	Training Wells Fargo Overseas Bankers Training Program,	Wells Fargo Bank	San Francisco, USA	June 5-14, 2017
		Workshop Mentorship of Implementation of Risk-Based APU PPT Programs in Financial Services Sector	Financial Services Authority	Jakarta	August 21-22, 2017
		Seminar Managing Risk In The Foreign Exchange, Money, Derivative Markets	Riehl World Training and Consulting	Jakarta	November 15-17, 2017
2.	Eduard G. Purba	Seminar BARa's Monthly Sharing Session : Risk Management Framework for Successful Transaction Banking Business	BARa	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017
		Seminar Risk Minds Asia	Global Finance & Technology KNect 365	Jakarta	October 9-11, 2017
		Workshop Assessor candidate for Risk Management Competence	LSPPP	Singapore	November 16-20, 2017
		Seminar BARa's Monthly Sharing Session : Risk Management in Capital Market	BARa	Jakarta	November 21, 2017
3.	Hendro Wenan	Roundtable Discussion: Exposition on Implementation of Risk Management on Infrastructure Projects that are Ensured by the Government and Observed from Corporate Point of View	LSPMR	Jakarta	June 14, 2017
4.	David Hamdan	Refreshment Risk Management Certification	BCA	Bogor	June 9, 2017

#### E. Duties and Responsibilities

In implementing its functions, the Integrated Risk Management Committee carries out the following duties:

- Providing recommendations to the Secretary of Integrated Risk Management Committee regarding the topics and meeting materials to be discussed in the Integrated Risk Committee meeting.
- Providing recommendation in the form of information and analysis related with the topics discussed in the Committee meeting.

The topics discussed in the meeting may cover, among others:

- Direction and target of the Bank in developing policy, strategy, and guidelines for the integrated risk management application, and its amendment when necessary.
- Assessment on the effectiveness of the integrated risk management framework application.
- Report on the development and tendency of integrated risk exposure and recommendation on risk appetite and risk tolerance.
- Result of review on the total exposure of integrated risk and its impact.

- Assessment on the Company's capital adequacy in handling the risk of loss incurred by using various stress test scenarios.
- Recommendation on developing risk measurement methods, contingency plans in the worst case scenario, and other methods in regard with the integrated risk management.
- Other matters that require justification as related with business decisions taken out of normal procedure (irregularities).
- Limit of authority, exposure, and credit portfolio concentration as well as other parameters to limit risks.
- Improvement of the integrated risk management both regularly and incidentally as a result of changes in internal and external conditions that may affect capital adequacy, risk profile, and ineffectiveness of the current integrated risk management application based on evaluation.

### Guidelines

In performing their duties and responsibilities, the Integrated Risk Management Committee refers to the Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 on Implementation of Integrated Risk Management for Financial Conglomerates, and Decision Letter of Board of Directors on Structure of Integrated Risk Management Committee.

### F. Meetings of Integrated Risk Management Committee

The following provisions regulate the meetings of Integrated Risk Management Committee:

- Integrated Risk Management Committee meetings are held as necessary, with a minimum of once in 6 (six) months.
- The meeting shall fulfill quorum if attended by at least 51% (fifty-one per cent) of the number of permanent members.

### G. Decision Making

The following provisions regulate the decision making-process in the Committee:

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

### H. Frequency of Integrated Risk Management Committee Meeting in 2017

Up until December 31, 2017, the Integrated Risk Management Committee held 3 (three) meetings with details as follows:

- on April 10, 2017
- on September 13, 2017
- on November 8, 2017

### Frequency of Integrated Risk Management Committee Meetings in 2017

Name of Director/Membership	Total Meetings	Meeting Attendance	Percentage
President Director (Jahja Setiaatmadja) <sup>1)</sup>	3	3	100%
Deputy President Director (Eugene Keith Galbraith) <sup>1)</sup>	3	3	100%
Deputy President Director (Armand W. Hartono) <sup>1)</sup>	3	1	33%
Individual Banking Director (Suwignyo Budiman) <sup>1)</sup>	3	2	67%
Compliance & Risk Management Director (Subur Tan) <sup>1)*)</sup>	3	3	100%
SME & Commercial Banking Director (Henry Koenafif) <sup>1)</sup>	3	3	100%
Network Distribution Director (Erwan Yuris Ang) <sup>1)</sup>	3	2	67%
Corporate Business Director (Rudy Susanto) <sup>1)</sup>	3	1	33%
Credit Director (Inawaty Handoyo) <sup>1)</sup>	3	3	100%
Human Capital Director (Lianawaty Suwono) <sup>1)</sup>	3	2	67%
Banking Transaction Director (Santoso) <sup>1)</sup>	3	1	33%
Compliance Work Unit Head <sup>1)</sup>	3	2	67%
Risk Management Unit Head (Secretary) <sup>1)</sup>	3	3	100%
Finance and Planning Division Head (DKP) <sup>2)</sup>	1	0	0%
EVP of Strategic Information Technology Group <sup>2)</sup>	1	1	100%
Enterprise Security Work Unit Head <sup>2)</sup>	1	1	100%

Name of Director/Membership	Total Meetings	Meeting Attendance	Percentage
Director of BCA Finance <sup>2)</sup>	3	3	100%
Director of CS Finance <sup>2)</sup>	3	2	67%
Director of BCA Syariah <sup>2)</sup>	3	3	100%
Director of BCA Finance Limited Hong Kong <sup>2)</sup>	3	1	33%
Director of BCA Sekuritas <sup>2)</sup>	3	2	67%
Director of BCA Insurance <sup>2)</sup>	3	2	67%
Director of BCA Life <sup>2)</sup>	3	3	100%
Director CCV <sup>2)</sup>	2	2	100%

**Note :**

<sup>1)</sup> Total meetings for non-permanent members correspond to the invitations for relevant topics.

<sup>1)</sup> Permanent Members

<sup>2)</sup> Non-Permanent Members

### I. Responsibilities Report

Responsibilities and work realization of Integrated Risk Management Committee are reported through:

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

### J. Realization of Work Program in 2017

In performing its duties throughout 2017, Integrated Risk Management Committee had realized its work programs through discussion on the following topics:

1. Integrated Risk Management Information System of The Financial Conglomerate of the Company.
2. Risk Appetite and Risk Tolerance of the Financial Conglomerates of the Company.
3. Information on the Review of New Business Line of the Financial Conglomerates of the Company of 2017.
4. Integrated BCP of The Financial Conglomerates of the Company.
5. Integrated Stress Test of the Financial Conglomerates of the Company.
6. Status update and follow-up integrated actions of Financial Services Authority inputs.
7. Integrated Risk Profile Report (LPRT) of the Financial Conglomerates of The Company of Semester I of 2017.
8. Integrated Risk Limit of the Financial Conglomerates of the Company.

### CREDIT POLICY COMMITTEE

The Credit Policy Committee is established to direct the provision of loans through the credit policy formulation in order to achieve prudent lending targets. The Credit Policy Committee of PT Bank Central Asia Tbk was established based on the Board of Directors Decision Letter No. 135/SK/DIR/2017 dated October 19, 2017 on Structure of Credit Policy Committee.

The establishment of Credit Policy Committee refers to:

- Financial Services Authority Regulation No. 42/POJK.03/2017 dated July 12, 2017 on Requirements to Prepare and Implement Bank Creditor Financing Policy for Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

#### A. Main functions of Credit Policy Committee

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

## B. Authority of Credit Policy Committee

The Credit Policy Committee is authorized to provide advice and improvement steps to the Board of Directors associated with the credit policy.

## C. Membership Structure of Credit Policy Committee and Voting Right Status

Position	Served by	Voting Rights
Chairman (concurrently as permanent member)	President Director	Reserve voting rights
Member <sup>1)</sup>	<ul style="list-style-type: none"> <li>• Deputy President Director(WP1)</li> <li>• Credit Director</li> <li>• Compliance &amp; Risk Management Director</li> <li>• Corporate banking Director <sup>2)</sup></li> <li>• SME and Commercial Banking Director <sup>2)</sup></li> <li>• Individual Banking Director <sup>2)</sup></li> <li>• Executive Vice President of Credit Risk Analysis Group (EVP GARK)</li> <li>• Executive Vice President of Corporate Banking and Corporate Finance Group (EVP GBKF) <sup>2)</sup></li> <li>• Executive Vice President of the Treasury Division and International Banking Division (EVP DTR-DPI) <sup>2)</sup></li> <li>• Head of Credit Risk Analysis Group and/or Head of SME &amp; Commercial Business Division and/or Head of Corporate Banking and Corporate Finance Group and/or Head of Consumer Credit Bsuiness Division and/or Heads of Work Units under the Banking Transaction Directorate and/or Head of International Banking Division or Alternate <sup>2)</sup></li> <li>• Head of Internal Audit Division or Alternate</li> <li>• Head of Compliance Work Unit or Alternate</li> </ul>	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Risk Management Work Unit or Alternate	Reserve voting rights

Note :

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

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

## D. Education or Training Activities

During the year, members of Credit Policy Committee have participated in the following education or training activities:

No	Name	Education/Training	Organizer	Location	Date
1.	Branko Windoe	Global Banks Conference 2017	Citibank NA	Athens, Greece	May 8-10, 2017
		ACI World Congress 2017	ACI Dublin	Dublin, Ireland	May 11-13, 2017
2.	Wira Chandra	Term of Reference for Green Banking Delegation Tour in Berlin	Renewable Academy	Germany	September 11-15, 2017
		e-L APU PPT v.1.1	BCA	Jakarta	March 31, 2017
3.	Edy Gunawan	e-L Anti Fraud Awareness	BCA	Jakarta	March 31, 2017
		e-L APU PPT v.1.1	BCA	Jakarta	April 4, 2017
4.	Rickyadi Widjaja	Refresher SMR Level 4-5	BCA	Jakarta	September 15, 2017
5.	Tjahjadi Sufripto	e-L APU PPT v.1.1	BCA	Jakarta	March 29, 2017

No	Name	Education/Training	Organizer	Location	Date
6.	Lay Susiana Santoso	Advance Cash Management & Supply Chain	BCA	Jakarta	January 18, 2017
		HPP Sharing Session	BCA	Jakarta	March 3, 2017
		e-LAPU PPT v.1.1	BCA	Jakarta	March 31, 2017
		Banking Seminar Program	JP Morgan	London & Bournemouth	June 5-9, 2017
7.	Felicia Mathilda Simon	E-LAPU PPT V.1.1	BCA	Jakarta	March, 28 2017
		Training BCA KJPP 2017	BCA	Jakarta	April 1, 2017
		Training Ce Management KPR 2017	BCA	Jakarta	May 6, 2017
8.	Mira Wibowo	WEB Summit 2017	WEB Summit Global Network	Portugal	November 6-9, 2017
9.	Linda Djojonegoro	Workshop Collection 2017	BCA	Jakarta	March 8, 2017
		Tibco Now 2017	Tibco Software Inc.	Singapore	March 27-28, 2017
		Visa Asia Pacific Security Summit 2017	Visa Asia Pacific Security Summit 2017	South Korea	May 24-25, 2017
		Leadership in Agile Organization	BCA	Jakarta	July 14, 2017
10.	Niniek Surijanti Rahardja	Mastercard Innovation Forum 2017	Mastercard	Singapore	September 27-29, 2017
11.	Edmund Tondobala	Commonwealth Bank of Australia's Asian Bank Seminar	Commonwealth Bank of Australia (CBA)	Singapore	April 4, 2017
		International Banking Workshop 2017	BCA	Jakarta	September 7, 2017
		Global Payment Advisory Group Seminar	Wells Fargo Bank	New York, USA	October 12, 2017
		Citi's Payment Operation Pre-Sibos Visit	Citi Bank	New York, USA	October 13, 2017
		SIBOS 2017	Swift	Toronto, Canada	October 16-19, 2017
12.	Jacobus Sindu Adisuwono	Refresher SMR Level 4-5 Tahun 2017	BCA	Jakarta	March 3, 2017
13.	Arif Singgih Halim Wijaya	Wells Fargo Overseas Bankers Training Program	Wells Fargo Bank	San Fransisco, USA	June 5-14, 2017
14.	Eduard Guntoro Purba	Seminar Bara's Monthly Sharing Session: Risk Management Framework For Successful Transaction Banking Business	BARa	Jakarta	January 19, 2017
		Workshop Capital & Credit Risk Management	ICC (International Chamber of Commerce)	Jakarta	April 4, 2017
		Seminar Risk Minds Asia	Global Finance & Technology Knect 365	Singapore	October 9-11, 2017
		Workshop Calon Asesor Kompetensi Risk Management	LSPP	Jakarta	November 16-20, 2017
		Seminar Bara's Monthly Sharing Session: Risk Management In Capital Market	BARa	Jakarta	November 21, 2017

#### E. Main Duties of Credit Policy Committee Members

The main duties of members of Credit Policy Committee are as follows:

- To provide input to the secretary of Credit Policy Committee in the preparation of meetings agenda and materials.
- To provide input in the form of information and analysis at the Credit Policy Committee meetings in order to make Committee decision regarding the following:
  - Development of credit policies (Corporation, Commercial, SME, KUK, and Consumer Credits, as well as Credit Card and interbank credit) in accordance with the Company's mission and business plan.
  - Compliance with the provisions of laws in granting credit.
  - Overall development and quality of credit portfolio.
  - Proper implementation of loan approval authority.
  - Proper process of lending, development, and quality of loan given to related parties and certain large borrowers.
  - Proper implementation of the Legal Lending Limit (LLL).
  - Handling of Non-Performing Loans in accordance with the credit policies.
  - Adequacy on the allowance for Company loan losses.
  - Results of oversight on the implementation of the Banking Basic Credit Policy of the Company (KDPB).

#### Guidelines

In order to support the implementation of its duties, Credit Policy Committee refers to the Board of Directors Decision Letter No. 135/SK/DIR/2017 dated October 19, 2017, on Structure of Credit Policy Committee.

#### F. Meetings of Credit Policy Committee

The following provisions regulate the meetings of Risk Management Committee:

- Credit Policy Committee meetings are held as necessary, with a minimum of once in a year.
- The meeting shall fulfill quorum if attended by at least 2/3 (two-thirds) of the total number of members.

#### G. Decision Making

The following provisions regulate the decision making process in the Committee

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



## H. Frequency of Credit Policy Committee Meeting in 2017

Position (Name of Director/Membership)	Total Meetings**)	Attendance	Percentage	Information
President Director (Jahja Setiaatmadja)	1	1	100%	-
Deputy President Director 1 (Eugene K. Galbraith)	1	1	100%	-
Deputy President Director 2 <sup>1)</sup> (Armand W. Hartono)	1	1	100%	
Credit Director (Inawaty Handoyo)	1	1	100%	
Corporate Banking Director (Rudy Susanto)	1	1	100%	
Compliance and Risk Management Director (Subur Tan)	1	1	100%	-
SME and Commercial Banking Director <sup>1)</sup> (Henry Koenafifi)	1	1	100%	
Individual Banking Director (Suwignyo Budiman)	1	1	100%	
Banking Transaction Director <sup>1)</sup> (Santoso)	1	1	100%	
Network Distribution Director (Erwan Yuris) <sup>2)</sup>	1	1	100%	
Human Capital Director (Lianawaty Suwono) <sup>1)</sup>	1	1	100%	
Executive Vice President of Treasury Division and International Banking Division <sup>1)</sup>	1	1	100%	
Executive Vice President of Credit Risk Analysis Group (EVP GARK)	1	NA	-	The position of EVP GARK has not been established on the date of the meeting
Executive Vice President of Corporate Banking and Corporate Finance Group (EVP GBKF) <sup>1)</sup>	1	NA	-	The position of EVP GBKF has not been established on the date of the meeting
Head of Credit Risk Analysis Group or Alternate <sup>1)</sup>	1	1	100%	
Head of SME and Commercial Business Division or Alternate <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in SME and Commercial Business.
Head of Corporate Banking and Corporate Finance Group or Alternate <sup>1)</sup>	1	1	100%	
Head of Consumer Credit business Division or Alternate <sup>1)</sup>	1	Na	-	The topic discussed does not relate to policies in consumer credit.

Position (Name of Director/Membership)	Total Meetings**)	Attendance	Percentage	Information
Head of Work Units under Banking Transaction Directorate or Alternate <sup>1)</sup>	1	NA	-	The topic discussed does not relate to policies in Banking Transaction.
Head of international Banking Division or Alternate <sup>1)</sup>	1	NA	0%	Absent
Head of Internal Audit Division or Alternate	1	1	100%	-
Head of Compliance work Unit or Alternate	1	1	100%	-
Head of Risk Management Work Unit or Alternate	1	1	100%	-

Note :

- The meeting was held on June 8, 2017

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

<sup>2)</sup> Non-member

### I. Report of Responsibility

- Written reports on a regular basis to the Board of Directors forwarded to the Board of Commissioners, containing results of monitoring and evaluation of Banking Basic Credit Policy, as well as required improvement inputs.
- Data and other information related to the result of monitoring and evaluation activities.

### J. Realization of Work Program in 2017

In performing its duties throughout 2017, Credit Policy Committee has implemented its work programs, namely:

Provided recommendation for Board of Directors action in granting the credit that required approval of the Board of Commissioners, from Rp1 trillion to be above Rp3 trillion/debtor group (including to make investment in the form of securities), either for non-bank counterparty or bank counterparty.

## CREDIT COMMITTEE

The Credit Committee is established to assist the Board of Directors in making loan evaluations and/or loan approval decisions within the authorized limits set by the Board of Directors with regards to business development without abandoning the prudent principles.

The Credit Committee is established based on the Board of Directors Decision Letter No. 136/SK/DIR/2017 dated October 19, 2017 on Structure of Credit Committee.

In addition, the establishment of Credit Committee refers to:

- Financial Services Authority Regulation No. 42/POJK.03/2017 dated July 12, 2017 on Requirements to Prepare and Implement Bank Creditor Financing Policy for Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Board of Directors Decision Letter No.094/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Credit Risk Analysis Group (GARK).
- Board of Directors Decision Letter No. 096/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Corporate Banking and Corporate Finance Group (GBKF).
- Corporate Credit Manual.
- Commercial Credit Manual.

### A. Main Functions of Credit Committee

- To provide credit guidance and to conduct a more intensive and comprehensive credit analysis when necessary.
- To provide decisions or recommendations on credit approval proposals submitted by the referral/proposal associated with:
  - Corporate and commercial debtors (large loans);
  - Specific industries; and
  - Special requests from the Board of Directors.

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

#### Level of the Credit Committee

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

- Corporate Credit Committee.
- Commercial Credit Committee.

### B. Authority of Credit Committee

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

The following is the scope of authority vested in the Credit Committee:

- In terms of the magnitude of authority:  
The Credit Committee has the authority to approve credit in accordance with the authorized maximum amounts specified for each type of borrower.

- In terms of the object of credit decisions:
  - Making credit decisions for corporate and commercial categories above a certain value.
  - Providing a decision on proposed credit facilities.
  - Determining the take-over/purchase of loans that have or have not been restructured from other financial institutions.

### C. Membership Structure of Credit Committee and Voting Right Status

Membership structure of credit committee and voting rights of Corporate Credit Committee and Commercial Credit Committee are as follows:

Based on the Board of Directors Decision Letter No. 136/SK/DIR/2017 on Structure of Credit Committee:

#### Membership Structure and Voting Right Status of Corporate Credit Committee

Position	Served by	Voting Rights <sup>1)</sup>
Chairman (concurrently as 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 (WP1)</li> <li>Corporate Banking Director (DBK)</li> <li>EVP GARK</li> <li>EVP GBKF<sup>2)</sup></li> <li>EVP DTR-DPI<sup>2)</sup></li> </ul>	No voting rights
Non-Permanent member	<ul style="list-style-type: none"> <li>Other directors having the authority to approve credit</li> <li>Compliance &amp; Risk Management Director (DCR)<sup>3)</sup></li> </ul>	Reserve voting rights
Secretary (concurrently as permanent member)	Head of GARK	No voting rights

Note :

<sup>1)</sup> Decision in the meeting is made through voting mechanism.

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

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

### Membership of Commercial Credit Committee and Voting Right Status

Position	Served by	Voting Rights <sup>1)</sup>
Chairman <sup>2)</sup> (concurrently as permanent member)	Head of GARK based on the appropriate commercial credit exposure being handled	Reserve voting rights
Permanent member	<ul style="list-style-type: none"> <li>• Director of SME &amp; Commercial Banking (DKS)</li> <li>• Credit Director (DKR)</li> <li>• EVP GARK</li> <li>• Head of Regional Office</li> </ul>	
Non-Permanent Member	Compliance & Risk Management Director (DCR) <sup>3)</sup>	
Secretary (also act as permanent member)	Credit Adviser	No voting rights

Note :

1) Decision in the meeting is made through voting mechanism.

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

3) With voting rights in terms of credit settlement and other matters related to risk management.

#### D. Duties and Responsibilities of Credit Committee

Duties of Credit Committee of the Company are:

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

#### E. Meetings of Credit Committee

The following provisions govern the meetings of the Credit Committee:

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

#### F. Decision Making

The following provisions govern the decision-making process of Credit Committee:

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

#### Accountability of Credit Committee

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

## G. Frequency of Credit Committee Meeting in 2017

Meeting implementation and attendance rate of members of both Corporate Credit Committee and Commercial Credit Committee are as follows:

Frequency and Attendance Rate of Board of Directors in Corporate Credit Committee Meetings in 2017

Position (Name of the Director)	Total Meeting	Attendance	Percentage
President Director (Jahja Setiaatmadja)**	8	7	88%
Deputy President Director (Eugene Keith Galbraith)**	8	5	63%
Deputy President Director (Armand W. Hartono)****	8	4	50%
Credit Director (Inawaty Handoyo)*	8	8	100%
Corporate Banking Director (Rudy Susanto)**	8	8	100%
SME & Commercial Banking Director (Henry Koenafi)***	8	8	100%
Individual Banking Director (Suwignyo Budiman)****	8	1	13%
Compliance & Risk Management Director (Subur Tan)***	8	6	75%
Network Distribution Director (Erwan Yuris Ang)****	8	1	13%
Banking Transaction Director (Santoso)***	8	3	38%
Human Capital Director (Lianawaty Suwono)****	8	2	25%
EVP GARK (Deddy Muljadi H)**	8	8	100%
EVP GBKF (Wira Chandra)**	8	5	63%
EVP DTR-DPI (Linus Ekabrango Windoe)**	-	-	-

**Note :**

\* Chairman (concurrently as Permanent Member).

\*\* Permanent Member.

\*\*\* Non-Permanent Member.

\*\*\*\* Other Board of Directors Members.

Frequency and Attendance Rate of Board of Directors in Commercial Credit Committee Meeting in 2017

Position (Name of the Director)	Total Meeting	Attendance	Percentage
Credit Director (Inawaty Handoyo)**	8	8	100%
SME & Commercial Banking Director (Henry Koenafi)**	8	8	100%
EVP of Credit Risk Analysis Group (Deddy Muljadi H)**	8	7	88%
Head of Credit Risk Analysis Group*	8	8	100%
Head of Small and Medium Enterprise Division (Liston Nainggolan)****	8	7	88%
Head of Compliance Work Unit (Arif Singgih Halim Wijaya)*****	8	3	38%
Regional Head**	8	8	100%

**Note :**

\* Chairman (concurrently as Permanent Member).

\*\* Permanent Member.

\*\*\* Resource Personnel.

\*\*\*\* Monitoring Personnel.

## H. Realization of Work Programs of Credit Committee in 2017

In performing the duties throughout 2017, both Corporate Credit Committee and Commercial Credit Committee held 8 (eight) meetings each with the realization of the meetings as follows:

Date of Corporate Credit Committee Meeting	Date of Commercial Credit Committee Meeting
February 9, 2017	January 30, 2017
February 23, 2017	March 6, 2017
May 4, 2017	June 5, 2017
June 20, 2017	July 31, 2017
July 6, 2017	August 23, 2017
July 25, 2017	August 30, 2017
August 8, 2017	September 29, 2017
October 19, 2017	October 31, 2017

## INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee (IT Steering Committee) is established to ensure that the implementation of the information technology (IT) system is in line with the Company's strategic plans and aim to improve the Company's competitive advantage through the utilization of appropriate IT functions. The IT Steering Committee is established based on the Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 on Structure of Information Technology Steering Committee.

The establishment of IT Steering Committee refers to:

- Financial Services Authority Regulation No. 38/POJK.03/2016 dated December 1, 2016 on Implementation of Risk Management in the Utilization of Information Technology by Commercial Banks.
- Financial Services Authority Circular Letter No. 21/SEOJK.03/2017 dated June 6, 2017 on Implementation concerning Risk Management in the Utilization of Information Technology by Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/KOM/2017 dated July 12, 2017 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Board of Directors Decision Letter No. 110/SK/DIR/2014 dated September 24, 2014 on Structure of Information Technology Steering Committee.
- Board of Directors Decision Letter No. 095/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Strategic Information Technology Group (GSIT).

### C. Membership Structure of IT Steering Committee and Voting Right Status

Based on the Board of Directors Decision Letter No. 127 dated October 10, 2017 on Structure of Information Technology Steering Committee, the membership structure and voting right status of the Committee are as follows:

Position	Served by	Voting Rights
Chairman (concurrently as permanent member)	Director headed the Information Technology field	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Data Management and IT Management Office Group	Reserve voting rights
Member	<ul style="list-style-type: none"> <li>• Director of Compliance and Risk Management</li> <li>• Director of Network Distribution</li> <li>• Executive Vice President of Information Technology (EVP IT)</li> <li>• Strategic Information Technology Group (GSIT)<sup>1)</sup>:               <ul style="list-style-type: none"> <li>- Head of Data Management and IT Management Office Group</li> <li>- Head of IT Architecture &amp; Service Quality Group</li> <li>- Head of Application Management Group</li> <li>- Head of IT Infrastructure &amp; Operation Group</li> <li>- Head of Digital Innovation Solutions Group</li> </ul> </li> <li>• Head of Enterprise Security Work Unit</li> <li>• Head of Risk Management Work Unit</li> <li>• Head of Compliance Work Unit</li> <li>• Head of Strategy and Development of Operation-Service Division</li> <li>• Head of IT Main User Work Unit<sup>2)</sup></li> <li>• Head of Internal Audit Division</li> </ul>	Reserve voting rights
		No voting rights

Note :

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

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

- Board of Directors Decision Letter No. 127/SK/DIR/2017 on the structure of IT Steering Committee, dated October 10, 2017.
- Basic Policies of Risk Management in Information Technology Utilization.

#### A. Main Functions of IT Steering Committee

- To review and provide recommendations for IT strategic plan so as to be in line with the Company's business plan.
- To perform regular evaluations of IT support for the Company's business activities.
- To ensure that IT investments provide added values to the Company.

#### B. Authority of IT Steering Committee

The authority of the IT Steering Committee are as follows:

- To provide recommendations to the Board of Directors for the IT strategic plan in line with the Company's business activities and strategic plans.
- To review and recommend strategic steps to minimize the risk of Company investments in IT sector.
- To review and make recommendations on the feasibility of IT investments that will contribute to the achievement of the Company's business objectives.
- To review and provide recommendations on the formulation of major IT policies, standards and procedures.

#### D. Education or Training Activities

During the year, members of IT Steering Committee participated in the following education or training activities:

No	Name	Training Program	Organizer	Location	Date
1.	Nur Hermawan Thendean	Executive Conversation	Dimension Data	Japan	February 16-17, 2017
		Sunline Global Financial Summit 2017	Sunline	China	July 27-28, 2017
		Gartner Symposium ITExpo	Gartner	Barcelona	November 5-9, 2017
2.	Kho Vincentius Chandra Kosasih	Dissemination of New Competence	BCA	Jakarta	February 14, 2017
		Glory's New Technology and Solutions In Line With The Development and Market Demands In The Future	PT Glory Global Solutions Indonesia	Japan	May 15-19, 2017
		Leadership In Agile Organization	BCA	Jakarta	July 14, 2017
3.	Lukman Hadiwijaya	Review Security Product E-Channel BCA	BCA	Jakarta	February 7, 2017
		Dissemination of New Competence	BCA	Jakarta	March 8, 2017
		Systematic Thinking In Business	BCA	Bandung	May 8, 2017
		Framework In Business Thinking	BCA	Jakarta	May 8, 2017
	Lukman Hadiwijaya	Basic Understanding In FS-Banking	BCA	Jakarta	May 9, 2017
		Principle In Value Creation: Ops & invest	BCA	Jakarta	May 10, 2017
		Developing Business Strategy	BCA	Jakarta	May 12, 2017
		STR IMP: Strategic Alliance & BSC	BCA	Jakarta	May 15, 2017
		Value Innovation In Banking	BCA	Jakarta	May 16, 2017
		Managing Team: To Engage & Inspire	BCA	Jakarta	May 17, 2017
4.	Lilik Winarni	Transformational Leadership	BCA	Jakarta	May 17, 2017
		Sprint's Client Gathering-Communic Asia 2017	Sprint Asia Technology	Singapore	May 23-25, 2017
		Palo Alto Networks Ignite 17 Conference	Palo Alto Networks	Vancouver, Canada	June 12-15, 2017
		Money 20/20: The Spotlight Is On You	Money 20/20	Las Vegas, USA	October 22-25, 2017
5.	Jacobus Sindu Adisuwono	Dissemination of New Competence	BCA	Jakarta	February 14, 2017
		e-Learning KPO	BCA	Jakarta	April 3, 2017
		Workshop ATM 2017	BCA	Jakarta	August 29, 2017

#### E. Duties and Responsibilities of IT Steering Committee

The duties and responsibilities of the IT Steering Committee are as follows:

- Reviewing IT strategic plans so as to be in line with the Company's business activities and strategies.
- Reviewing the effectiveness of strategic steps to minimize the risk of Company investments in IT sector.
- Reviewing the feasibility of IT investments that will contribute to the achievement of the Company's business objectives.
- Reviewing the formulation of major IT policies, standards and procedures.
- Monitoring and ensuring the conformity of approved IT projects with the IT strategic plans.

- Monitoring and ensuring the conformity of IT projects implementation with the approved project plans (project charter).
- Monitoring and ensuring the conformity of IT sector with the needs of management information system and the Company's business needs.
- Monitoring IT performance and efforts to improve it.
- Monitoring settlement efforts of various IT related matters that cannot be settled by user work unit and IT implementation work unit in an effective, efficient and timely manner.
- Ensuring the availability and allocation of resources of the Company.

#### Charter

In order to support the implementation of its duties, IT Steering Committee refers to Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017, on Structure of Information Technology Steering Committee.

#### F. Meetings of IT Steering Committee

The following provisions govern the meeting of IT Steering Committee:

- IT Steering Committee Meetings are held as necessary with at least 4 (four) meetings in a year;
- IT Steering Committee Meetings can be held if attended by, at the very least, 2/3 (two-thirds) of the number of invited members with voting right.

#### G. Decision Making

The following provisions govern the decision making-process in the Committee:

- Decision-making related to the exercise of the IT Steering Committee's authority will only be carried out through legitimate Committee meeting decisions.
- IT Steering Committee meeting decisions are valid and binding if approved by at least ½ (half) plus 1 (one) of the members with voting rights present.

#### H. Frequency of IT Steering Committee Meeting in 2017

Up until December 31, 2017, the IT Steering Committee has held 4 (four) meetings with the following details:

- IT Steering Committee 1 dated May 2, 2017
- IT Steering Committee 2 dated July 19, 2017
- IT Steering Committee 3 dated September 15, 2017
- IT Steering Committee 4 dated November 27, 2017

#### Meeting Schedule and Frequency of IT Steering Committee during 2017

Based on Board of Directors Decision Letter No. 110/SK/DIR/2014 dated September 24, 2014 on Structure of Information Technology Steering Committee.

Position (Name of the Director)	Total Meetings	Attendance	Percentage
Deputy President Director (Armand W. Hartono) <sup>1)</sup>	4	4	100%
Compliance and Risk Management Director (Subur Tan)	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	3	75%
Executive Vice President of Information Technology	4	4	100%
Strategic Information Technology Group (GSIT) <sup>2)</sup> :			
- Head of IT Management Office <sup>3)</sup>	4	4	100%
- Head of IT Infrastructure & Operation Management <sup>3)</sup>	4	4	100%
- Head of Core Application Management	4	3	75%
- Head of Delivery Channel & Middleware Application Management	4	4	100%
Head of Enterprise Security Work Unit	4	4	100%
Head of Risk Management Work Unit	4	1	25%
Head of Compliance Work Unit	4	2	50%
Head of Strategy and Development of Operation-Service Division	4	2	50%
Head of Internal Audit Division <sup>3)</sup>	4	3	75%

Note :

<sup>1)</sup> Chairman

<sup>2)</sup> GSIT only has 1 (one) voting right represented by EVP IT

<sup>3)</sup> No voting right

<sup>4)</sup> Concurrently by EVP IT



### Meeting Schedule and Frequency of IT Steering Committee during 2017

Based on Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 on Structure of Information Technology Steering Committee.

Position (Name of the Director)	Total Meetings	Attendance	Percentage
Deputy President Director (Armand W. Hartono) <sup>1)</sup>	4	4	100%
Compliance and Risk Management Director (Subur Tan)	4	4	100%
Network Distribution Director (Erwan Yuris Ang)	4	3	75%
Executive Vice President of Information Technology	4	4	100%
Strategic Information Technology Group (GSIT) <sup>2)</sup> :			
- Head of Data Management & IT Management Office	4	3	75%
- Head of IT Architecture & Service Quality Group	4	4	100%
- Head of Application Management Group <sup>3)</sup>	-	-	-
- Head of IT Infrastructure & Operation Group <sup>4)</sup>	-	-	-
- Head of Digital Innovation Solutions Group	4	3	75%
Head of Enterprise Security Work Unit	4	4	100%
Head of Risk Management Work Unit	4	1	25%
Head of Compliance Work Unit	4	2	50%
Head of Strategy and Development of Operation-Service Division	4	2	50%
Head of Internal Audit Division <sup>5)</sup>	4	3	75%

Note :

<sup>1)</sup> Chairman.

<sup>2)</sup> GSIT only has 1 (one) voting right represented by EVP IT.

<sup>3)</sup> Currently, the position of Application Management Group Head is vacant; hence, in the IT Steering Committee meeting, it is represented by:

- SR IT Adviser Integration & Transactional Banking Application.
- SR IT Adviser International Business & Back Office Application

<sup>4)</sup> Currently, the position of IT Infrastructure & Operation Group Head is vacant; hence, in the IT Steering Committee meeting, it is represented by:

- Head of IT System Infrastructure
- Head of IT System Operation

<sup>5)</sup> No voting right

#### I. Report of Responsibility

Accountability report/work realization report of the IT Steering Committee is submitted through minutes of IT Steering Committee meetings with the following provisions:

- Attendance of IT Steering Committee members in the meeting has met the quorum.
- Results of IT Steering Committee meeting must be written in minutes of meetings and be well documented.
- Minutes of meetings are prepared by the Secretary of the IT Steering Committee and signed by the Chairman of the IT Steering Committee.

#### J. Work Programs of IT Steering Committee

Work Programs of the IT Steering Committee in 2017 were as follows:

- To provide recommendations to the Board of Directors regarding IT strategic plan.
- To monitor IT performance and its improvement efforts.
- To evaluate and monitor IT application in accordance with the Company's business requirements.
- To ensure that IT investments deliver optimum investment value.
- To ensure the effectiveness of efforts to minimize risk on the Company's IT investments.

## K. Realization of Work Programs of IT Steering Committee in 2017

In performing its duties throughout 2017, the IT Steering Committee has carried out the following programs:

- Evaluated and monitored the implementation of strategic IT projects aligned with strategic corporate objectives and business direction of the Company.
- Evaluated the implementation of process and technology used in IT project development.
- Reviewed and monitored strategic measures in minimizing IT investment risks.
- Monitored the use of IT budget in 2017.
- Reviewed and evaluated new IT strategic projects, namely:
  - a) Omni-Channel that was developed to optimize the features and functions at BCA channel.
  - b) Utilization of Application Programming Interface (API) to strengthen the Company's position as transaction banking service provider.
  - c) Development of Data Lake (Big Data) to support business and data analysis needs in the future.
- Evaluated and monitored IT initiatives carried out to support the delivery of IT strategic projects. The initiatives were:
  - a) Development of microservices architecture that is beneficial for the development of new technology.
  - b) Procurement and development of Software Report Management to improve efficiency in report distribution process at Head and Branch Offices.
  - c) Implementation of link network facility and utilization of VSAT provider distribution as a mitigation step and improvement effort for ATM service.
  - d) Development of BCS Mobile Keyboard to facilitate the customers in conducting financial transactions.
- Reviewed and evaluated capability development of IT Human Resources and Management Office.
- Reviewed and evaluated IT Risk Management and IT Compliance Governance processes.

## PERSONNEL CASE ADVISORY COMMITTEE

The Personnel Case Advisory Committee is established by and answers directly to the Board of Directors. Personnel Case Advisory Committee's mission is to provide recommendations to the Board of Directors regarding the settlement of personnel cases based on the principles of fairness and equality by reviewing cases of violations of policy and/or possible illegal activity undertaken by employees. The Personnel Case Advisory Committee is established based on the Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013.

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

- Board of Directors Decision Letter No. 021/SK/DIR/2012 on Changes to the Management of Violations Guidelines.
- Board of Directors Decision Letter No. 018/SK/DIR/2013 on Revised Decision Letter of Authority within the Scope of Human Resources at Head Office.
- Board of Commissioners Decision Letter No. 089/SK/KOM/2013 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Guidelines of Standardized Authority of Branch Office and Regional Office.

### A. Main Functions of the Personnel Case Advisory Committee

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

**B. Authorities of the Personnel Case Advisory Committee**

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

**C. Membership Structure of Personnel Case Advisory Committee**

Based on Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013 on Committee Structure, the membership structure and voting right status of Personnel Case Advisory Committee are as follows:

Position	Served by	Status Voting Rights*)
Chairman (concurrently as permanent member)	Head of Human Capital Management Division	Reserve voting rights
Member	<ul style="list-style-type: none"> <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 rights
Non-permanent member	Head of Regional Network and Planning Management Work Unit	Reserve voting rights
Secretary	Head of Branch Audit Sub-Division	No voting rights

**Independency of Personnel Case Advisory Committee**

All members of the Personnel Case Advisory Committee have met the independency criteria and are capable of conducting their duties independently.

**D. Education or Training Activities**

During 2017, members of Personnel Case Advisory Committee have participated in the following education or training activities:

No	Name	Training Program	Organizer	Location	Date
1.	Hendra Tanumihardja	Workshop KPI Alignment	BCA	Jakarta	February 27, 2017
		Leadership In Agile Organization	BCA	Jakarta	July 14, 2017
		Strategic Leaders Program-Vision, Strategy and Managing The Organization To Drive Result	Michigan Ross Executive Education	Hong Kong	November 20-24, 2017
2.	Jacobus Sindu Adisuwono	New Competence Dissemination	BCA	Jakarta	February 14, 2017
		KPI Alignment	BCA	Jakarta	February 27, 2017
		Refresher SMR Level 4-5 <sup>th</sup> 2017	BCA	Jakarta	March 3, 2017
		KPI Cascading	BCA	Jakarta	March 21, 2017
3.	Ayna Dewi Setianingrum	Sound Practice In ICAAP Implementation & Benchmarking	BARA	Ceko, Swiss, Jerman	October 17-22, 2017
4.	Lilik Winarni	Business English 3-Advising Clients	BCA	Jakarta	February 1, 2017
		Business English 3-Networking	BCA	Jakarta	February 1, 2017
		Business English 3-Speak Up	BCA	Jakarta	February 1, 2017
		e-L APU PPT v.1.1	BCA	Jakarta	February 8, 2017
		New Competence Dissemination	BCA	Jakarta	February 20, 2017
		e-Learning KPO	BCA	Jakarta	April 3, 2017
		Workshop ATM 2017	BCA	Jakarta	August 29, 2017

## E. Main Duties of the Personnel Case Advisory Committee

### Main Duty KPKK

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

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

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

### Charter

In order to support the implementation of its duties, Personnel Case Advisory Committee refers to Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013.

## H. Frequency of the Personnel Case Advisory Committee Meetings in 2017

As of December 31, 2017, the Personnel Case Advisory Committee held 12 (twelve) meetings with details described below.

### Frequency of Personnel Case Advisory Committee Meeting in 2017

Position (Name of the Director)	Total Meeting	Attendance	Percentage
Head of Human Capital Division (Hendra Tanumihardja) <sup>1)</sup>	12	12	100%
Head of Internal Audit Division (Sindu Adisuwono/Ayna Dewi) <sup>1)#)</sup>	12	12	100%
Head of Legal Group (Hermanto) <sup>1)</sup>	12	9	75%
Head of Legal Group (Theresia Endang) <sup>1)</sup>	12	10	83%
Head of Strategy and Development of Operation-Service Division (Lilik Winarni) <sup>1)</sup>	12	3 <sup>##)</sup>	25%
Head of Regional Network and Planning Management Work Unit (Hendrik Sia) <sup>2)</sup>	12	8	67%

Note :

<sup>1)</sup> Chairman

<sup>1)</sup> Member

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

<sup>#)</sup> Mrs. Ayna Dewi has effectively served in her position since November 1, 2017

<sup>##)</sup> Mrs. Lilik Winarni was unable to attend the meeting

## I. 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.

## F. Meetings of the Personnel Case Advisory Committee

The following are several provisions regarding the Committee Meetings:

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

## G. Decision Making

The following are several provisions of the Committee meeting decisions and the decision-making process:

- Decision-making related to the exercise of Personnel Case Advisory Committee's authority can only be made through legitimate Committee meeting decisions.
- Decisions made in the Committee meetings can be in the form of:
  - A recommendation to the Board of Directors agreed upon by all members, or
  - More than one recommendation (if consensus is not reached).

**J. Realization of Work Programs of Personnel Case Advisory Meeting in 2017**

In performing its duties throughout 2017, the Personnel Case Advisory Committee has held 12 (twelve) meetings. Realization of the Personnel Case Advisory Committee work program was to provide input in the form of information, analysis and consideration to make recommendations to the Board of Directors for actions to be taken to resolve violations committed by employees that required the Board of Directors decision for settlement, including the imposition of sanctions and/or improvement of systems and operational procedures and/or legal proceedings.

- Decision of Board of Directors of IDX No. 339/BEJ/07-2001 dated July 20, 2001 on Amendment to the Provisions of letter C.2.e on Regulation of Registration of Securities No. I-A regarding General Provisions for Registration of Equity Securities at Stock Exchange.

Through the Corporate Secretary, the Company strives to improve information disclosure and communication to all stakeholders. The Corporate Secretary is responsible for ensuring that the Company has implemented good corporate governance principles, manage the positive images and necessity of Company, maintaining good relationship with all stakeholders, supporting the Company's business conducted by the management, implementing secretariat duties, and ensuring the compliance of the Company with all applicable regulations.

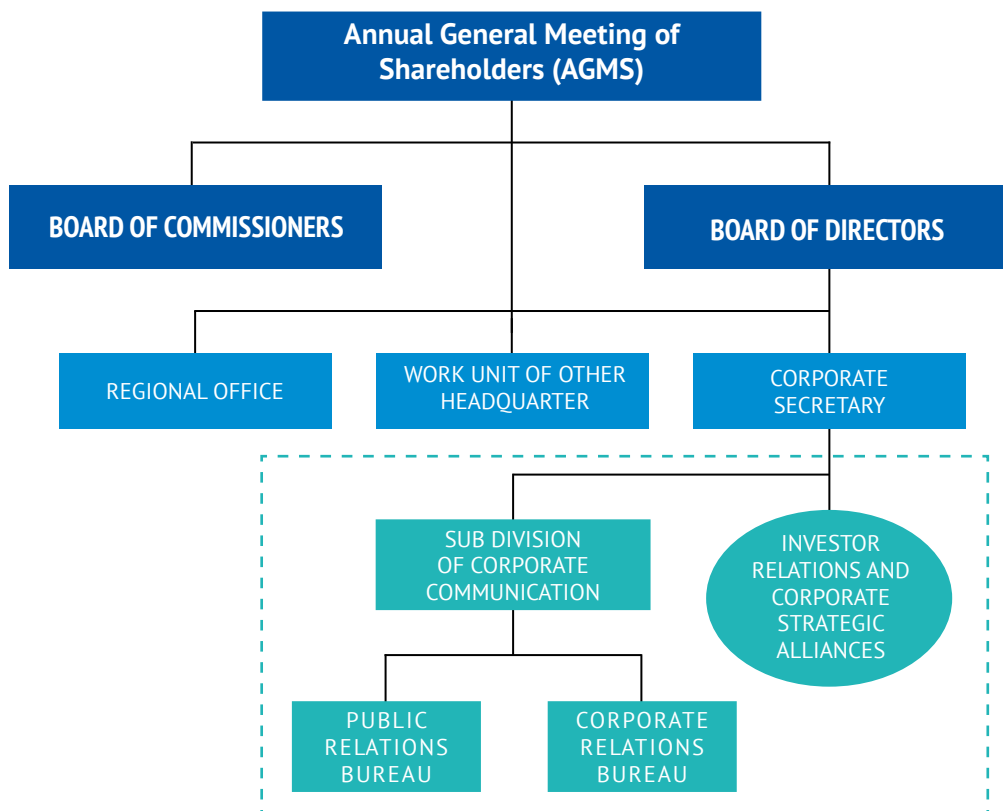
**CORPORATE SECRETARY**

The Company established the position of Corporate Secretary based on the prevailing regulations, covering:

- The Financial Services Authority Regulation No. 35/POJK.04/2014 on Corporate Secretary of Issuers or Public Companies;
- Decision Letter of Board of Directors of PT. Bursa Efek Indonesia (IDX) No. Kep-00001/BEI/01-2014 on Amendment to Regulation No. I-A regarding Registration of Equity Share and Securities Issued by Listed Companies; and

**Structure and Position of Corporate Secretary**

The function of Corporate Secretary at the Company is carried out by the Corporate Secretariat, which is headed by a Corporate Secretary whose position is on par with the Head of Divisions and is directly responsible to the Board of Directors. This function is supervised by the Deputy President Director.



Note:  
= Based on Board of Directors Decision Letter No. 124/SK/DIR/2016 dated August 31, 2016 on Organizational Structure of Corporate Secretariat.

### Corporate Secretary Profile

Company's Corporate Secretary position has been held by Jan Hendra since October 1, 2016 based on the Decision Letter No. 2235/SK/HCM-KP/A/2016. There was no change to the position of Corporate Secretary in 2017.

Jan Hendra is an Indonesian citizen and domiciled in Indonesia. Jan Hendra's work experience in the banking industry began in 2005. Prior to being appointed as Corporate Secretary, Jan Hendra served in various managerial positions in the

Consumer Card Business Group (Card Center) as the Head of Marketing and Product Development (April 2013-September 2016), Head of Consumer Card Portfolio Management (2012-2013), Head of Issuing Portfolio Management (2012), and Head of Business Development (2009-2012). He obtained his Bachelor Degree in Electrical Engineering from Trisakti University, Jakarta (1997), and completed his Master Degree in Software System Engineering from the University of Melbourne, Australia (2000).

### Corporate Secretary Competence Development and Training Programs

As an effort to support the conduct of his duties, the Corporate Secretary participated in a series of competence development and training programs in 2017, such as:

No	Training Program	Organizer	Location	Date
1	Dissemination of New Competence	BCA	Jakarta	February 14, 2017
2	Workshop KPI Alignment	BCA	Jakarta	February 27, 2017
3	Induction of Major P2M	BCA	Jakarta	May 3, 2017
4	Assessment of Major P2M	BCA	Jakarta	May 4, 2017
5	Systematic Thinking In Business	BCA	Jakarta	May 8, 2017
6	Framework In Business Thinking	BCA	Jakarta	May 8, 2017
7	Basic Understanding In FS - Banking	BCA	Jakarta	May 9, 2017
8	Principle In Value Creation: Ops&Invest	BCA	Jakarta	May 10, 2017
9	Developing Business Strategy	BCA	Jakarta	May 12, 2017
10	Strategic Alliance&Bsc	BCA	Jakarta	May 15, 2017
11	Managing Team:To Engage&Inspire	BCA	Jakarta	May 17, 2017
12	Transformational Leadership	BCA	Jakarta	May 17, 2017
13	Corporate Secretary Workshop	ICSA	Jakarta	July 18, 2017

### Corporate Secretary Functions

The functions of the Corporate Secretary at the Company are:

1. keeping abreast of development in capital markets, especially the laws and regulations applicable in capital markets;
2. providing input to the Board of Directors and Board of Commissioners to comply with the provisions contained in the laws and regulations of capital markets;
3. assisting the Board of Directors and Board of Commissioners in the implementation of corporate governance, covering:
  - a. information disclosure to the public, including information availability on Company's website;
  - b. timely delivery of reports to the Financial Services Authority;
  - c. conventions and documentation of General Meetings of Shareholders;
  - d. organization and documentation of meetings of the Board of Directors and/or the Board of Commissioners; and
  - e. implementation of orientation program for the new members of the Boards of Directors and/or the Board of Commissioners.
4. acting as a liaison officer between the Company and the shareholders, Financial Services Authority, and other stakeholders.

### Duties and Responsibilities of Corporate Secretary

Based on Decision Letter No. 084/SE/POL/2017 dated April 21, 2017 on Description of Duties and Responsibilities of Corporate Secretary which refers to Board of Directors Decision Letter No. 124/SK/DIR/2016 dated August 31, 2016 on Organizational Structure of Corporate Secretariat, as well as the related Capital Market provisions, the duties and responsibilities of the Company's Corporate Secretary are as to:

- Determine strategies and Corporate Secretariat work programs and monitor implementation.
- Represent the Board of Directors in liaising with government agencies and private institutions.
- Build and manage the Company's positive image and identity by fostering public relation activities through mass media, internal media and other facilities.
- Support the conduct and implementation of good corporate governance in the Company.
- Administer the operations of the Company by the Board of Directors and Board of Commissioners so as to comply with the Articles of Association and other regulations, including those on corporate activities (GMS, public expose, and other corporate actions).
- Nurture good relations with internal parties, work partners, investors, capital market community, and shareholders.
- Allocate work programs as well as monitoring and evaluating their implementation.
- Support the conduct and implementation of good corporate governance.
- Maintain and improve the Company's financial reputation and credibility in wholesale financial markets, so that the Company has a strong access potential when requiring funds from wholesale financial markets.

- Handle and ensure settlement of issues in Corporate Secretariat.
- Adhere to the policies of the Board of Directors, Regulations of the Bank Indonesia, Regulations of Financial Services Authority and other regulations.

### Brief Description on Duty Implementation of Corporate Secretary in 2017

During the year, the Corporate Secretary conducted the following activities;

1. Convened the Annual General Meeting of Shareholders.
2. Conducted self-assessment on the Implementation of Good Corporate Governance and Integrated Governance.
3. Prepared the Good Corporate Governance Implementation Report.
4. Prepared Corporate Social Responsibility Report.
5. Adjusted Good Corporate Governance implementation with regulator provisions.
6. Organized Porseni (sports and cultural event) in celebration of the Company's 60th anniversary.
7. Conducted public expose (together with Investor Relations).
8. Conducted Press Conference & Analyst Meetings.
9. Organized National Work Meeting (together with other work units).
10. Conducted press conferences to disclose the Company's performance and progress.
11. Organized corporate communication materials and media of the Company for both external and internal parties, e.g. website development in accordance with regulations, issuer's reports to regulators, Info BCA Magazine, and others.
12. Conducted review and update of existing policies of corporate governance of the Company and its units.

### Corporate Secretary Report in 2017

Details of the Corporate Secretary Report in 2017 are as follows:

- a. Keeping abreast of the development in capital market, especially the laws and regulations applicable in capital market.

No.	Matters	Description
1.	Organization of Corporate Action	Organizing the convention of 2016 Annual GMS of the Company on April 6, 2017
2.	Implementation of capital market provisions	Implementation of Financial Services Authority Regulation No. 11/POJK.04/2017 on Share Ownership Report/Every Change of Share Ownership of Public Companies

- b. Providing input to the Board of Directors and Board of Commissioners to comply with provisions contained in law and capital market regulations.

No.	Matter	Description
1.	Analysis on Capital Market Provisions	<p>Analysis on capital market provisions is contained in a Memorandum to the Board of Directors and/or Board of Commissioners or uploaded to the Bank's internal portal, namely MyBCA, in hotspot section, with GCG Info links among others:</p> <ul style="list-style-type: none"> <li>- Analysis of Financial Services Authority Regulation No. 13/POJK.03/2017 on Use of Public Accountant Service and Public Accountant Firm in Financial Service Activities</li> <li>- Analysis of Financial Services Authority Regulation Draft, Proposal of Electronic Registration/Electronic Corporate Action</li> <li>- Analysis of Financial Services Authority Regulation Draft, Holding Company in Financial Conglomerates</li> <li>- Analysis on Mechanism of reporting flow of share ownership of certain shareholders, based on Financial Services Authority Regulation No. 11/POJK.04/2017 on Share Ownership Report/Every Change of Share Ownership of Public Companies.</li> </ul>
2.	Inputs/Opinions	<ul style="list-style-type: none"> <li>- Related to the drafting of Guidelines for Affiliate Transactions and Conflict of Interest as approved through Board of Directors Decision Letter No. 079/SK/DIR/2017 dated June 21, 2017 on Affiliate Transactions and Transactions Containing Conflict of Interest.</li> <li>- Related to the Submission Flow of Self-Assessment Report on Integrated Governance as approved through Decision Letter No. 282/SE/POL/2017 dated November 30, 2017 on Mechanism of Drafting and Submission of Report on Self-Assessment of Integrated Governance Implementation.</li> </ul>
3.	Adjusted the implementation of updated governance regulations, such as Bank Indonesia Regulation, Financial Services Authority Regulation and provisions contained in the ASEAN Corporate Governance Scorecard	<ul style="list-style-type: none"> <li>- Reviewed the Governance Manual;</li> <li>- Reviewed the Integrated Governance Manual;</li> </ul> <p>Reviews are conducted in coordination with related work units.</p>

- c. Assisting the Board of Directors and the Board of Commissioners in the implementation of corporate governance, having:

No.	Matter	Description
1.	Information disclosure to the public, including information availability on the Website of Issuers or Public Companies;	<ul style="list-style-type: none"> <li>- Reviewed and updated the Company's website as adjusted to new prevailing provisions;</li> <li>- Provided reports on information disclosure/investor news, both to the investors and to the public. Such reports can be accessed on the Bank's website at:  <a href="https://www.bca.co.id/id/Tentang-BCA/Hubungan-Investor/Berita-Investor">https://www.bca.co.id/id/Tentang-BCA/Hubungan-Investor/Berita-Investor</a></li> <li>- Provided Company reports on its website, among others: <ul style="list-style-type: none"> <li>a. Annual Report (<a href="https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Tahunan">https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Tahunan</a>);</li> <li>b. Monthly, Quarterly and Annual Financial Statements (<a href="https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Kuangan">https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Kuangan</a>);</li> <li>c. Corporate Governance Report (<a href="https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan">https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan</a>);</li> <li>d. Integrated Governance Report (<a href="https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan">https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan</a>);</li> <li>e. Sustainability and/or Corporate Social Responsibility Reports (<a href="https://www.bca.co.id/en/Tentang-BCA/Korporasi/Cari-Tahu-Tentang-BCA/sustainability-report">https://www.bca.co.id/en/Tentang-BCA/Korporasi/Cari-Tahu-Tentang-BCA/sustainability-report</a>).</li> </ul> </li> </ul>



No.	Matter	Description
2.	Timely delivery of reports to the Financial Services Authority	<ul style="list-style-type: none"> <li>- Conducted self-assessment on the implementation of Corporate Governance in Semester I (in June 2017) and Semester II (in December 2017), and delivered the result reports to the Financial Services Authority.</li> <li>- Submitted Reports or correspondence related to governance implementation and fulfillment of capital market provisions to the Financial Services Authority and Bank Indonesia.</li> <li>- Submitted annual Good Corporate Governance Implementation report.</li> <li>- Conducted self-assessment on the implementation of Integrated Governance in Financial Conglomerates in Semester I (in June 2017) and Semester II (in December 2017), and delivered the result report to the Financial Services Authority.</li> <li>- Submitted Reports or correspondence related to integrated governance implementation to the Financial Services Authority and Indonesia Stock Exchange.</li> </ul>
3.	Convention and documentation of General Meeting of Shareholders	<p>The data of the Annual GMS of the Company consisted of announcement, summons and resolutions of the Annual GMS have been properly documented, among others, through:</p> <ul style="list-style-type: none"> <li>- Website of the Company as accessible on <a href="https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan">https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan</a>;</li> <li>- Softcopy and hardcopy data managed by Corporate Relationship Bureau of Corporate Secretary Division (including correspondence related to the Annual GMS to regulators)</li> </ul>
4.	Organization and documentation of meetings of Board of Directors and/or Board of Commissioners	<p>Documentation of meetings of Board of Directors and Board of Commissioners is managed by the Board of Directors Bureau. Every semester, the Board of Directors Bureau delivers data of Board of Directors and/or Board of Commissioners meetings to Corporate Relationship Bureau of Corporate Secretary Division to be administrated.</p> <p>Total meetings of Board of Directors and Board of Commissioners in 2017 can be seen in the page 337 chapter on Meeting of Board of Directors and Board of Commissioners in this Annual Report.</p>
5.	Implementation of orientation program for new Directors and Commissioners	<p>The orientation program is conducted for new Directors and Commissioners. Reports on orientation program can be seen in the page 315 and 325 chapter on Board of Commissioners and Board of Directors in this Annual Report.</p>

- d. Acting as a liaison officer between the Company and the shareholders, Financial Services Authority, and other stakeholders:

No.	Matter	Description
1.	Implementation of Public Expose	Conducted Public Expose (together with Investor Relations) on August 9, 2017 at Stock Exchange Building, Jakarta.
2.	Implementation of Press Conference & Analyst Meeting	<p>In 2017, Press Conference &amp; Analyst Meetings were conducted on:</p> <ul style="list-style-type: none"> <li>- April 20, 2017 (position of Q1 of 2017)</li> <li>- July 27, 2017 (position of Semester 1 of 2017)</li> <li>- October 26, 2017 (position of Q3 of 2017)</li> </ul>
3.	Communication media and internal event	<ul style="list-style-type: none"> <li>- Organized Porseni Nasional (sports and cultural national event) in celebration of the Bank's 60th anniversary on February 24-25, 2017 at Soemantri Kuningan Jakarta. The event involved 1,218 athletes and officials from all Regional Offices, Head Office and Subsidiaries of the Company.</li> <li>- Organized National Work Meeting on December 7-8, 2017 (together with other work units).</li> </ul>
4.	Communication materials of the Company	<ul style="list-style-type: none"> <li>- Managed and updated information on the Company's website in accordance with prevailing regulations.</li> <li>- Organized press conferences related to the Company's performance and progress. 2017 Press Release Report on page 430 in this Annual Report.</li> <li>- Organized Company corporate communication materials such as publication of financial statements through mass media, advertisements on national holidays, and so on.</li> <li>- Developed and implemented Company sponsorship activities in line with the Company's policies.</li> </ul>

## INVESTOR RELATIONS FUNCTION

### Main Duties of Investor Relations

The main duty of Investor Relations is to represent the Board of Directors in liaising with investors and capital markets community, including to:

- Formulate communication strategies, specifically toward investors, potential investors, analysts, and the capital market community in general.
- Prepare the necessary materials and organize various activities such as road shows, analyst meetings and conference calls.
- Communicate various matters related to the Company's shares and performance, and provide Financial Statements to parties such as analysts, investors and potential investors.
- Manage relationships with analysts, fund managers, experts and economists (specifically related to stocks).
- Monitor and report the results of analysis on the Company's performance and stock prices to the Board of Directors on a periodic basis.
- Coordinate the preparation, publication and distribution of annual reports to investors/analysts.
- Provide financial data and information for investors and the capital markets community.

### Investor Relations Activity

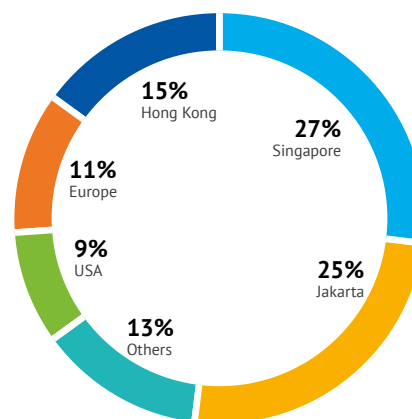
Investor Relations communicates with the financial and capital market community so that they can have the right and accurate information on the performance, business prospect or other necessary information for decision making. Investor relations activities are carried out by duly observing the principles of confidentiality and equal treatment for all investor.

Company holds analyst meeting event on regular basis to disclose the quarterly performance. Company is also active in attending conference and non-deal road show, events held by securities companies, where Company can meet with the investors. In addition, Company also host the investors visit or conducted conference call upon request by the investors.

### Statistics of Investor Relation Activities in 2017 and 2016

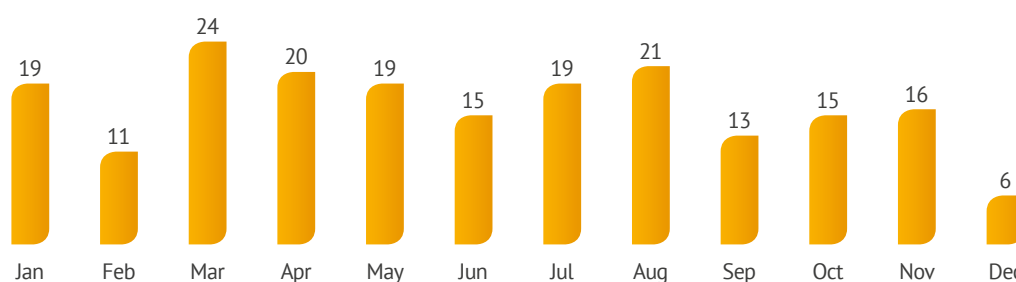
	2017	2016
Analyst Meeting & Public Expose	5	5
Non-deal road show	2	2
Investor Conferences (domestic and overseas)	14	11
Investor Visits	122	155
Conference call	55	80
<b>Total</b>	<b>198</b>	<b>253</b>

The number of investors/analysts conducting visits and conference calls amounted to 351 people, with the following composition by country of origin:



Note:  
\*) Others from Thailand, Malaysia, South Korea, Australia, South Africa and United Arab Emirates.

### Frequency of Monthly Investor Relations Activities in 2017



Average frequency of Investor Relation activities in 2017 was 16 activities each month.

### INTERNAL AUDIT

The Internal Audit Division was established to enhance and protect the value of the Company through the provision of assurance, advice, and insight based on risk and in an objective manner.

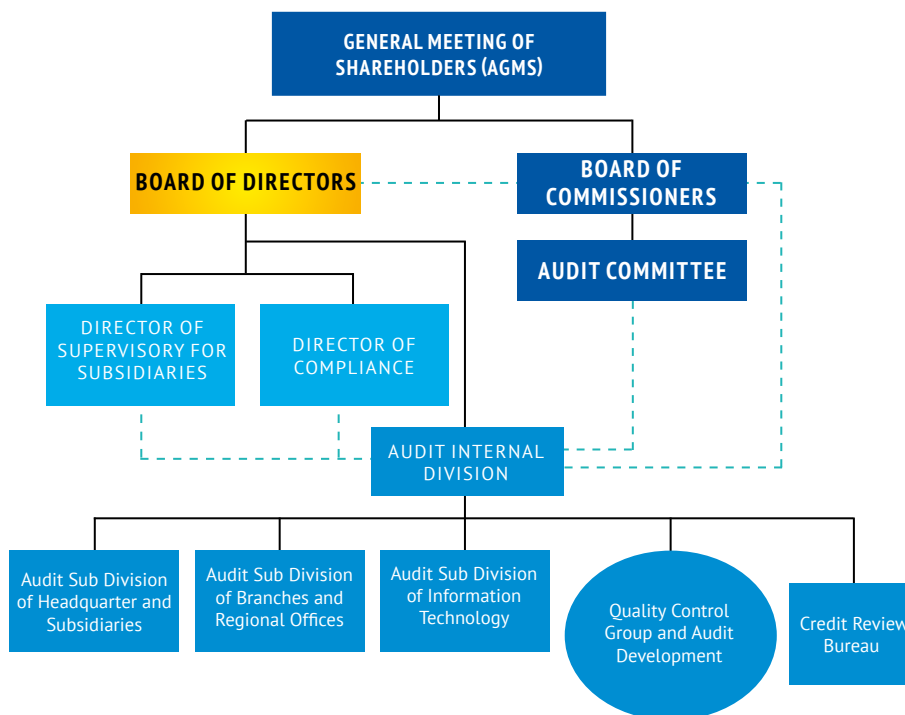
In performing its functions, Internal Audit assesses the adequacy and effectiveness of risk management processes, internal controls, governance, and performance to support the achievement of the Company's objectives, as well as to provide consultation to internal parties of the Company as needed.

To support the implementation of integrated governance for the BCA Financial Conglomerate, the function of the Integrated Internal Audit Unit is implemented by the Bank's Internal Audit in accordance with the Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates.

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

Internal Audit is chaired by the Division Head who is responsible to the President Director as well as having direct communication with the Board of Commissioners, the Audit Committee, the Compliance Director and the Director in charge of the Subsidiaries.

The following is the organizational structure of Internal Audit:



Note:  
 ----- communication/information line

#### Profile of the Head of Internal Audit

Jacobus Sindu Adisuwono served as the Head of Internal Audit from 1 November 2008 based on Employee Appointment Decision No. 1390/SK/DHR/A/2008 dated 24 October 2008, which was signed by the President Director and has obtained the approval of the Board of Commissioners until the end of his term of office on 31 October 2017.

He has considerable experience in the field of internal audit, having previously held various positions in the Internal Audit Division of PT Bank Central Asia, Tbk since 1987 and obtained Certified Internal Auditor (CIA) and Qualified Internal Auditor (QIA) certifications.

He is also active in internal audit profession organization activities, and served for the 2014 - 2017 period as Chairman of the Bank Internal Auditors Association (IAIB), which is a professional association of bank internal auditors, as well as a member of The Institute of Internal Auditors of Indonesia.

Since 1 November 2017, the Head of Internal Audit is Ayna Dewi Setianingrum based on the Employee Appointment Decision No. 3141/SK/HCM-KP/A/2017 dated 24 October 2017, which was signed by the President Director and obtained the approval of the Board of Commissioners.

She has considerable experience in internal audit, having previously held various positions in Internal Audit of PT

Bank Central Asia Tbk since 1995 and obtained the Qualified Internal Auditor (QIA) certification.

The appointment, replacement, or dismissal of the Head of Internal Audit shall be conducted by the President Director with the approval of the Board of Commissioners, and reported to the Financial Services Authority.

#### Competence Development and Training Program of the Head of Internal Audit Division

To develop competence and support the implementation of its duties, the Head of Internal Audit attended a series of training programs, along with a competency development program, which was attended by the Head of Internal Audit in 2017.

#### 1. Jacobus Sindu Adisuwono

No	Training Program	Organizer	Location	Date
1	Understanding, Macroeconomis, Risk Awareness	BCA	Jakarta	3 March 2017
2	IIA International Conference	IIA	Australia	24-28 July 2017
3	Indonesia Knowledge Forum	BCA	Jakarta	3-4 Oct 2017

#### 2. Ayna Dewi Setianingrum

No	Training Program	Organizer	Location	Date
1	Seminar IBEX 2017	Perbanas	Jakarta	19-20 Sept 2017
2	Indonesia Knowledge Forum - 2017	BCA	Jakarta	3-4 October 2017
3	Sound Practices In ICAAP Implementation "How to Pinpoint the Weak Spots in the Business Strategic Plan and Risk Management"	Bankers Association for Risk Management (BARA)	Prague, Czech Republic & Vienna, Austria	15-23 October 2017

#### Independency

To support independence and ensure a smooth implementation of audits, the Head of Internal Audit is responsible to the President Director and able to communicate directly with the Board of Commissioners, the Audit Committee, the Compliance Director and the Director in charge of the subsidiaries to inform matters that are related to audit. Internal Audit is not granted the authority and responsibility to carry out operational activities of the Company or its Subsidiaries.

During 2017, 8 (eight) meetings of Internal Audit with the President Director and the Audit Committee were held, while 2 (two) meetings were held with the Board of Commissioners.

#### Duties and Responsibilities of the Internal Audit Division

The scope of assignment of Internal Audit includes the activities of all Branch Offices, Regional Offices, Divisions, Work Units and Business Groups at Head Office, Subsidiaries, as well as Company activities that are outsourced, with the following duties and responsibilities to:

1. Assist the President Director, Board of Commissioners, and the Audit Committee in performing the supervisory functions.
2. Develop and implement a risk-based annual audit plan and report its realization to the President Director, the Board of Commissioners, and the Audit Committee.
3. Test and evaluate risk management processes, internal control, and governance processes to assess adequacy and effectiveness as well as providing recommendations for improvement.
4. Monitor, analyze, and report on the implementation of follow-ups that have been conducted by the auditee based on the recommendation of the audit results.
5. Conduct credit quality assessment.
6. Perform special investigation/assessment based on request of the Board of Commissioners, Audit Committee, Board of Directors, work units based on specific indications.
7. Act as a consultant for internal parties of the Company in need of such services, particularly in regards with the scope of duties of internal audits.
8. Implement an integrated internal audit function, monitor the effectiveness of internal audit function, and support the improvement of internal audit quality in each subsidiary in order to carry out the integrated internal audit function.

9. Develop programs to evaluate and improve the quality of internal audit activities.

**Internal Audit Division Implementation Standards (Internal Audit Manual)**

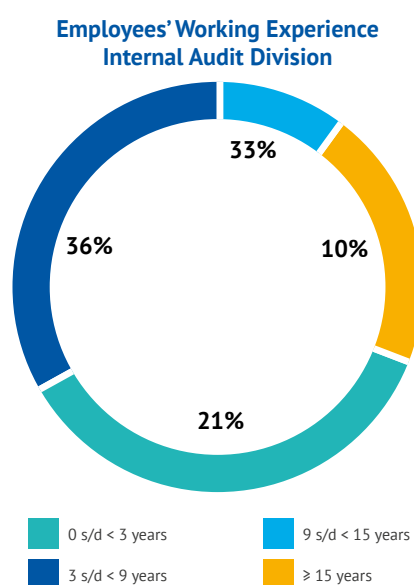
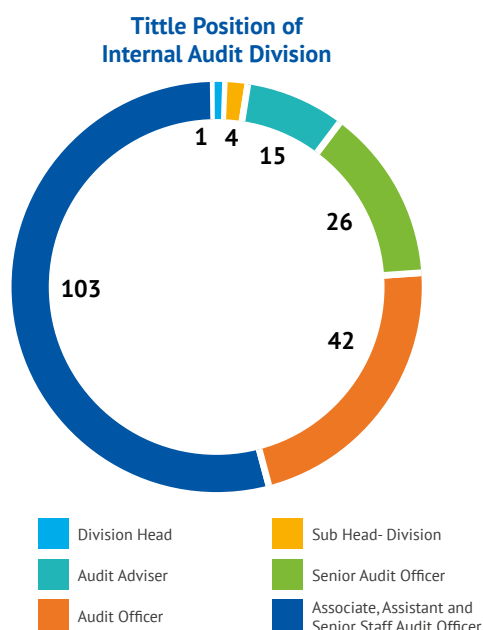
Audit implementation refers to the Internal Audit Charter and audit manuals that have been aligned with the Bank Internal Audit Function Implementation Standards (SPFAIB) and other regulatory provisions

As a reference to global best practices, Internal Audit also uses the mandatory guidelines issued by The Institute of Internal Auditors (including The Core Principles for the Professional Practice of Internal Auditing, The Code of Ethics, The Standards and The Definition of Internal Auditing) as well as the Information System Audit & Control Association (ISACA).

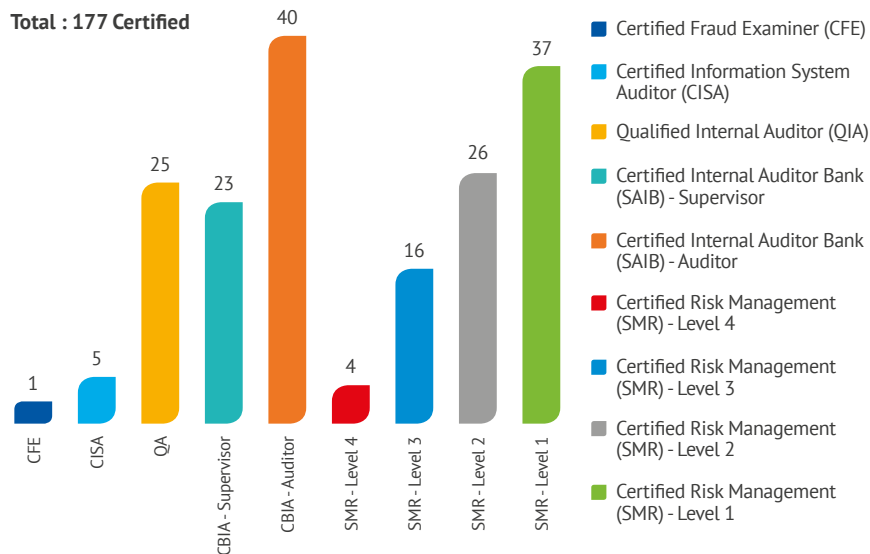
The effectiveness of the implementation of the internal audit function and its compliance with the SPFAIB is reviewed by an independent external party at least once in 3 (three) years. The most recent external review was performed at the end of 2016 and was reported to the Financial Services Authority on 23 January 2017.

**Number of Auditors in Internal Audit**

As of 31 December 2017, Internal Audit was supported by a total of 191 (one hundred and ninety one) auditors with diverse job positions, work experience, and professional certifications.



### Internal Audit Division



#### Competency Development:

Internal Audit has a competency development program that refers to the IIA Competency Framework and is consistent with the Company's strategy. The education and training programs are carried out continuously. Training or seminars to develop competencies are conducted internally and externally, both domestically and overseas to keep up with the best audit practice.

#### Audit Management System & Continuous Audit Information System

To improve the effectiveness and efficiency of audit implementation, the Internal Audit Division has utilized the Audit Management System from the planning stage of the audit up to the follow-up monitoring of the audit results. The Internal Audit Division also develops the Continuous Audit Information System to improve monitoring of transaction activities in a more effective and efficient manner.

#### Reporting

Internal Audit reports periodically to:

1. The Board of Commissioners, the Audit Committee, and the Board of Directors consisting of:
  - a. Audit Reports.
  - b. Follow-up Reports on Audit Results.
  - c. Reports on Investigation Results.
  - d. Audit Activity Realization Reports.
  - e. Integrated Internal Audit Reports.
  - f. Reports on the Results of Quality Control Review.

2. The Financial Services Authority on the implementation of the Internal Audit functions, consisting of:
  - a. Reports on the implementation and fundamental results of internal audits.
  - b. Special reports on any internal audit findings that may disrupt the sustainability of banking operations.
  - c. Reports on external parties' reviews that provide opinions on the performance of Internal Audit and its compliance with the Bank Internal Audit Function Implementation Standards, as well as possible improvements

#### Activities of Internal Audit in 2017

Activities carried out by Internal Audit in 2017 focused on the following:

1. Implementation of risk management in the utilization of information technology and enterprise security in connection with the increasingly complex utilization of information technology in the Company.
2. Electronic channels of Internet Banking as in line with the increasing volume of transactions through e-channels.
3. Payment instruments using cards and e-Money electronic banking products.
4. Issuing and acquiring business activities, in connection with the increase in transactions using cards.
5. Commercial loan processes to maintain good commercial credit quality.

6. Implementation of Internal Control Over Financial Reporting in connection with the implementation of good corporate governance.
  7. Conducting audits on Branch Offices, Regional Offices, Divisions/ Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan that was stipulated based on risk assessment results.
  8. Increasing the utilization of technology in the management of audit activities through the development of an Audit Management System.
  9. Develop and implement proactive monitoring through continuous auditing and analytical review
2. The Public Accountant appointed by the Company conducted audits in accordance with professional standards, work agreements, and audit scope.
  3. In accordance with resolution of the Annual GMS of 2017, the appointment of the Public Accountant Firm and the determination of the fee shall be conducted by the Board of Commissioners by taking into account the recommendations of the Audit Committee.
  4. The appointment of Public Accountant Firm is conducted in accordance with the applicable provisions, among others:
    - The Public Accountant Firm and Public Accountant (partner-in-charge) are registered with the Financial Services Authority/ Bank Indonesia. The Company only took into consideration 4 (four) of the largest Public Accountant Firms registered with the Financial Services Authority/ Bank Indonesia.
    - Does not provide other services to the Company in that year to prevent the likelihood of conflict of interest.
    - Employ the same Public Accountant for a maximum of 3 (three) consecutive fiscal years, although employing the same Public Accountant Firm, and re-employ the auditing services of the same Public Accountant after 2 (two) consecutive reporting years.

### Focus of Audit Plan in 2018

1. Conducting audits on Branch Offices, Regional Offices, Divisions/ Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan as stipulated based on risk assessment results.
2. Focusing audit on:
  - The System Development Life Cycle (SDLC) process, in line with the relatively large amounts of development in information technology.
  - Mobile banking in line with the increased volume of transactions through this channel.
  - Corporate loan processes to maintain good corporate credit quality.
  - Credit card products, in line with the implementation of the National Payment Gateway.
  - Regulatory audits on payment system processes and the Internal Capital Adequacy Assessment Process (ICAAP) in accordance with Bank Indonesia and Financial Services Authority regulation.
3. Evaluate the development of Continuous Auditing and Analytical Review to support audit activities.
4. Improving audit focus to identify strategic issues.

### PUBLIC ACCOUNTANT FIRM (EXTERNAL AUDITOR)

In order to comply to External Audit function pursuant to Financial Services Authority Regulation No.32/POJK.03/2016 on the Amendment to Financial Services Authority Regulation No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports, and Bank Indonesia Circular No. 3/32/DPNP on the Relationship between Banks, Public Accountant Firm and Bank Indonesia, hence:

1. The Company's Financial Statements have been audited by a Public Accountant registered with the Financial Services Authority/ Bank Indonesia who is independent, competent, professional and objective, and uses professional care accurately and thoroughly (due professional care).

Tanudiredja, Wibisana, Rintis & Partners Public Accountant Firm affiliated with PwC International, was appointed as the auditor of the Company to perform the audit on the financial statements of the Company for the year ended 31 December 2017, with estimated service fees of 6,200,000,000.00 (six billion two hundred million rupiah) excluding VAT.

On the appointment of Tanudiredja, Wibisana, Rintis & Partners Public Accountant Office, the Company has submitted a report to Financial Services Authority through the Letter No. 004/KOM/2017. This is in conformity with the provisions stipulated in Financial Services Authority Regulation No. 13/ POJK.03/2017 on the Employment of Public Accountant Services and Public Accountant Firm in Financial Services Activities and Financial Services Authority Circular Letter No. 36/SEOJK.03/2017 on Employment Procedures of Public Accountant Service and Public Accountant Firm in Financial Services Activities.

The Company granted the power to the Public Accountant Firm to submit the audited financial statements (audit report), accompanied with a Management Letter to the Financial Services Authority no later than 4 (four) months after the fiscal year.

### Public Accountant Firms and Public Accountants that have audited the Company's Financial Statements ( 2013, 2014, 2015, 2016, 2017)

	2017	2016	2015	2014	2013
<b>Public Accounting Office</b>	Tanudiredja, Wibisana, Rintis & Partners	Siddharta Widjaja & Partners	Siddharta Widjaja & Partners	Siddharta Widjaja & Partners	Siddharta & Widjaja
<b>Public Accountant</b>	Lucy Luciana Suhenda	Kusumaningsih Angkawijaya	Kusumaningsih Angkawijaya	Elisabeth Imelda	Elisabeth Imelda

### COMPLIANCE FUNCTION

Company business activities have continuously undergone changes and improvements due to advancements in information technology, resulting in higher complexity in business activities. Such increasingly complex business activities have created greater business challenges and business exposures.

Company takes proactive steps to mitigate increasingly complex risks such as compliance risk. Hence, in accordance with prevailing regulations, Company has appointed one Director as Compliance Director to manage and mitigate compliance risk and to oversee the compliance function.

In order to assist the duties of the Board of Directors supervising Compliance function, Company has formed a Compliance Working Unit, which is independent and free from undue influence from other working units. The unit is responsible for monitoring the Company's compliance level in complying with requirements set by Financial Services Authority, Bank Indonesia as well as other regulators. The Compliance Working Unit is also responsible for implementing policies related to compliance functions, as well as implementation of Anti Money Laundering and Counter Terrorist Financing (APU and PPT)—including responsibility to conduct risk assessment in implementing APU and PPT programs in accordance with the latest regulations. The Unit is also responsible to monitor and evaluate compliance levels in each subsidiary in implementing Integrated Governance.

In order to ensure the implementation of Company's compliance function, the Board of Directors and Board of Commissioners also performs active supervision of the compliance function, such as through approval of policies and procedures, periodic reporting, requests for explanations, and meetings.

### Compliance Activities in 2017

The activities performed by the Compliance Working Unit in 2017 are as follows:

1. In order to encourage a Compliance Culture:
  - Socialized and informed new regulations to the Board of Directors and Board of Commissioners.
  - Disseminated new provisions from regulators to related units.
  - Socialized regulations to employees.
  - Provided information regarding regulations issued by Financial Services Authority, Bank Indonesia, and other prevailing regulations on Company intranet accessible by employees.
  - Involved human resources in the Unit in various trainings, seminars, socialization on regulations from regulators, and participated in compliance certification conducted by Bankers Certification Institution (LSPP) to improve the human resources quality, including actively participating in Banking Compliance Director Communication Forums (FKDKP).
  - Carried out the consultative function related to implementation of prevailing regulations by giving suggestion/feedback on the questions addressed by Working Units or Branch Offices.



2. In managing compliance risk and ensuring that policies, terms, systems, and procedures as well as business activities carried out by the Company are in line with these provisions:
  - Conducted a gap analysis and examined the impact of new policies on Company operations.
  - Proposed adjustments to internal manuals, policies, and procedures.
  - Reviewed and offered input on product and new activities in the pipeline to ensure that they conform to applicable laws and regulations.
  - Reviewed draft internal policies to be issued to ensure conformity of internal policies with existing laws and regulations.
  - Conducted study adherence to the release of corporate credit.
  - Tested the level of compliance on the implementation of policies by branch offices in cooperation with Branch Internal Supervisors.
  - Updated existing regulation database.
  - Monitored compliance level on the prevailing regulations related to prudential banking principals such as KPMM, GWM, PDN, BMPK, and NPL. Throughout 2017, the Bank's operations were already in line with prudential banking principals.
  - Monitored the submission of reports to regulators.
  - Monitored imposition of sanctions/penalties by regulators.
  - Assessed compliance risks and prepared a quarterly compliance risks profile report as part of an effort to effectively manage compliance risks.
  - Prepared Quarterly Report of Compliance Monitoring submitted to the Board of Directors and the Board of Commissioners.
  - Reviewed documents for the purpose of ensuring the operational readiness of the opening, transferring, and closing of offices.
  - Coordinated with related work units in performing the Risk-Based Soundness Level of the Company.
3. To ensure the Company's compliance with the commitments to regulators:
  - Monitored Company's commitment to the Financial Services Authority, Company Indonesia, and other regulators, together with the Internal Audit Division.
  - Monitored and followed up on requests for data/information from the Financial Services Authority and Bank Indonesia relating banking supervision.
4. To monitor and evaluate compliance function in each subsidiary in the Company Financial Conglomerate, and to prepare integrated compliance report submitted to the Board of Directors and the Board of Commissioners.

#### Indicators of Compliance in 2017

Indicators of compliance reflect Company's commitment and compliance level toward laws and regulations. Indicators of compliance in 2017 were as follows:

- The Capital Adequacy Ratio (CAR) involving credit risk, market risk, and operational risk was at 23.06% (unaudited) or above the required level.
- The NPL ratio (net) was 0.45% (unaudited) within the range of the applicable provision of 5% (net) maximum.
- There was no excess or violation of the maximum Legal Lending Limit either to related parties or business groups.
- Minimum Statutory Reserves in Rupiah – Main 7.04% and Secondary was 21.45%, in compliance with the existing provision concerning Minimum Statutory Reserves in Rupiah.
- Minimum Statutory Reserves in Foreign Exchange was 8.49%, in compliance with the existing provision concerning Minimum Statutory Reserves in Foreign Exchange.
- Net Open Position was 0.5%, significantly below the limit allowed by the regulatory provision of a maximum 20% of capital.
- Liquidity Coverage Ratio (LCR) was 353.0%, above the minimum limit of 90%.
- Commitments to the Financial Services Authority, Bank Indonesia and other authorities have been well-accomplished.

#### Activities Related to Anti Money Laundering and Counter Terrorist Financing Programs

One of the main duties in knowing the customers in the Compliance Working Unit is to ensure that the company implements Anti Money Laundering and Counter Terrorist Financing. As a commitment of Company in participating to combat money laundering and counter terrorist financing, Company has performed the following:

- Reporting the implementation of Anti Money Laundering and Counter Terrorist Financing activities on a regular basis to the Board of Directors and the Board of Commissioners.
- Monitoring suspicious financial transactions.
- Coordinating the customer data updating activities by preparing targets and monitoring achievement of such targets.
- Reviewing new products and activities to ensure that they comply with Anti Money Laundering and Counter Terrorist Financing regulations.
- Filtering customers regarding Suspected Terrorist and Terrorism Organization list and Mass Weapon Proliferation Financing List published by related authorities.
- Conducting compliance test on the implementation of Anti Money Laundering and Counter Terrorist Financing programs at branch offices in cooperation with Branch Internal Supervisor.
- Conducting compliance reviews of branch offices to ensure that the implementation of Anti Money Laundering and Counter Terrorist Financing is in accordance with prevailing regulations.
- Reporting suspicious financial transactions, cash transactions, and bank transfer transactions to and from foreign countries and Data Sistem Informasi Pengguna Jasa Terpadu (SiPESAT) to Reporting and Analysis Center of Financial Transactions.
- Conducting training and socialization of Anti Money Laundering and Counter Terrorist Financing continuously through classroom, e-learning and video conference.
- Developing training materials for the implementation of Anti Money Laundering and Counter Terrorist Financing programs.
- Developing and implementing risk and compliance awareness program for branch offices in cooperation with Risk Management Unit.

### Integrated Compliance Function

In accordance with prevailing Financial Services Authority Regulation, and in implementing Integrated Governance, the Bank as the Main Entity in the Company's Financial Conglomerate also added the integrated compliance function within the Compliance Working Unit. The main duty of integrated compliance function within the Compliance Working Unit is to monitor and evaluate the implementation

of compliance function in each Financial Service Institution within the Company's Financial Conglomerate.

### IMPLEMENTATION OF RISK MANAGEMENT

The Board of Commissioners and Board of Directors are responsible for risk management and the internal control system within Company and its subsidiaries in an integrated manner. Risk management in Company includes:

- Active supervision by the Boards of Commissioners and Directors.
- Adequacy of policies, procedures, and limit setting.
- Adequacy of process of risk identification, measurement monitoring and control, and the risk management information system.
- Comprehensive internal control system.

### General Description of Risk Management System

Company effectively applies risk management principles and the internal control system to mitigate the risk arising from the Bank's business goals and strategies. Company's risk control procedures are in line with the business size and complexity of the Bank and comply with the requirements and procedures set forth in regulations issues by Bank Indonesia (BI) and the Financial Services Authority (OJK), as well as by referring to best practices, through the following actions:

1. Identify and control all risks, including risks arising from new products and activities.
2. Establish a Risk Oversight Committee to ensure that the existing risk management framework provides adequate protection for all Company risks with the primary duty of offering recommendations and opinions in a professional and independent manner regarding the appropriateness and implementation of risk management policies to the Board of Commissioners, and monitoring and evaluating the duties carried out by the Risk Management Committee and Risk Management Unit.
3. Establish a Risk Management Committee with the primary responsibility of formulating risk management policies, strategies and implementation guidelines, improving the effective implementation of risk management based on results of the evaluation of risk management processes and the risk management system, and deciding on matters related to business decisions that deviate from normal procedures (irregularities).

4. Establish an Integrated Risk Management Committee that has main duty to provide recommendations to the Board of Directors including to:
  - Prepare integrated risk management policies.
  - Improve integrated risk management policies based on evaluation of implementation.
5. Establish an Integrated Risk Management Unit to ensure that those risks facing the Company and subsidiaries are identified, measured, monitored, controlled and accurately reported in an integrated manner by applying an appropriate risk management framework.
6. Manage risks and ensure that necessary policies and risk limits are in place and supported by procedures, reports and information systems to provide accurate and timely information and analysis to management, including in determining required measures to deal with changes in market conditions.
7. Ensure that existing work systems and procedures take into account operational and business factors as well as the level of risk within work units.
8. Ensure that the internal control system is functioning to applicable policies.
9. Monitor Company's compliance with principles for the management of a healthy bank in conformity with existing policies via the Compliance Working Unit.
10. Prepare Company Risk Profile Reports on a quarterly basis and Integrated Risk Profile Reports every semester to be submitted to the Financial Services Authority in a timely fashion.

### Risk Management System

For risk control, Company has implemented the Risk Management Framework in an integrated manner so as to embody Risk Management Policy. The framework serves as a means for informing Company strategies, organization, policies, guidelines and infrastructure so that risks that Company faces in the normal course of business can be effectively identified, measured, controlled, and reported.

In order that risk management be effectively and optimally implemented, has established the Risk Management Committee to comprehensively assess risk-related issues and recommend risk management policies to the Board of Directors.

In addition, Company has formed other Committees assigned to deal with more specific risks; among these are Credit Policy Committee, Credit Committee, and Asset and Liability Committee (ALCO).

Company consistently assesses risks in a comprehensive manner related to the planned launching of new products and activities based on regulatory requirements.

### Managed Risks

Based on Financial Services Authority Regulation No. 17/POJK.03/2014 dated 18 November 2014 on Implementation of Integrated Risk Management for Financial Conglomerates, the Financial Conglomerates of Company manages in integrated manner 10 (ten) risk types as follows:

#### 1. Credit Risk

- Credit is underwritten based on the "four eyes principle" whereby credit decisions are made according to two considerations: business capacity and credit risk analysis.
- Company has established a basic Bank Lending Policy that is continuously reviewed and refined in line with changes in, and developments within, Company and regulations issued by regulation as well as in line with prudential banking principles and international best practices.
- The credit risk management system and procedure is refined through the development of a 'start to finish' Loan Origination System for the lending process to ensure an effective and efficient credit process. A debtor risk profile assessment system is reviewed and upgraded to ensure its comprehensive implementation and as a tool for the development of a credit database.
- To maintain credit quality, it is necessary to regularly monitor the quality of loans, both by credit category (Corporate, Commercial, Small and Medium-Sized Enterprise/SME, Consumer and Credit Card) and by credit portfolio as a whole. Close monitoring and authority control are conducted in branches with SME/mortgage/credit card loans in Special Mention category of >30 days (in arrears) and high level of NPL, to enable those branches to improve the loan quality.

- Company has developed its credit risk management system through stress testing of credit portfolios and monitoring results of these stress tests. In responding to a changing market and economic turbulence, Company periodically conducts stress testing, which is seen as beneficial for the Company as a tool for estimating the risk impact under stressful conditions and which will help Company devise most appropriate risk mitigation strategies as part of implementing contingency plans.
- In monitoring and controlling credit risks in subsidiary companies, Company regularly monitors the credit risks of its subsidiaries, while ensuring that an effective Credit Risk Management Policy is in place in subsidiary companies.

## 2. Market Risk

- In managing other foreign exchange risks, Company centralizes the management of its net open foreign exchange position at the Treasury Division, which consolidates daily reports of net open positions from all branches. Each branch is generally expected to cover its foreign exchange risks by the end of each working day, even though each branch has a tolerance limit for its net open position which depends on the volume of foreign exchange transactions at the respective branch. Company prepares a daily net open position report that combines the net open positions in the consolidated statement of financial position and administrative accounts (off-balance sheet accounts).
- To measure foreign exchange risks, Company adopts the Value at Risk (VaR) method based on a Historical Simulation approach for internal reporting purposes. For calculating the Bank's minimum capital requirement, Company applies of the regulators standard method.

- A key component of Company liabilities which are sensitive to interest rate movements is customer deposits, while Company's interest sensitive assets are government bonds, securities and loans. ALCO regularly keeps track of market developments and adjusts the interest rate of deposits and loans.
- Company sets the deposit interest rate based on market conditions and competition by monitoring the movement of the reference interest rate and the interest rates offered by competitor banks.

## 3. Liquidity Risk

- Company focuses on maintaining adequate liquidity to fulfill its commitment to customers and other parties for lending, repaying customer deposits and meeting operational liquidity needs. Liquidity management is managed by committee and executed operationally by Treasury.
- Liquidity risks are measured and controlled by monitoring liquidity reserves, the Loan to Funding Ratio (LFR) and the Liquidity Coverage ratio (LCR), conducting maturity profile analysis, cash flows projections and stress tests on a regular basis to observe the impact on Company's liquidity under extreme conditions. Company has prepared a contingency funding plan for confronting such extreme situations.
- Company complies with provisions related to liquidity as governed in the by regulators that makes it compulsory for banks to maintain Rupiah liquidity (Statutory Reserves) on a daily basis, consisting of Primary Reserves and LFR-Statutory Reserves in the form of Rupiah deposits in Bank Indonesia, Secondary Reserves in the form of SBI, SDBI, SUN and excess reserves, as well as foreign currency reserves in the form of foreign currency current accounts in Bank Indonesia.

#### 4. Operational Risk

- A reliable and effective operational risk management is key to maintaining the Bank's position as the leading transaction bank in Indonesia. Company faces operational risks due to human error, internal process inadequacy, system failure, and/or external incidents.
- To manage, mitigate and minimize aforementioned operational risks, Company has Operational Risk Management Framework, and has implemented Operational Risk Management Information System (ORMIS)—a web-based platform that consists of several tools and methodologies as follows:
  - Risk Control Self Assessment (RCSA) in all Branch Offices and Working Units/Divisions in Headquarters that are assumed to have significant operational risks. One of the objectives of the implementation of RCSA is to embed a risk culture and improve risk awareness as a requirement in risk management.
  - Loss Event Database (LED) as loss database related to operational risks occurring in all Working Units. The main objective of implementing LED is to have a documentation platform for operational loss used to calculate capital charge allocations, sustainable monitoring of events that potentially create operational loss for the Company, and analysis of cases or problems faced by Company in order to take immediate action for improvement/prevention needed to minimize/mitigate operational losses risks which may arise in the future.
  - Key Risk Indicators (KRI) is an application used to identify early warning signs of the likelihood of increased operational risk in work units. The KRI is also further enhanced into a predictive and risk management to assist the work units in monitoring risk exposure.

- In accordance to regulatory provisions regarding the Capital Adequacy Ratio, Company has allocated an amount of capital as a reserve obtained from operational risks by using the Basic Indicator Approach method, in addition to the capital reserve for loss from credit risk and market risk.
- To ensure Company serves banking transactions 24 hours a day without interruption, Company operates 2 (two) data centers redundantly. They are designed to ensure the sustainability of the business should a system failure occur in one of the two data centers. Other than these mirrored 2 (two) data centers, Company also has Disaster Recovery Center (DRC) in Surabaya. Currently DRC Surabaya is part of the Company's management of Business Continuity and is designed to operate as Crisis and Command Center should a disturbance or disaster occur that places the Jakarta data centers off line.

#### 5. Legal Risk

- Inherent legal risks are assessed according to the potential impact of losses of on-going as well as resolved court cases involving Company and its subsidiary companies against the Company's consolidated capital. The parameter for calculating potential losses from an on-going court case is the basis for the lawsuit, value of the court case, and legal documentation. Meanwhile, for resolved court cases, the assessment is based on the losses incurred by the Company and its subsidiaries due to a decision of the court with a permanent legal standing.
- To identify, measure, monitor and control legal risks, Company has established a Legal Group at the Head Office and legal units in most Regional Offices.

In mitigating legal risks, the Legal Group has taken the following measures:

- Developed the Legal Risk Management Policy with internal provisions on the organizational structure and job description of the Legal Group, and standardized the legal documents.
- Held legal communication forums to build the competency of the legal staff.
- Socialized on the impact of new regulations on Company's banking activities and the various modus operandi of banking crimes, and guidelines on handling such cases through the legal route to branch officers and the relevant work unit.
- Provided legal defense for on-going criminal and civil cases involving Company, and monitored progress of the cases.
- Formulated a loan security strategic plan (in cooperation with other work units, among others the Credit Settlement Bureau) related to non-performing loans.
- Registered with the authorized body all assets owned by Company, including intellectual property rights for Company banking products and services, and the right to Company land and buildings.
- Monitored and took legal action on violations against Company assets, including infringements of Company's intellectual property rights.
- Monitored and analyzed on-going court cases faced by Company and its subsidiaries companies.
- Conducted an inventory of, monitored, analyzed and calculated potential losses that may occur due to court cases.

## 6. Reputation Risk

- Reputation risks are assessed by using parameters such as the number of complaints and negative publicity, and complaints resolution rate. The assessment is presented in the reputation risk profile report prepared on a quarterly basis.
- To manage and control reputation risks, Company is supported by the Halo BCA Contact Center (24-hour hotline for information, suggestions and complaints).
- Reputation risks are managed based on regulatory requirements.

## 7. Strategic Risk

- Assessment of inherent strategic risk is conducted by applying parameters such as the suitability of strategy with the business environment, low-risk and high-risk strategy, Company's business position and the achievement of the Bank Business Plan.
- Assessment of the quality of strategic risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system, human resources and adequacy of the risk control system.

## 8. Compliance Risk

- Compliance risk is one of the risk factors that must be managed by Company in view of its potential to inflict financial and non-financial loss to the Company.
- Pursuant to Bank Indonesia Regulation (PBI) No.13/2/PBI/2011 dated 12 January 2011 on Implementation of Compliance Function in Commercial Banks, was amended by Financial Services Authority Regulation No.46/POJK.03/2017 dated July 12, 2017 on the implementation of Compliance Function on the Commercial Bank. Company has appointed a member of the Board of Directors as Director overseeing the compliance function, responsible to ensure compliance and to minimize compliance risk through the formulation of compliance risk management policies and procedures and to monitor the implementation of such policies and procedures. In discharging its duties, the Compliance Director oversees the compliance function with assistance from the Compliance Unit (SKK) which is independent from the operational work units.
- In assessing inherent compliance risks, the parameters are the types and significance of violations that were committed, frequency of violations or compliance track record, and violation against policies related to specific financial transactions. The Compliance Unit (SKK) is also in charge of the implementation of Anti Money Laundering and Prevention of Terrorism Funding programs.

- Company has introduced compliance procedures and policies, which consist of the process to continuously adjust provisions and internal system to meet prevailing regulations, communicate the regulations to relevant employees, conduct studies on new products/activities, test compliance regularly, and conduct employee training. The result of the Compliance Director supervision is submitted quarterly to the President Director and the Board of Commissioners.
- Anti Money Laundering and Prevention of Terrorism Financing programs. To help identify suspicious financial transactions, as a part of APU-PPT program implementation Company has an application that is constantly improved to enhance capacity.

#### 9. Intra-Group Transaction Risk

- Assessment of inherent intra-group transaction risk is conducted by applying parameters such as intra-group transaction composition in the Financial Conglomerates, documentation and fairness of transactions and other information.
- Assessment of the quality of intra-group transaction risk management is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system, human resources, and adequacy of risk management system.

#### 10. Insurance Risk

- Assessment of inherent insurance risk is conducted by applying parameters such as technical risk, priority of insurance risk towards over all business lines, product risk bias and type of benefit, and reinsurance structure.
- Assessment of the quality of insurance risk management implementation is conducted by applying parameters such as risk governance, risk management framework, risk management process, management information system and human resources, and adequacy of risk management system.

#### Review on Implementation of Risk Management System

During 2017, based on our self-assessment, Company's risk profile, both as an individual as well as integrated with subsidiaries, was "low to moderate."

The risk profile is the result of assessment and inherent risk ranking of "low to moderate" and the "satisfactory" ranking on the quality of risk management.

Risk level ranking from the 10 (ten) risks measured are as follows:

- "Low" risks are Market Risks, Liquidity Risks, Legal Risks, and Intra-Group Risks.
- "Low to moderate" risks are Credit Risks, Operational Risks, Reputation Risks, Strategic Risks, Compliance Risks, and Insurance Risks.

Company's Integrated Risk "low to moderate" risk profile indicates that Company and its subsidiaries have implemented an effective and efficient risk management process in all corporate activities.

The inherent risks trend in the next period is stable since the projections conclude that there would be no significant change to inherent risks.

Next year's macroeconomic condition is expected to favor the business activities of Company and subsidiaries. Although Indonesia's economy is projected to experience economic pressure, Company and its subsidiaries will be able to manage the risks faced by the Company in accordance to the prudential principle.

The trend of risk management implementation quality in the future is stable as subsidiaries and its subsidiary companies have enhanced the implementation of risk management for all activities in order to help the Bank identify, measure, monitor and control each risk.

The Company and its subsidiaries have implemented an integrated risk management, which directly and indirectly affect its business activities. It aims for Company and its subsidiaries to be able to conduct better risk management as well as decide on and remain within a suitable risk appetite and risk tolerance in line with the complexity and characteristic of the business.

The risk management policies of Company and its subsidiaries are constantly updated in accordance to regulation, implementation of Basel II and III Accords, prudential banking principles, and international best practices.

Company and its subsidiaries will continuously consider the economic situation and conditions as well as banking development in doing its business.

### INTERNAL CONTROL SYSTEM

The Bank's internal control system abides by Financial Services Authority Circular Letter No. 35/SEOJK.03/2017 dated July 7, 2017 on Guidelines for Internal Control System Standards for Commercial Banks, which covers 5 (five) key components, namely:

1. Management Oversight and Control Culture.
2. Risk Recognition and Assessment.
3. Control Activities and Segregation of Duties.
4. Accounting, Information and Communication Systems.
5. Monitoring Activities and Correcting Deficiencies.

The five components are in line with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company has:

- a. Established a business contingency recovery plan and back-up plan to prevent failure in high-risk businesses.
- b. Documented and reviewed the effectiveness of back-up procedures, processes and systems in a periodic manner to ensure that all plans and processes regarding contingency recovery and back-up systems run effectively.
- c. Documented the implementation of above mentioned periodic reviews. In addition, the Board of Directors of the Bank puts great attention to any weaknesses found in procedures, processes and systems based on the results of reviews, and takes improvement measures to eliminate those weaknesses.

- d. Established and maintained management information systems implemented electronically and non-electronically. Considering the fact that the use electronic information system and information technology has risk potentials, the Bank's management seeks to control them in an effective manner to avoid disturbance to the business and prevent the potential of significant loss occurring to the Bank.

The management and all employees of the Bank have vital roles and responsibilities in improving the quality and implementation of the Bank's internal control system so as to be more reliable and effective.

Parties involved and responsible for implementing the Bank's Internal Control System in order to be more reliable and effective are:

1. Board of Commissioners
2. Audit Committee
3. Board of Directors
4. Internal Audit Division
5. Internal supervisors of the Bank
6. Work units
7. Work unit issuing the Bank's policy and/or procedure
8. Officers and employees of the Bank
9. External parties

An effective internal Control System should at least provide adequate and comprehensive data/information regarding:

- a. Business activities;
- b. Financial performance;
- c. Compliance with the prevailing provisions and laws and regulations;
- d. Market information (external conditions);
- e. Current events and conditions;

so as to be able to make the accurate decisions which can be held accountable for.



## Implementation of Internal Control

### 1. Internal control is implemented as follows:

#### a. Financial Control, whereby:

- The Board of Directors has prepared strategic plans that have been approved by the Board of Commissioners. The strategic plans have been stipulated in the Bank Business Plan as the blueprint of a 3-year business strategy and Annual Work Plan and budget of the Company, which have been distributed to all relevant officers of the Company in order to be implemented.
- The strategies have been established by factoring in any impact of strategic risk on the Company's capital, in among other areas, capital projections and the Minimum Capital Requirement.
- The Board of Directors actively engages in discussions or offers input and monitors the internal situation, and developing external factors that directly or indirectly would affect meeting the Company's business strategic objectives.
- The Company has implemented a financial control process, both on the Company and on the members of the Company's Financial Conglomerates, in order to monitor the realization against the budget as drafted in periodic reports. The Company has established a subsidiary monitoring unit to monitor the performance development of each of its subsidiaries.

#### b. Operational Control, whereby:

- Each banking operational transaction that the Company undertakes has been equipped with a work procedure that is stipulated in work manuals. Such work procedure is developed by the Operational and Service Development and Strategy Division and reviewed by various relevant work units to ensure that operational risks that may arise have been effectively and properly mitigated.
- There are several boundaries in place by:
  - 1) Imposing a limit and authorization for officers to conduct a transaction.
  - 2) Utilizing User IDs and passwords as well as installing finger-scanners for employees to access computers.

- To support comprehensive operational risk control, the Company has:

#### 1) Established an organizational structure as follows:

- Segregation of functions so as to avoid the occurrence of conflict of interest.
- Supervisor to oversee the implementation of internal control at Branch Offices on daily basis.
- Branch Internal Supervisor to oversee the implementation of internal control at Branch Offices.
- Regional Office Internal Supervisor to oversee the implementation of internal control at Regional Offices.
- Head Office Internal Supervisor to oversee the implementation of internal control in certain work units at Head Office.
- Internal Audit Division that is independent of risk taking unit to examine and assess the adequacy and effectiveness of risk management, internal control and corporate governance processes, either at the Company or for members of the Company's Financial Conglomerates.
- Risk Management Work Unit, Legal Group and Compliance Work Unit that are independent of risk taking units.
- Anti-Fraud Bureau to improve the effectiveness of anti-fraud strategy implementation on all activities of the Company.

#### 2) Established employee rotation and transfer policies.

#### c. Compliance to other laws and regulations, whereby:

- The Company is committed to comply with the prevailing laws and regulations and take the necessary steps to improve weaknesses found in regard to risk, if any.
- The Company has established a Compliance Work Unit independent of risk taking units and is responsible for monitoring the compliance of the Company and its subsidiaries in an integrated manner.

- The Company has conducted a monitoring process on each provision issued by Bank Indonesia or Financial Services Authority, or other prevailing regulations, as follows:
    - 1) Monitoring on Reporting Compliance to Bank Indonesia or Financial Services Authority or other regulators.
    - 2) Compliance Report of the Company, including Report on the Implementation of APU and PPT Program to be submitted to the Financial Services Authority every 6 (six) months/
    - 3) Compliance Monitoring Report on the Prudent Principles of the Company, including Report on the implementation of APU and PPT Program to be submitted to the Board of Commissioners, President Director and Deputy President Director every 3 (three) months
  - The Company's Compliance Risk Management Strategy involves the necessary policies to always comply with applicable regulations; which means, proactively taking preventive measures (ex-ante) to minimize the possibility of violations and conducting curative actions (ex-post) for improvements.
2. The Company applies an effective internal control system tailored to the Company's business goals, policies, size and complexities, in accordance with the requirements and procedures set forth by regulators, and in reference to the best practices through the following measures:
- Establishment of clear reporting lines and separation of functions between operational units and units implementing the control function.
  - The control function is implemented by the Risk Management Work Unit, Legal Group, Compliance Work Unit, Credit Risk Analysis Group and Internal Audit Division.
  - The Internal Audit Division has independently and objectively reviewed the Bank's procedures and operational activities on a periodic basis. Review results are presented in Audit Reports and Audit Follow-Up Reports to be submitted to the Board of Commissioners, Audit Committee and Board of Directors,
  - The Branch Internal Supervisor, Regional Office Internal Supervisor, Head Office Internal Supervisor and Internal Audit Division have evaluated the implementation of systems and procedures applicable in the Company. Evaluation results from the Branch Internal Supervisor, Regional Office Internal Supervisor, Head Office Internal Supervisor and Internal Audit Division serve as benchmarks on the level of compliance of work units in existing systems and procedures.
- Review on the effectiveness of internal control system**
- Monitoring and correcting irregularities:
1. The Company continuously evaluates and monitors the effectiveness of the overall internal control implementation, including changes in internal and external conditions that may influence the Company in achieving its targets.
  2. Monitoring activity is focused on the Company's primary risks and is part of its routine activities, including periodic evaluations to detect and prevent unknowingly accepting of new risk conducted by operational work units, risk monitoring work unit and Internal Audit Division.
- CORRUPTION PREVENTION**
- In reinforcing good corporate governance practices and to be in accord with the Company's corruption prevention efforts, the Company undertakes the following efforts:
- I. Anti Fraud Strategy Implementation
  - II. Whistle blowing System
  - III. Anti Gratuity
- I. APPLICATION OF ANTI-FRAUD STRATEGY**
- A. Introduction**
- The Company has in place an Anti-Fraud Strategy Guidelines ratified by Circular Letter No.064/SE/POL/2015 dated April 7, 2015. This guideline is a demonstration of the Company's management commitment in preventing fraud by implementing an effective and continuous fraud control system. This fraud control system directs the Company in taking decisive measures to prevent, detect, investigate, and monitor any incident of fraud.

Fraud is defined as any deliberate act or omission intentionally committed to deceive, swindle or manipulate the Company, its customers, or any other party, taking place within the Company and/or using the Company’s facilities resulting in the Company, its customers or other parties suffering losses, and/or the committee of the fraud obtaining financial gain either directly or indirectly.

**B. Background**

The legal basis of the Company’s anti fraud policy is Bank Indonesia Circular Letter No. 13/28/DPNP dated December 9, 2011 on Implementation of Anti Fraud Strategy for Commercial Banks (hereinafter referred to as “SE BI”). The SE BI itself is intended to strengthen the internal control system of the Company and as a further implementation of Bank Indonesia Regulation No. 5/8/PBI/2003 dated May 19, 2003 concerning the Application of Risk Management for Commercial Banks.

Based on the aforementioned SE BI, the Company is required to have and to implement an effective anti fraud strategy that meets at least the minimum reference and the Company shall take into account to as a minimum the following:

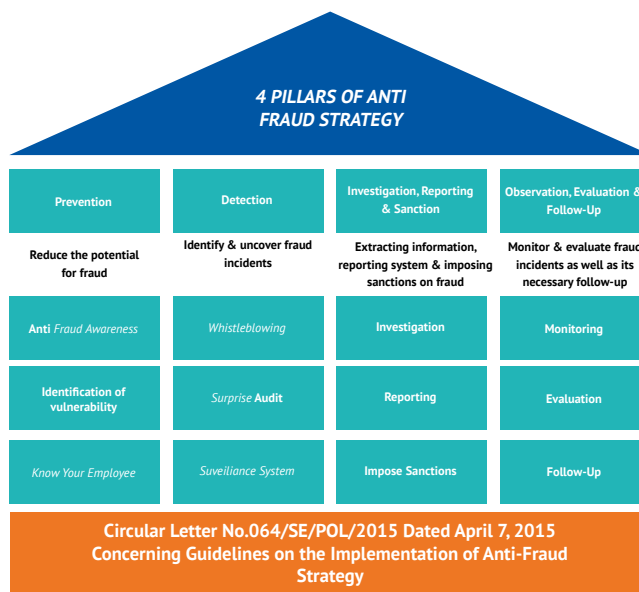
- 1) internal and external factors;
- 2) the complexity of business activities;
- 3) potential, type, and risk of fraud; and
- 4) the adequacy of required resources.

**C. Objectives**

The objectives of the Company’s anti fraud policy are:

- To nurture an anti fraud culture across the entire organization of the Company.
- To boost awareness of and concern for the risk of fraud in the Company’s operations.
- As a reminder to all personnel of the Company to comply with applicable procedures and regulations.

**D. The Pillar and Implementation of Anti Fraud Strategy**



Anti fraud strategy which in its application is fraud control system, has 4 (four) pillars, as follows:

- 1) **Prevention:**  
Prevention apparatus is aimed at reducing the potential fraud risk, which at least encompasses anti fraud awareness, vulnerability identification, and know your employees.
- 2) **Detection:**  
Detection apparatus occurs with the intention to identify and detect fraudulent incidents within the Company’s business operations, encompassing at least whistle blowing, surprise audits and surveillance system policies and mechanisms.
- 3) **Investigation, Reporting and Sanctions:**  
Various other apparatus are intended to extract information, use reporting systems, and make imposition of sanctions on fraud incidents well-known within the Company’s business operations, which at least encompasses investigative standards, reporting mechanisms, and imposition of sanctions.
- 4) **Monitoring, Evaluation, and Follow-up:**  
Apparatus intended to monitor and evaluate fraud incidents as well as the necessary follow-up measures are based on evaluation results.

The Company has strived to implement anti-fraud strategy by continuously raising awareness and employee vigilance of acts of fraud by means of e-learning, in-class training, information dissemination through comics, posters, videos, anti fraud culture, etc.

Example of anti fraud poster:



**II. WHISTLEBLOWING SYSTEM**

Disclosure of the Company’s whistleblowing report in this Annual Report takes into account Chapter III letter g number 16 of Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Issuer’s Annual Report or Public Company.

2. Report Category

<p><b>Fraud</b></p>	<p>Intentional misconduct or omission to mislead, deceive or otherwise manipulate the Company, its customers, or any other party, taking place within the Company and / or using the Company’s facilities resulting in the Company, its customers or other parties suffering loss and / or perpetrator fraud obtaining financial benefits either directly or indirectly.</p> <p>The types of acts classified as fraud are:</p> <ol style="list-style-type: none"> <li>1. Deception,</li> <li>2. Fraud,</li> <li>3. Embezzlement of assets</li> <li>4. Divulging confidential information/secrets,</li> <li>5. Banking crime</li> </ol>
<p><b>Code of ethics violation</b></p>	<p>Actions that are not in accordance with the Company’s corporate culture as based on positive values that nurture and thrive within the entire Company, to achieve common goals and also as a reference for the Company’s personnel in making decisions and acts. (attachment of Banker’s code of ethics).</p>

The whistleblowing system is a means of communication for internal and external parties to report fraud or violations committed by perpetrators associated with the Company. Reporting should be based on good faith and not a personal complaint or based on flawed intention / slander.

The Company’s whistleblowing policy is set forth in Board of Directors Decision Letter No. 183/SK/DIR/2012 dated December 12, 2012 on the Implementation of the updated BCA Whistleblowing System in Board of Directors Decision Letter No. 146/SK/DIR/2017 dated 1 November 2017 on the Implementation of Company’s Whistleblowing System.

Objectives of Whistleblowing System

The implementation of the whistleblowing system in the Company aims to:

- Put together stakeholders awareness to report fraud or violations occurring within the Company without fear or worry as confidentiality is guaranteed.
- Detect and prevent fraud or offenses as early as possible through information disclosure by whistleblowers.

**A. Report Delivery Procedure**

1. Means

The means that can be utilized by informers to divulge any fraudulent incident can be accessed through Company’s website, i.e.: <https://www.bca.co.id/id/whistleblowing>. Any information submitted will be directly collected by the whistleblowing system manager.

<b>Conflict of interest violation</b>	Any action that may cause a condition in which a person, while performing his/her duties and obligations, has other interests outside Company's interests, whether that would be personal interests, family, or the interests of others, causing that employee to lose objectivity in making decisions and policies according to the authority granted by the Company to him/her.
<b>Violation of the law</b>	Any action that violates the applicable laws in Indonesia.

3. Criteria of acceptable reporting of accusation

- a) To facilitate and accelerate the follow-up process, the following criteria must be met by the reporting party in submitting his/her reporting.
- Provide information regarding the identity of the complainant, at least:
    - Informant's name (anonymity permitted)
    - Phone number/e-mail address to be contacted

- b) Provide a reliable indication of the fraudulent act or violation (4W1H) accompanied by supporting data (if any), including:

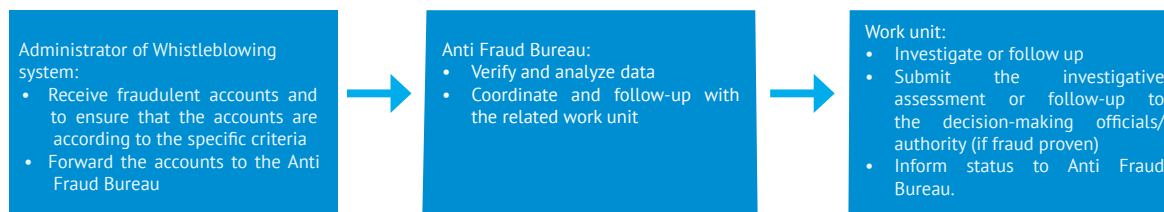
- Fraudulent act to be reported (What).
- The offender involved (Who).
- When it occurred (When).
- Place/Location of occurrence (Where).
- How it happened (How).

**B. Whistleblower Protection**

The Company's whistleblowing system will ensure the confidentiality of the informant's identity and the contents of information submitted.

**C. Complaint Handling**

The following is the complaint handling flowchart in relation to the Company's whistleblowing system:



**D. Complaint Management Party**

Follow-up on the complaint is thoroughly handled by referring to the Company's applicable provisions and the prevailing laws and regulations in Indonesia by the Company's internal team appointed by the management of the Company.

**E. Imposition of Sanctions**

If, based on investigation results, the alleged perpetrator is proven to have committed fraud or violation, and then the decision-making authority shall impose sanctions in accordance with the applicable provisions.

**Disclosure of Internal Fraud and Complaints Through Whistleblowing System In 2017**

**A. Number of Internal Fraud Cases**

Disclosure of irregularities/deviations (internal fraud) is based on section 64 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks and Chapter IX point 5 of Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

Internal fraud is defined as fraud committed by management, supervisors, permanent employees, temporary employees and/or outsourced workers. The denominating classification expressed is a deviation of more than Rp100,000,000.00 (one hundred million Rupiah).

In 2017, there were 10 (ten) cases of internal fraud.

Internal fraud committed within 1 year	Number of Fraud Cases Committed by					
	Members of the Board of Directors and members of the Board of Commissioners		Permanent Employees		Contract Employees and Outsourced Manpower	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	2	10	-	-
Resolved	-	-	2	4	-	-
Under process of internal settlement within the Company	-	-	-	3	-	-
Settlement not yet sought	-	-	-	-	-	-
Followed up through legal process	-	-	-	3	-	-

#### B. Number of Complaints/Accusations Through Whistleblowing System

Recapitulation of fraud exposures through the whistleblowing system submitted periodically by the Anti Fraud Bureau to the Board of Directors: As of December 31, 2017, there were 17 (seventeen) complaints received by the whistleblowing system with the following status:

Status	Total	Description
Open Case (still under process)	0	Under investigation
Case Closed (Resolved)	17	<p><b>Fullfill the Criteria of the Report:</b></p> <ul style="list-style-type: none"> <li>- Proven (2)</li> <li>- Not Proven (2)</li> </ul> <p><b>Unfullfill the Criteria of the Report:</b></p> <ul style="list-style-type: none"> <li>- Informative in nature / customers' complaints (9)</li> <li>- Incomplete data and informants have not or cannot provide sufficient additional information/data requested (4)</li> </ul>

### III. ANTI GRATUITY

#### A. Background

The stakeholders' and general public's trust towards the Company is strongly influenced by the ethical behavior of the Company's entire staff ranging from Board of Commissioners, Board of Directors, management to all employees. This trust is very important to foster and maintain business relationships with customers and other third parties that have relationship with the Company.

In practice, the potential of business relationships that may lead to matters that are more personal is highly probable; furthermore, a business relationship that intertwines with personal relationships can create conflict between the interest of the Company and that of personal interest.

In this regard, to raise public confidence and to uphold the Law No. 20 Year 2001 on the amended of the Law No. 31 Year 1999 on the Eradication of Corruption and supporting the implementation of the principles of good corporate governance, the Board of considers it necessary to stipulate conflict of interest provisions intended to provide guidance on the Company's personnel as individuals in dealing with customers, partners, fellow co-workers.

## B. Anti-Gratuity Policy

The anti-gratuity policy is intended to provide reasonable, credible and proper conduct guidelines for the entire organization in engaging with customers, partners and co-workers, and is not intended to interfere with employees' personal lives.

These policies, among others, stipulate that:

- All personnel are prohibited from requesting or accepting, allowing or consenting to receive a gift or reward from any third party who obtains or seeks to obtain favors from the Company in the form of credit facilities or other facilities related to the Company's operational activities.
- All personnel of the Company are prohibited from requesting or accepting, allowing or consenting to accept a gift or reward from any third party who obtains or seeks to obtain work or orders relating to the procurement of goods or services of the Company.
- In the event that customers, partners, and other parties offer gifts during certain occasions, such as religious celebrations or other kind of celebrations, if:
  - as a result of the receipt of the parcel/gifts, it is believed to have a negative impact and affect the Company's decision, and/or
  - the value of the parcel/gifts is beyond reasonable limits,

Then the employee receiving the parcel/gifts shall immediately return the parcel/gifts along with a polite explanation that no personnel of the Company are allowed to receive any parcel/gifts.

## C. Joint Commitment

In relation to the above aforementioned matter and the Company's commitment in implementing good corporate governance, the Company's entire staff is obliged:

1. To ascertain, comprehend and implement the provisions with full responsibility and without exception.
2. To uphold the implementation of such provisions, in which all members of the Board of Commissioners, Board of Directors and echelon 1 (S1) to echelon 5 (S5) officials must make compulsory Annual Disclosure containing all circumstances or conditions that can permit the emergence of conflict of interest.

## D. Sanctions for Violations

As one of the endeavors to prevent gratuities prohibited by law and regulation, the Board of Directors since 2003 has issued a decision backing up the anti-gratuity policy to be implemented at all levels of the Company.

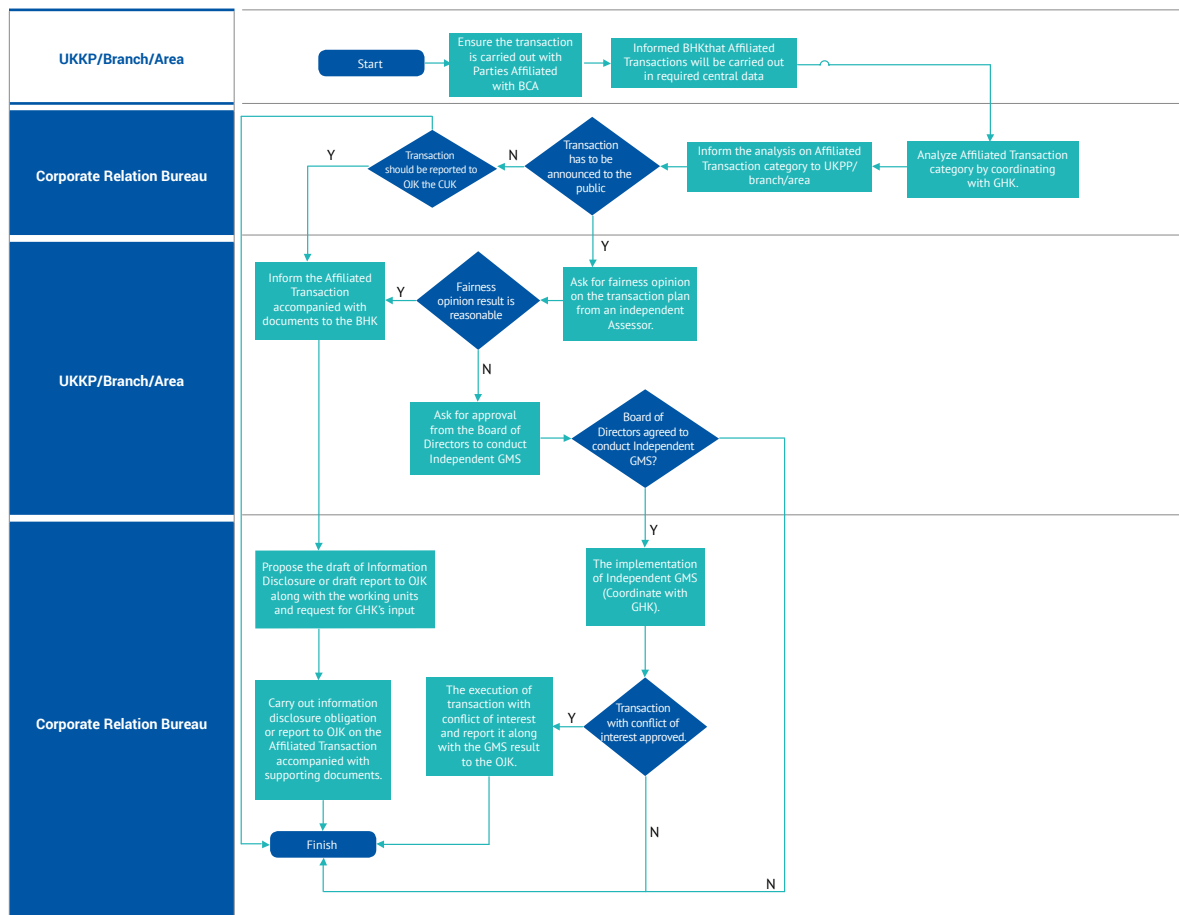
The anti-gratuity policy is binding and must be recognized and implemented earnestly by all employees as part of the Bankers Code of Conduct and in shoring up the implementation of good corporate governance principles. In the event of any policy violation or non-compliance, the violator may be liable to sanctions in accordance to the extent of violation.

The Company's culture is such as to not accept any gifts or rewards from customers, debtors, vendors, counter parties, working partners and other third parties for the services provided by Company's employees in performing their duties.

## AFFILIATED TRANSACTIONS & TRANSACTIONS WITH CONFLICT OF INTEREST

Company has implemented policies related to affiliated transactions and transactions with conflict of interest as stipulated on Board of Directors Decision Letter No. 079/SK/DIR/2017 regarding Affiliated Transaction and Transaction with Conflict of Interest dated 21 June 2017 based on Appendix on Capital Market and Financial Institutions Supervisory Agency (BAPEPAM LK) Regulation No. IX.E.1, Appendix on the Decision of the Head of BAPEPAM LK No. Kep412/BL/2009 dated 25 November 2009 on Affiliated Transaction and Transaction with Conflict of Interest.

Mechanism of Affiliated Transactions And Transactions With Conflict Of Interest



**Affiliated Transaction**

Throughout 2017, 15 (fifteen) affiliated transactions have reported to the Financial Services Authority as follows:

No	Date	Transaction	Parties	Amount	Letter
1	13 March 2017	Room rental fees Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter IV year 2016	BCA and Indonesia Kempinski Hotel	Rp 105,640,000.00	Letter No.043/DCS/2017 Dated 15 March 2017
2	20 March 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Lunch Together	BCA and Indonesia Kempinski Hotel	Rp 113,740,000.00	Letter No.048/DCS/2017 Dated 21 March 2017
3	31 March 2017	Floor rental fee P6-outdoor area	BCA and PT GI	Rp 256,608,000.00	Letter No.059/DCS/2017 Dated 31 March 2017
		Ground Floor rental fee BCA Tower		Rp 914,166,000.00	
4	6 April 2017	Room rental fee Grand Ballroom-Hotel Indonesia Kempinski for Annual GMS	BCA and PT GI	Rp 169,400,000.00	Letter No.063/DCS/2017 Dated 10 April 2017
5	17 April 2017	Land Sale and Purchase Transaction	BCA and BCA Finance	Rp 7,000,000,000.00	Letter No.071/DCS/2017 Dated 20 April 2017
6	20 April 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter I fiscal year 2017	BCA and Indonesia Kempinski Hotel	Rp 105,640,000.00	Letter No.072/DCS/2017 Dated 20 April 2017



No	Date	Transaction	Parties	Amount	Letter
7	20 June 2017	Non-Conditional Sale and Purchase Agreement on PT BCA Sekuritas Share Signage	Perseroan dan PT Poly Kapitalindo BCA and PT Poly Kapitalindo	Rp 75,936,399,000.00	Letter No.133/DCS/2017 Dated 21 June 2017
8	18 July 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for CEO Forum Perbanas & Gathering	BCA and Indonesia Kempinski Hotel	Rp 96,800,000.00	Letter No.147/DCS/2017 Dated 20 July 2017
9	21 July 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Lunch Together	BCA and Indonesia Kempinski Hotel	Rp 113,740,000.00	Letter No.148/DCS/2017 Dated 25 July 2017
10	27 July 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter II	BCA and Indonesia Kempinski Hotel	Rp 101,640,000.00	Letter No.159/DCS/2017 Dated 28 July 2017
11	26 October 2017	Room rental fee Bali Room-Hotel Indonesia Kempinski for Analyst Meeting Quarter III year 2017	BCA and Indonesia Kempinski Hotel	Rp 105,640,000.00	Letter No.245/DCS/2017 Dated 30 October 2017
12	30 October 2017	Agreement on LED/Advertisement Installment on the property of BCA located at Jl. Ir. H. Juanda No. 66 Bandung	BCA and PT Djarum	The compensation is advertisement of BCA's products	Letter No.249/DCS/2017 Dated 31 October 2017
13	2 November 2017	Sale and Purchase of BCA Life Shares	BCA and BCA Sekuritas as well as BCA Insurance	Rp 256,777,092,000.00	Letter No.255/DCS/2017 Dated 6 November 2017
14	9 November 2017	Signage on Sale and Purchase Deed of Land and Building	BCA and PT Central Sentosa Finance	Rp 1,600,000,000.00	Letter No.256/DCS/2017 Dated 13 November 2017
15	24 November 2017	Room rental fee Ballroom-Hotel Indonesia Kempinski for National Work Meeting	BCA and Indonesia Kempinski Hotel	Rp 1,684,760,000.00	Letter No.260/DCS/2017 Dated 27 November 2017

These transactions were arm's length transactions.

#### Transactions with Conflict of Interest

The disclosure on transactions with conflict of interest is carried out based Financial Services Authority Circular Letter No.13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks.

Throughout 2017, Company had no transactions with conflict of interest

Name and Position of Conflict of Interest Party	Name and Position of Decision Maker	Transaction Item	Transaction Value	Note
-	-	-	-	-

## LEGAL CASES, SIGNIFICANT CASES AND ADMINISTRATIVE SANCTION

Legal proceeding and significant cases faced by BCA in 2017 are described as follows:

### Legal Cases

Legal proceeding disclosure is carried out based on Article 6 in Chapter IX – Transparency on Governance Implementation on Financial Services Authority Circular Letter No. 13/SEOJK03/2017 on the Implementation of Governance for Commercial Banks.

Company legal proceedings in 2017 are depicted in the table below:

Legal Proceedings	Number of Cases	
	Civil	Criminal
Resolved (with permanent legal force)	98	5
In the process of settlement	173	4
Total	271	9

### In the process of settlement

There were 177 (one hundred and seventy seven) cases in the process of settlement with the details as follows:

- a. Civil: 173 (one hundred and seventy three)
  - Credit related: 130 (one hundred and thirty) cases, including lawsuits or appeals/objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.
  - Operations: 42 (forty two) cases, including matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.
  - Human resources –related: 1 (one) case.
- b. Criminal: 4 (four) cases.

- Operations: 23 (twenty three) cases, including matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.
- Human-resources related: 0 case

- b. Criminal: 5 (five) cases

### Significant Cases

Disclosure on significant cases faced by Company, subsidiaries, member of the Board of Directors and Board of Commissioners is carried out in accordance to Letter G Chapter III – Content of Annual Report on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on Forms and Content of Listed Companies and Public Companies Annual Report.

### Resolved (with permanent legal force)

There were 103 cases already resolved (with permanent legal force) as follows:

- a. Civil: 98 (ninety eight) cases
  - Credit-related: 75 (seventy five) cases, including lawsuits or appeals/objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.

In 2017, there were no significant cases facing Company and its subsidiaries, or members of its Board of Commissioners and Board of Directors in office for this reporting period, and consequently there is no effect on Company's financial condition.

In 2017, there were no material administrative sanctions imposed by authorities (Financial Services Authority, Bank Indonesia, Stock Exchange, and other authorities) on Company, or members of the Board of Commissioners and Board of Directors.

## ACCESS TO INFORMATION AND CORPORATE DATA

To implement the principles of transparency and accountability, the Company at all times maintains good communication with stakeholders, namely regulators, shareholders, customers, employees of the Company, business partners, and public. The efforts to continue fostering good communication are conducted through the following means of communication:

- Access to information for customers, partners, and shareholders
- Corporate website
- Social media
- Press conference
- Correspondence with Financial Services Authority and Indonesia Stock Exchange
- Internal Communication
- Bakorseni

### Access to Information

The Company at all times provides convenience for stakeholders and public to access corporate information and data, including the Company's financial condition, banking products and corporate actions. The Company also conducts press releases disseminated to print and electronic media.

For further information, stakeholders can contact the following:

1. Customers may contact:
  - **Contact Center Halo BCA**
    - Phone : 1500888.
    - Email : halobca@bca.co.id.
    - Twitter : @halobca.
    - Halo BCA Chat : www.bca.co.id.
    - Video Call at major branch offices: BSD, SCBD, Alam Sutera, Thamrin, Matraman, Darmo, and at myBCA.
    - Video Banking at myBCA Gandaria City, Bintaro Xchange, Central Park, Kota Kasablanka, Emporium Pluit, Ciputra World Surabaya, Grand City Surabaya, BCA Learning Institute Sentul.
  - **Service level at Halo BCA**  
Service Level Acceptance of customer contact:
    - Response time for phone calls: 20 seconds
    - Response time at Twitter: 3 minutes
    - Response time for Halo BCA Chat: 3 minutes
    - Response time to emails: 1 hour

- **Service Level Agreement (SLA)**  
Problem solving varies from 1 (one) business day up to 30 (thirty) work days based on the type of problem. Currently 98.9% of issues submitted through Halo BCA are completed in accordance with the SLA. Total number of customers contacting Halo BCA as of 2017 reached 15,325,871 (fifteen million three hundred twenty five thousand eight hundred seventy one) customers with the following criteria:
  - a. A total of 44.86% through information.
  - b. A total of 44.64% through customer service request (e.g. blocking, activation, etc.)
  - c. A total of 10.47% through customer complaints
  - d. A total of 0.03% through customer suggestions
- 2. Media may directly contact Corporate Secretary, Public Relations Matters via email: [humas@bca.co.id](mailto:humas@bca.co.id).
- 3. Communication related to investor relations is made through website publication accessible for public. The information published through corporate website under Investor Relations section includes:
  - Financial Information (Financial Highlights, Monthly Financial Statements and Quarterly Financial Reports including Analyst Meeting materials and other publications)
  - Annual report
  - Company Shareholder Information
  - Credit Rating
  - Investor News

The information is published in accordance with requirements from regulators and investors, Capital Market community and shareholders. Through corporate website, the investors, Capital Market community and shareholders can also register their emails to obtain quarterly financial information publication.

4. The Company also provides investor relations email at [investor\\_relations@bca.co.id](mailto:investor_relations@bca.co.id) to communicate with its investors, Capital Market community and shareholders, should there be any questions related to the Company's financial and business information or suggestions for the purpose of improving Investor Relations services. Other publications may be completed by other parties.

### Corporate Website

Given the growing popularity of smartphone usage, the corporate website ([www.bca.co.id](http://www.bca.co.id)) is more easily accessible with a customized design for mobile users (mobile responsive design). The site also provides an online registration form for those interested in the various services of the Company, which will be later followed up by the Company. These are all intended to facilitate customers and potential customers to immediately feel the benefits from the Company's products and services.

Company website presents a variety of interesting and useful articles and also contains financial & banking information and other disclosures of information. Some corporate activities, such as analyst meetings, financial reports, and various corporate social responsibility activities of the Company are also regularly presented on the Company website. This is in line with the Company's commitment to maintain, at all times, the disclosure of information for the purpose of implementing Good Corporate Governance.

### Corporate Social Media

In today's digital age, social media is growing rapidly and becoming an effective means of communication for the Company. Corporate social media is used among netizens. Currently the Company adopts various social media platforms such as:

- Twitter account (@XpresiBCA, @GoodLife, @BizGuideBCA, @HaloBCA, @BankBCA, @KartuKreditBCA),
- facebook (/XpresiBCA, /GoodLifeBCA, /BizGuideBCA, /BankBCA, /KartukreditBCA),
- youtube (Solusi BCA),
- kaskus,
- slideshare ([www.slideshare.net/SolusiBCA](http://www.slideshare.net/SolusiBCA)),
- linkedIn BCA,
- Instagram (@goodlifeBCA)

Through social media accounts, the Company intends to build a more solid interaction with customers and others who are not yet become customers of the Company. Such step also serves as an evidence for the Company's serious intention to always be present in the community.

In addition to the interaction by using social media listening tools, the Company also continues on creating innovations to be able to respond to various complaints and suggestions from social media users on a real time basis. Real time interaction can be conducted through VIRA or Virtual Assistant Chat Banking of BCA. VIRA channels can be accessed via kaskus Chat, BCA Facebook Messenger, and BCA LINE chat application. Through VIRA chat, customers can obtain information related to promos, checking of balance and movements, exchange rates, ATM info, credit card info, and other access to banking services.

Throughout 2017, the Company actively conducted campaign activities of social media-related communications which included:

- Campaigns related to the updates of the Company's banking products to communicate the benefits of the products to potential markets
- Campaigns related to education of safe banking transactions for the public
- Campaigns related to the Company's promotional activities.

The Company's official accounts and social media activities are accessible at [www.bca.co.id/socialmedia](http://www.bca.co.id/socialmedia). The Company consistently strives to maintain its existence to the public.

### List of Press Release

The Company's press releases represent the implementation of good corporate governance principles, particularly the principle of transparency. During 2017 there were 208 press releases made by Company which include among others:

No	Title of Press Release	Date
<b>JANUARY</b>		
1	Supporting GO ONLINE Retail, BCA Offers Application Programming Interface Solution	18
2	Improving the Quality of Human Resources, BCA Inaugurates BCA Learning Institute and Gallery BCA	23
3	BCA Showcases 10 Best Works of BCA Facade Building Contest	30
<b>FEBRUARY</b>		
4	Improving Competence of Financial Sector Practitioners, BCA Supports E-Learning ACI FMA Indonesia	7
5	60 <sup>th</sup> Anniversary of BCA #BecomingBetter, BCA Held a Seminar at University of North Sumatra	7
6	Improving the Quality of Students of Mulawarman University, BCA Organizes Leadership Training	18
7	60 <sup>th</sup> Anniversary of BCA: #BecomingBetter, BCA Offers New Products and Service Innovation	21
8	Providing Excellent Service to Customers, BCA Receives the 2017 Excellent Service Experience Award	22
9	Maintaining Quality of Banking Solutions, BCA Receives 7 Awards at Top Brand Award 2017	23
10	Continuously Providing Innovative Service and Products, BCA Receives Most Innovative Business Award	24
11	"Outstanding Teacher Outstanding Students" - BCA Holds Training of 60 Elementary School Teachers	24
12	60 <sup>th</sup> Anniversary of BCA #BecomingBetter, BCA Organizes Free Cataract Surgery in Tangerang	25
<b>MARCH</b>		
13	Garuda Indonesia Palembang Branch Office and BCA Organizes Again "Garuda Indonesia Travel Fair (GATF) 2017"	3
14	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Organizes Leadership Training for Outstanding Students from Airlangga University and Sepuluh Nopember Institute of Technology	4
15	Providing Products and Services Tailored to Customer Needs, BCA Receives Indonesia WOW Brand	9
16	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds 60 Tourist Village Seminar in Yogyakarta	11
17	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Outstanding Students from Sam Ratulangi University	11
18	Presentation of Performance Results BCA FY 2016: Expanding Capabilities, Capturing Opportunities	13
19	BCA Cafe V #LearningBetter: Reading from Generation to Generation	15
20	BCA Indonesia Fintech Education For University of Indonesia Students	15
21	Providing Convenience For Customers to Purchase Vehicles and House, BCA Holds BCA Expo 2017 in Surabaya	17
22	Presenting Best Banking Products and Services, BCA is Acknowledged as the Best Retail Bank in Indonesia, The Asian Banker version	17
23	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Batik Technique Training	17
24	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Outstanding Students from Universitas Brawijaya	18
25	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Team Building Training for Tourism of Pindul Cave and Wayangirsari Wayang Village	20
26	Supporting Food Program ACTION, BCA Consistently Distributes Credit Financing in Agriculture and Food Sector	24
27	BCA Provides Attractive Promo for Customers in Astindo Travel Fair 2017 Event	24
28	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Leadership Training for Outstanding Students from Hasanuddin University	25
29	#BecomingBetter: BCA Shares the Spirit of Book Sharing for Indonesia in Car Free Day	26
30	Supporting Batang-Semarang Toll Road Project, BCA Distributes Syndicated Credit Totaling Rp935 Billion	29
31	Proving the Power of Brand in Digital Age, BCA Receives Infobank Digital Brands Awards 2017	30

No	Title of Press Release	Date
<b>APRIL</b>		
32	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for ITB and Unpad Students	1
33	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Batik Technique Training	4
34	BCA Holds Annual General Meeting of Shareholders	6
35	MPM Finance Strengthens Business Lines through Syndicated Facility of Rp 700 Billion	6
36	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Diponegoro University Students	8
37	Support the Implementation of e-Ticketing at Soekarno Hatta Airport Train, BCA Serves Cashless Payments using Flazz For Customer's Convenience	11
38	Halo BCA Receives 11 Contact Center Service Excellence Awards 2017	12
39	BCA Enters into Cooperation Agreement to Provide Corporate Social Responsibility (CSR) Assistance to Support TNI Duties	12
40	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Launches Gemah Sumilir Tourism Village in Pekalongan	18
41	Supporting Customers to Purchase Their Own Vehicles, BCA Provides Interesting Promos in IIMS Exhibition 2017	20
42	Presentation of Performance Result Q1 2017: Maintaining a Solid Position	20
43	Supporting Early Childhood Education, BCA Holds Financial Literacy Education and Health Education in Sorong	21
44	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for Sriwijaya University Students	22
45	#BecomingBetter: BCA Shares The Spirit of Book Sharing For Indonesia With Innovator Reading Park	23
46	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Distributes Aceh Earthquake Donation through LAZISNU	25
47	Facilitating Customers to Purchase Vehicles, BCA Holds BCA EXPO at Indonesia International Motor Show 2017 – Jakarta	27
48	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for UI and IPB Students	29
<b>MAY</b>		
49	Facilitating Customers in Transaction, BCA Develops Cash Advance Features at BCA Mobile	2
50	Supporting Early Childhood Education, BCA Provides Financial Literacy Education in Serang	2
51	Supporting Early Childhood Education, BCA Provides Financial Literacy Education in Lampung	4
52	60 <sup>th</sup> Anniversary of BCA #BecomingBetter, BCA Organizes Free Cataract Surgery In Luwu Regency and East Luwu Regency, South Sulawesi	6
53	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: BCA Holds Leadership Training for UGM Students	6
54	Providing Mutual Fund Investment Solution For Customers, BCA Wins Best Custodian Bank Award	8
55	Supporting Early Childhood Education, BCA Holds Financial Literacy Education in Gunungkidul	8
56	Improving Customer Engagement with Customers, BCA Securities Information Is Accessible Through Halo BCA	10
57	BCA Receives Best National Private Bank Award In Indonesian Business Event Award 2017	15
58	60 <sup>th</sup> Anniversary of BCA #Becoming Better: Providing Post Earthquake Reconstruction Assistance, BCA Commences School Building Construction in Pidie Jaya	15
59	Providing Best Banking Solutions for Customers, BCA Receives Best Listed Company Award in Banking Sector in Investor Awards 2017	18
60	60 <sup>th</sup> Anniversary of BCA #BecomingBetter, BCA Provides Support for Community Empowerment Program in Prawoto Village, Pati Regency of Central Java	19
61	Displaying Positive Image and Solid Performance, BCA Receives Indonesia Most Admired Companies Award 2017	19
62	BCA Indonesia Open Superseries Premier 2017: World Badminton Players Compete for Total USD 1 Million Championship	22

No	Title of Press Release	Date
63	Cafe BCA VI #LearningBetter: Khasanah Batik Pesona Budaya	23
64	During Fasting Month, BCA Always Meets Customer Needs	26
<b>JUNE</b>		
65	BCA Supports Teknopolis 2017 Presenting Innovative Products and New Technologies	9
66	VIRA, BCA's New Technology Breakthrough in Virtual Assistant Chat Banking	11
67	Maintaining Healthy and Productive Asset Quality, BCA Receives Best Bank 2017 from Investor Awards	13
68	Pioneering in Developing Digital Based Banking Services, BCA Receives Digital Innovation Award 2017	16
69	BCA Is Ready to Meet Customers' Banking Needs During Eid-ul-Fitr 2017	20
70	BCA Receives Again the Best Bank Award in Indonesia and Asia	29
<b>JULY</b>		
71	BWS Launches Flazz Card	11
72	Supporting the National Cooperative Day 2017, BCA Is Committed to Distributing Kredit Usaha Rakyat to Cooperatives and SMEs	12
73	Adopting Sustainable Financial Principles, BCA Prioritizes Financing for Eco-Friendly Sector	12
74	Pioneering in Supporting Digitalization of Banking, BCA Receives the Digital Banking Initiatives of the Year Award	13
75	BCA Wins Best Bank Award in Indonesia Euromoney Awards for Excellence 2017	13
76	Supporting the Digitalization of Banking, BCA Again Organizes Finhacks 2017	15
77	BCA Successfully Receives 4 Awards from Bank Indonesia 2017	18
78	BCA Leads Rp 1.5 Trillion Syndicated Financing Loan	19
79	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Successfully Inviting People to Participate in the Sharing Movement #BookforIndonesia, BCA Begins Book Sharing Activities in Lampung	21
80	Improving Positive Culture and Work Environment, BCA Again Receives Gallup Great Workplace Award	21
81	BCA 60 <sup>th</sup> Anniversary #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Healthy Walk and Book Sharing in Makassar	23
82	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Garut	25
83	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Kupang	25
84	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Manado	25
85	BCA Wins Three Awards at The Asian Banker Indonesia Country Awards 2017	27
86	BCA Now Fits into the Category of Forbes Global 2000 Award 2017	27
87	Presentation of Performance Semester 1 2017: Maintaining a Solid Position	27
88	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Banda Aceh	28
89	Preparing Finhacks #Codescape 2017, BCA Organizes Sprint Coding Competition at Mini Finhacks Surabaya	29
<b>AUGUST</b>		
90	BCA Supports Borneo Orangutan Survival Foundation (BOSF) to Release 12 Orangutans in Bukit Baka Bukit Raya National Park	2
91	Providing Quality Assurance Service for Customers, BCA Wins Service Quality Award 2017	3
92	Preparing for Finhacks #Codescape 2017, BCA Organizes Sprint Coding Competition at Mini Finhacks Yogyakarta	5
93	"Be an Inspiring Teacher" - BCA Organizes Teacher Training in Jayapura	9
94	"Playing Golf and Donating" in BCA Royale Open Tournament 2017	9
95	For the Third Time, BCA Becomes the Most Valuable Brand in Indonesia	9

No	Title of Press Release	Date
96	Public Expose 2017: Maintaining Solidity, Achieving Quality Performance	9
97	BCA Again Maintains Very Good Performance For More Than 15 Years in Infobank Awards 2017	10
98	Halo BCA Successfully Wins Grand Champion The Best Contact Center Indonesia 2017	11
99	Facilitating Customers to Purchase Vehicle and House, BCA Expo Kota Baru Parahyangan Will Soon Be Held	11
100	Preparing for Finhacks #Codescape 2017, BCA Organizes Sprint Coding Competition at Mini Finhacks Bandung	12
101	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Book Sharing in Singkawang	15
102	BCA Organizes Service Standard Workshop for Tourism Management of Pindul Cave and Pentingsari in Yogyakarta	18
103	Consistently Implementing Sustainable Financing, BCA Wins Social Business Innovation Award 2017	18
104	Supporting Non-Cash Payment, BCA and ChinaTown Bandung Launch CT Flazz Card	20
105	BCA Supports Borneo Orangutan Survival Foundation by Donating Rp200 Million for the Release of Orangutan	20
106	BCA Again Organizes National Seminar to Support Economic Acceleration in Yogyakarta	25
107	BCA Organizes Excellent Service Training in East Belitung	26
108	Facilitating Customers to Purchase Vehicle and House, BCA Expo Bandung is Held in Kota Baru Parahyangan	26
109	Supporting the Digitalization of Banking, BCA Organizes Finhacks #Codescape 2017	26
110	BCA Organizes Finhacks #Codescape 2017: Creating Three Best Digital Banking Applications	27
111	ATM Network Disruption Announcement	27
112	More than 11,500 ATMs of BCA Still Provide Banking Services	28
113	BCA and American Express Introduce The American Express Platinum Card: Offering Exclusive Features and World-Class Premium Services	31
114	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo Semarang Will Soon Be Held	31
		<b>SEPTEMBER</b>
115	"Becoming an Inspiring Teacher" - BCA Organizes Teacher Training in Sorong	4
116	Appreciating its Loyal Customers, Board of Directors of BCA Serve Customers on National Customer Day	4
117	On National Customer Day, BCA Invites its Customers to Visit Halo BCA Contact Center Office	4
118	Proving its Brand, BCA Wins Brand Asia Award 2017	7
119	BCA Facilitates Socialization of Replacement Law No. 1 Year 2017 for UMKM Activists in Malang	7
120	BCA Organizes Free Cataract Surgery in Putussibau, West Kalimantan	8
121	BCA Organizes Workshop and "Wayang For Student" Training	9
122	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo Semarang Is Held	9
123	All ATMs of BCA are Ready to Meet the Customer Needs for Transactions	12
124	BCA Supports Digital-Based Innovation and Creativity Development through IKF VI	13
125	BCA and UGM Sign Memorandum of Understanding for Joint Educational Assistance, Research, and Community Service	15
126	60 <sup>th</sup> Anniversary of BCA #BecomingBetter: Continuing Sharing Movement #BookforIndonesia, BCA Organizes Fun Walk and Book Sharing in Solo	17
127	BCA Organizes Team Building Training for Village Leaders in Gemah Sumilir Tourism Village, Pekalongan	18
128	"Be an Inspiring Teacher" - BCA Holds Teacher Training in Timika	19
129	Minister of Communications and Information of the Republic of Indonesia Opens IBEX 2017	19
130	President of Indonesia Attends the Closing of IBEX 2017	20
131	During the Exhibition of Oey Soe Tjoen Batik, BCA Presents Classic Batik from Pekalongan	22



No	Title of Press Release	Date
132	BCA Wins Award at Asiamoney Best Banking Brand Award 2017	26
133	BCA Organizes the Socialization of Taxation for UMKM Activists in Semarang	27
134	BCA Organizes Service Standards For Village Leaders of Tamansari Tourism Village	28
<b>OCTOBER</b>		
135	3,700 Runners Ready to Participate in BCA Bali Run 2017	1
136	Supporting National Cashless Campaign, Flazz BCA is Ready to Serve Transactions in All Toll Roads in Bali	1
137	Supporting National Cashless Campaign, Flazz BCA is Ready to Serve Transactions in All Toll Roads in Jakarta	1
138	BCA Distributes Donations for Mt. Agung Refugees	2
139	BCA Organizes Indonesia Knowledge Forum VI, Inspiring Digital-Based Innovation and Creativity	3
140	Indonesia Knowledge Forum VI, Inspiring the Establishment of a Digital Economy Ecosystem	4
141	"Becoming an Inspiring Teacher" - BCA Holds Teacher Training in Wamema	4
142	BCA Provides Training on Creating Income Statement for UMKM Activists in Pekalongan	9
143	Supporting National Cashless Campaign, Flazz BCA is Ready to Serve Transactions in All Toll Roads in Medan	10
144	BCA Provides Financing for Construction of Two Toll Roads	13
145	Facilitating People to Possess Electronic Money, BCA Provides Free Flazz Card Purchase at All Toll Gates	13
146	BCA Facilitates People to Purchase Electronic Money for Transactions at Toll Gates	15
147	Appreciating Merchants in Aur Kuning Trade Area, BCA Bukittinggi Holds "BCA EDC Surprise Program"	15
148	Supporting Property Industry Development, BCA Wins Property Indonesia Award 2017	17
149	BCA Wins the Strongest Bank by Balance Sheet in Indonesia	17
150	After Attending a Series of Workshops and Training, Students Perform in Stage during "Wayang For Student" Event	21
151	Improving the Quality of Tourism Village Leaders in the Digital Age, BCA Continues "Digital and Online Marketing" Training	25
152	"Becoming an Inspiring Teacher" - BCA Holds Teacher Training in Kupang	26
153	BCA Organizes Free Cataract Surgery in Sumba	26
154	Presentation of Q3 2017 Performance: Maintaining a Solid Position	26
155	BCA Commemorates Youth Pledge by activating #TodayPledge	27
156	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo ICE BSD Will Soon Be Held	30
157	BCA Facilitates Improvement of Facilities & Infrastructure of TNI Soldiers	31
<b>NOVEMBER</b>		
158	Supporting Fair Economy, BCA Cooperates with Warung and Indogrosir	1
159	BCA Supports for Indonesia Electricity	2
160	BCA Signs Memorandum of Credit for Lazada Sellers	3
161	BCA Blood Donors Break MURI Record	3
162	Supporting Cikampek II Elevated Toll Road Project, BCA Distributes Rp 1.44 Trillion Syndicated Loans to PT Waskita Karya	7
163	BCA Provides Scholarships for Outstanding Undergraduate Students in Universitas Brawijaya	7
164	BCA Holds a Puppet Show and "Wayang for Student" Workshop in Bandung	8
165	Jahja Setiaatmadja Wins CEO of the Year in Indonesia Property & Bank Award 2017	9
166	BCA Wins as TOP Share and TOP Issuer 2017	10
167	Optimizing Service Quality, BCA Opens a New Branch Office	10
168	Facilitating Customers to Purchase Vehicles and Houses, BCA Expo Is Officially Opened	11
169	BCA Provides Scholarships for Outstanding Students at Udayana University	13

No	Title of Press Release	Date
170	Committed to Make Indonesia Free of Cataract, BCA Provides Donation for SPBK Perdami	13
171	BCA Obtains ISO 20000-1: 2011 Certification	17
172	BCA Shares Knowledge on Digital Transformation in MM UGM Executive Series	17
173	Supporting Fair Economy, BCA Works in Cooperation with Warung and Alfamart	18
174	Supporting Geotourism Based on Local Wisdom, BCA Opens Ngadiprono Playground	19
175	Celebrating World Children's Day, BCA Donates Rp850 Million for UNICEF	20
176	BCA Wins Economic Challenges Awards 2017	21
177	Expanding Network for Customer Convenience, BCA Launches BCA Mastercard Passport Card	21
178	BCA Provides Scholarships for Outstanding Students at Gadjah Mada University	22
179	BCA Provides Scholarships for Outstanding Students at Hasanudin University	22
180	BCA Provides Scholarships for Outstanding Students at Diponegoro University	23
181	BCA Provides Scholarships to Outstanding Students at University of North Sumatra	23
182	Expanding its Banking Services, BCA Promotes the Status of KCP Rahadi Usman to KCU Kubu Raya	24
183	BCA Organizes Free Cataract Surgery in Lampung	25
184	Focusing on Corporate Transparency, BCA Wins the 9th IICD Corporate Governance 2017 Award	27
185	BCA Provides Scholarships for Outstanding Students at Padjadjaran University	27
186	BCA Holds Puppet Show and "Wayang for Student" Workshop in Jakarta	27
187	BCA Provides Scholarships for Undergraduate Students at Airlangga University and Sepuluh Nopember Institute of Technology	27
188	Expanding its User Network, Flazz BCA Performs Co-branding with SMC Telogorejo Hospital	27
189	BCA Provides Scholarships to Outstanding Students at University of Indonesia	28
190	BCA Provides Scholarships for Outstanding Students at Sam Ratulangi University	28
191	Leadership Secret of Success Behind BCA Transformation	28
192	Sharing Knowledge with Students, Vice President Director of BCA Provides Public Lecture for ITB Students	29
193	BCA Submits Scholarships for Outstanding Students at Padjadjaran University	29
		<b>DECEMBER</b>
194	BCA Provides Scholarships for Outstanding Students at Mulawarman University	5
195	BCA Supports Homestay Village Development in Pentingsari in Yogyakarta	6
196	Successfully Improving BCA Solid Performance in Banking Sector, Jahja Setiaatmadja Wins Indonesian Most Admired CEO 2017 Award	8
197	Improving Cash Management Solutions, KlikBCA Business Facilitates Top Up Features for AirAsia Travel Agency Partners	11
198	Supporting the Transformation of an Issuer into a Public Company, BCA Organizes Road to Go Public with BCA	11
199	BCA Provides Scholarships to Outstanding Students at the Bogor Agricultural Institute	12
200	Always by the Customer's Side, BCA is Ready to Serve During the Year End Holiday 2017	12
201	BCA Distributes Rp 2.1 T Working Capital Loan to PT Pegadaian (Persero)	13
202	Consistently Being Indonesia's Leading Banking Company, BCA Wins Indonesia Best Corporate Reputation Award 2017	14
203	BCA Obtains Certification 20000-1 and ISO 22301	15
204	BCA Wins Four Awards from the Ministry of Finance	18
205	BCA Provides Scholarships for Outstanding Students at Sriwijaya University	18
206	Consistently Implementing Good Corporate Governance, BCA Wins Good Corporate Governance Award 2017	19
207	BCA Distributes Syndicated Loans to Bakauheni-Terbanggi Besar Toll Road	27
208	BCA Distributes Rp2.78 Trillion Syndicated Loan for Jabodetabek Light Rail Transit (LRT) Construction	29

### Correspondence with Financial Services Authority (hereinafter “OJK”) and Indonesia Stock Exchange (IDX)

Correspondence with Financial Services Authority and Indonesia Stock Exchange (IDX) is part of the implementation of good corporate governance principles, particularly the principles of transparency and accountability. During 2017, correspondences made with OJK and BEI include the following:

#### Financial Services Authority (OJK)

No	Letter No.	Date	Subject
1	048/DIR/2017	27 January 2017	Disclosure of Information of Equity in PT Central Capital Ventura to OJK
2	094/DIR/2017	21 February 2017	Notification of Agenda of Annual GMS of PT BCA Tbk 2017 to OJK
3	097/DIR/2017	23 February 2017	Disclosure of Material Information or Facts to OJK
4	017/DCS/2017	24 February 2017	Disclosure of Specific Shareholders Information to OJK
5	018/DCS/2017	28 February 2017	Submission of Evidence of Announcement of Annual GMS of PT BCA Tbk to OJK
6	033/DCS/2017	14 March 2017	Submission of Annual Financial Statements 2016 (audited) of PT BCA Tbk to OJK
7	034/DCS/2017	14 March 2017	Submission of Annual Financial Statements 2016 (audited) of PT BCA Tbk to DPB 3 - OJK
8	036/DCS/2017	15 March 2017	Submission of evidence of announcement of summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 31 December 2016 to OJK
9	037/DCS/2017	15 March 2017	Submission of evidence of announcement of summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 31 December 2016 to DPB 3 - OJK
10	038/DCS/2017	15 March 2017	Submission of evidence of summon for Annual GMS of PT BCA Tbk 2017 to OJK
11	039/DCS/2017	15 March 2017	Submission of evidence of summon for Annual GMS of PT BCA Tbk 2017 to DPB 3 - OJK
12	130/DIR/2017	15 March 2017	Submission of Annual Report and Sustainability Report 2016 PT BCA Tbk to OJK
13	131/DIR/2017	15 March 2017	Submission of Annual Report and Sustainability Report 2016 PT BCA Tbk to DPB 3 - OJK
14	043/DCS/2017	15 March 2017	Disclosure of information of affiliated transactions to OJK
15	048/DCS/2017	21 March 2017	Disclosure of information of affiliated transactions to OJK
16	059/DCS/2017	31 March 2017	Disclosure of information of affiliated transactions to OJK
17	063/DCS/2017	10 April 2017	Disclosure of information of affiliated transactions to OJK
18	064/DCS/2017	10 April 2017	Submission of evidence of announcement of summary of Annual GMS minutes of PT BCA Tbk 2017 to OJK
19	065/DCS/2017	10 April 2017	Submission of evidence of announcement of summary of Annual GMS minutes of PT BCA Tbk 2017 to DPB 3 - OJK
20	066/DCS/2017	10 April 2017	Report and Submission of Evidence of Announcement of Dividend Payout 2016 PT BCA Tbk to OJK
21	187/DIR/2017	17 April 2017	Disclosure of Material Information or Facts to OJK
22	071/DCS/2017	20 April 2017	Disclosure of information of affiliated transactions to OJK
23	072/DCS/2017	20 April 2017	Disclosure of information of affiliated transactions to OJK
24	075/DCS/2017	21 April 2017	Submission of Q1 Financial Statements 2017 (unaudited) PT BCA Tbk to OJK
25	076/DCS/2017	21 April 2017	Submission of Q1 Financial Statements 2017 (unaudited) PT BCA Tbk to DPB 3 - OJK
26	077/DCS/2017	21 April 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries 31 March 2017 to OJK
27	078/DCS/2017	21 April 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries 31 March 2017 to DPB 3 - OJK

No	Letter No.	Date	Subject
28	082A/DCS/2017	28 April 2017	Submission of Copy of Resolutions of Annual GMS PT BCA Tbk 2017 to OJK
29	082B/DCS/2017	28 April 2017	Submission of Copy of Resolutions of Annual GMS PT BCA Tbk 2017 to DPB 3 - OJK
30	225/DIR/2017	28 April 2017	Submission of Annual Report of Integrated Corporate Governance of Financial Conglomerates PT BCA Tbk 2016 to DPB 3 - OJK
31	097/DCS/2017	23 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
32	098/DCS/2017	23 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
33	099/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
34	100/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
35	101/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
36	102/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
37	103/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
38	104/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
39	105/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
40	106/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
41	107/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
42	108/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
43	109/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
44	110/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
45	111/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
46	112/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
47	113/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
48	114/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
49	115/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
50	116/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
51	117/DCS/2017	24 May 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
52	133/DCS/2017	21 June 2017	Disclosure of information of affiliated transactions to OJK
53	134/DCS/2017	22 June 2017	Disclosure of information of affiliated transactions to OJK
54	141/DCS/2017	7 July 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

No	Letter No.	Date	Subject
55	370/DIR/2017	14 July 2017	Submission of Report of Changes in the Composition of Financial Conglomerate of PT Bank Central Asia Tbk to DPB 3 - OJK
56	147/DCS/2017	20 July 2017	Disclosure of information of affiliated transactions to OJK
57	148/DCS/2017	25 July 2017	Disclosure of information of affiliated transactions to OJK
58	155/DCS/2017	28 July 2017	Submission of Q2 Financial Statements 2017 (unaudited) PT BCA Tbk to OJK
59	156/DCS/2017	28 July 2017	Submission of Q2 Financial Statements 2017 (unaudited) PT BCA Tbk to DPB 3 - OJK
60	157/DCS/2017	28 July 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 30 June 2017 to OJK
61	158/DCS/2017	28 July 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries As of 30 June 2017 to DPB 3 - OJK
62	159/DCS/2017	28 July 2017	Disclosure of information of affiliated transactions to OJK
63	162/DCS/2017	4 August 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
64	163/DCS/2017	4 August 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
65	166/DCS/2017	4 August 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
66	171/DCS/2017	14 August 2017	Submission of Supporting Documents for Affiliated Transaction on 21 June 2017 to OJK
67	446/DIR/2017	29 August 2017	Disclosure of Material Information or Facts to OJK
68	177/DCS/2017	5 September 2017	Submission of Valuation Report of 15% Shareholding Ownership of PT BCA Sekuritas to OJK
69	181/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
70	182/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
71	183/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
72	184/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
73	185/DCS/2017	15 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
74	186/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
75	187/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
76	188/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
77	189/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
78	190/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
79	191/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
80	192/DCS/2017	22 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
81	193/DCS/2017	26 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
82	194/DCS/2017	26 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
83	195/DCS/2017	26 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

No	Letter No.	Date	Subject
84	196/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
85	197/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
86	198/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
87	199/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
88	200/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
89	201/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
90	202/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
91	203/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
92	204/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
93	205/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
94	206/DCS/2017	27 September 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
95	208/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
96	209/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
97	210/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
98	211/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
99	212/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
100	213/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
101	214/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
102	215/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
103	216/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
104	217/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
105	218/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
106	219/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
107	220/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
108	221/DCS/2017	3 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
109	225/DCS/2017	5 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
110	227/DCS/2017	10 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

No	Letter No.	Date	Subject
111	229/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
112	230/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
113	231/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
114	232/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
115	233/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
116	234/DCS/2017	16 October 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
117	242/DCS/2017	27 October 2017	Submission of Q3 Financial Statements 2017 (unaudited) PT BCA Tbk to OJK
118	243/DCS/2017	27 October 2017	Submission of Q3 Financial Statements 2017 (unaudited) PT BCA Tbk to DPB 3 - OJK
119	245/DCS/2017	30 October 2017	Disclosure of information of affiliated transactions to OJK
120	246/DCS/2017	30 October 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries As of 30 September 2017 to OJK
121	247/DCS/2017	30 October 2017	Submission of Evidence of Announcement of Summary of Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of 30 September 2017 to DPB 3 - OJK
122	249/DCS/2017	31 October 2017	Disclosure of information of affiliated transactions to OJK K
123	253/DCS/2017	6 November 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
124	254/DCS/2017	6 November 2017	Disclosure of Material Information or Facts to OJK
125	255/DCS/2017	6 November 2017	Report of Affiliated Transactions to OJK
126	256/DCS/2017	13 November 2017	Disclosure of information of affiliated transactions to OJK
127	258/DCS/2017	23 November 2017	Submission of Evidence of Announcement to Shareholders regarding Interim Dividend Payout 2017 of PT BCA Tbk to OJK
128	592/DIR/2017	24 November 2017	Disclosure of Material Information or Facts to OJK
129	260/DCS/2017	2017	Disclosure of information of affiliated transactions to OJK
130	275/DCS/2017	27 November 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
131	639/DIR/2017	20 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
132	640/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
133	641/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
134	642/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK
135	643/DIR/2017	29 December 2017	Report of Shareholding Ownership or Changes in Ownership of PT BCA Tbk to OJK

**Indonesia Stock Exchange**

No	Letter No.	Date	Subject
1	032/DCS/2017	13 March 2017	Submission of Press Release Related to Publication of Annual Financial Statements 2016 (audited) of PT BCA Tbk
2	062/DCS/2017	10 April 2017	Report of Announcement of Dividend Payout Schedule 2016 of PT BCA Tbk
3	073/DCS/2017	20 April 2017	Submission of Press Release Related to Publication of Q1 Financial Statements 2016 (unaudited) of PT BCA Tbk
4	153/DCS/2017	27 July 2017	Submission of Press Release Related to Publication of Q2 Financial Statements 2016 (unaudited) of PT BCA Tbk
5	170/DCS/2017	14 August 2017	Submission of Presentation from Issuer and Press Conference in Public Expose Marathon 2017
6	241/DCS/2017	26 October 2017	Submission of Press Release Related to Publication of Q3 Financial Statements 2016 (unaudited) of PT BCA Tbk
7	257/DCS/2017	23 November 2017	Report & Announcement of Interim Dividend Payout Schedule 2017 of PT BCA Tbk to BEI

**Internal Communication**

Internal communication plays a pivotal role in building the character and culture of the Company and the solidity of the working teams. Seamless, intensive and effective internal communication in disseminating corporate information will accelerate the processes and mechanism across all lines within the Company. Therefore, good support to the Company's internal communication serves as integral part of achieving the Company's overall performance

The content of information and media of communication are the keys to the success of internal communication. Both will complement each other as a unity so that the information can be easily comprehended, understood and followed up by employees.

With the relatively large number of employees all over Indonesia, effective internal communication serves as the key to the success of the Company in achieving its vision and mission. This is the reason why the Company recognizes the needs to devise a proper internal communications strategy aimed at creating a harmonious relationship with all employees. With the seamless, intensive and effective internal communications in disseminating corporate information, the Company can accelerate the processes and mechanisms across all lines.

Internal means of communication in the Company include the following:

**1. InfoBCA Magazine**

InfoBCA magazine is an internal monthly magazine of the Company that serves as a media of education, socialization, entertainment and tool to share knowledge and experiences and activities within the Company for all employees. InfoBCA magazine contains corporate information, banking products, banking services, networking, internal programs, awards, technology, management, and other useful information for employees. InfoBCA magazines are published in two versions, both printed and e-magazine versions (which can be downloaded from MyBCA's internal portal).

**2. MyBCA**

MyBCA is an internet-based internal communication. The internet network can only be accessed by internal parties within the Company by using the facilities provided by the Company. The internal web serves as a tool to convey the Company's information, business unit program, socialization of banking products, services, learning, and various other important information. MyBCA has been developed for online employment information and administration services, including healthcare fees, leave request, overtime, business trips, employee data, compensation, appraisal and others.



### 3. Plasma TV

Plasma TV is a media of internal communication installed at strategic places within the building or area within the Company's premise. The audio-visual electronic media contains information about the Company, banking products and services, business unit activities and other important information.

### 4. Email

The Company adopts an emailing system for its internal communication media. Another internal communication built through email system includes management communication forum.

### 5. Microsoft Lync

Through Microsoft Lync facility, the Company's employees can send data or information via PC (Personal Computer) and communicate with each other similar to chatting features on modern gadgets. The Microsoft Lync facility is very useful for urgent matters, since incoming messages directly appear on the screen along with the accompanying incoming message alert. In addition, the Microsoft Lync facility can also be used to transmit large files or data.

### 6. Internal Event

Internal communication is also built through various internal events such as:

- a. Celebration of the Company's anniversary;
- b. Lunch Together with Management;
- c. Gathering, such as Christmas / New Year and Idul Fitri and annual activities / recreation, pension events, and others;
- d. National Working Meeting
- e. Bakorseni activities
- f. Knowledge sharing, such as COP (community of practice) activities, BCA Open Source etc.

### 7. Corporate Identity Manual

It is an internal guideline for the Company, particularly for the use of corporate logo and other implementations. The standardization includes among others for the use and implementation of logos and corporate materials.

### 8. Facebook Semua Beres

The Company utilizes facebook as a means of internal communication under Facebook account of Semua Beres. Registered internal parties are connected to one another and can also share information and experiences.

### 9. Halo SDM

Halo SDM is a call center service for employees, which is a means of communication to share information related to human resources rules. The facility is expected to provide an opportunity for every employee to know better, understand and comply with the Company's internal rules.

### 10. Bakorseni

In an effort to create work life balance, the Company through the Learning and Development Division, particularly through Work Life Balance Aspect, manages sports and arts communities to allow employees to engage in their hobbies in sports and the arts. These communities are coordinated by BCA Sports and Art Coordinating Board (Bakorseni BCA).

The purpose of the community is to involve all employees to develop their potentials in sports and art and also to strengthen relationships among employees to create togetherness and friendship. It is expected that these activities can create a work life balance that makes employees stay healthy and improve their productivity.

#### Bakorseni activities include:

1. Sports including Football, Futsal, Volleyball, Basketball, Badminton, Table Tennis, Chess, Dance, Cycling, Tennis, Bowling, Hiking, Running, Fishing, Karate, Freeletics
2. Art including choir, band, photography.

Bakorseni also participates in events or games such as Interbank Sports Week - organized by Bank Indonesia (POR BANK) or sports events organized by the National Banking Association (Perbanas), Financial Services Authority and Regional Banking Consultative Body (BMPD).

**Bakorseni Activities in 2017:**

1. National Porseni commemorates the 60th Anniversary of the Company on 24-25 February 2017 at GOR Soemantri Kuningan Jakarta involving 1,218 athletes and officers from all Regional Offices, Head Office and Subsidiaries.
2. Sports Division conducts regular exercises and activities with communities registered within the Company at Head Office or Regional Offices.
3. Art Division conducts regular exercises, friendly competition activities and participates in various events in a number of activities conducted by external parties.

5. Correctly record all transactions in accordance with the requirements.
6. Maintain and foster the harmony of work environment and healthy competition.
7. Not misuse his/her position and authority for his personal or family interests.
8. Not commit a disgraceful act which could harm the image of his profession or the image of the Company in general.
9. Stay away from any form of gambling or speculative actions.
10. Always improve knowledge and understanding, by keeping abreast with the development in banking industry in particular and the business world in general.

**CODE OF CONDUCT**

The Company's Code of Conduct is developed as a guideline for the Company's employees in making decisions and taking actions. The Code of Conduct provides guidance on what is expected of them in relation to the customers, shareholders, other employees, vendors/partners, the government and the communities in which we are located.

The Code of Conduct serves as the basis for all policy-making and decision-making on a day-to-day basis, and also for the operations of the Company. Any decision and action of any employee in his/her position to represent the Company must be within the highest level of integrity standards, including if such standards are not set explicitly forth in the prevailing rules and regulations of the Republic of Indonesia.

The main principles in the Company's Code of Conduct include:

1. Professional;
2. Integrity;
3. Excellent team;
4. Excellent service;
5. Social concerns.

**Key Contents of the Company's Code of Conduct:**

The key contents of the Company's Code of Conduct include:

1. Comply and obey the prevailing rules and regulations.
2. Maintain a good reputation and safeguard the assets of the Company.
3. Maintain the confidentiality of customer and corporate data.
4. Avoid personal interests from conflicting with the interests of the Company or its customers.

**Enforcement of Code of Conduct**

The Code of Conduct applies to every member of the Board of Directors, members of the Board of Commissioners, and employees of the Company.

**Socialization**

Based on the Board of Directors Decision Letter No.778/SK/DIR/95 concerning the Code of Conduct, the Code applies to members of the Board of Commissioners, members of the Board of Directors and employees of the Company. The various means of communication to disseminate the Code of Conduct include:

1. The Code of Conduct is prepared in a Pocket Book size and is distributed to every employee of the Company. The employee signs the statement that he/he understands, and pledges to obey and execute the Code of Conduct as a guideline for proper behavior both inside and outside the work. Based on the Company's Whistleblowing System implementation policy set forth in Board of Directors Decision Letter No.146 / SK / DIR / 2017 dated 1 November 2017, the breach of the Code of Conduct is also a part of committed actions eligible to be reported through the whistleblowing reporting system.
2. The Code of Conduct has been published in the Company's internal portal (MyBCA), Corporate Governance Guidelines under the Chapter of Code of Conduct, and corporate website under the section of Corporate Governance.
3. Socialization related to the discussion of Code of Conduct, such as those pertaining to Company confidential data, confidential position, fraud, etc. is conducted through sharing session or COP in each Division / Business Unit within the Company.

### Vendor-related Code of Conduct

In performing their duties, employees oftentimes need to associate with vendors. Therefore, these employees must adhere to the Code of Conduct related to the vendors, which includes among other provisions:

1. Each employee in performing his/her duties shall maintain the good name and reputation of the Company, including but not limited to:
  - a. Grooming him/herself and behaving in accordance with good ethics and manners (action and spoken words).
  - b. Not excessively compromising during vendor pre-qualification and verification of billings from vendor.
  - c. Avoiding meetings that may influence or may be perceived as influencing the decisions in his/her roles and responsibilities.
2. Employees should avoid situations in which the behavior of the vendor may give personal benefits and / or incur losses to the Company.
3. Employees must maintain the confidentiality of the Company's and the vendor's information that is gathered while performing their duties and not benefiting from them for personal gains.
4. Employees proactively provide information to the management or the relevant authorities if they are affiliated or having family relationship with the vendor that may potentially influence the objectivity in the conduct of the work.

5. Employees must not take advantage of errors made by vendors.
6. Employees must not request or accept any form of money / gift / packages / facility and not must not bind themselves on lending/borrowing transactions.
7. Employees are mandatorily required to return all gifts in the form of money / gift / packages / facility in accordance with the prevailing regulations and may provide the evidence of such return in a letter signed by the Business Unit Leader and Receipt of Return of Goods.
8. Employees at all times prevent any potential conflict of interest in dealing with vendors.

### Enforcement Measures and Sanction of Breach of Code of Conduct

1. The provisions in Code of Conduct are binding and must be understood and implemented by staff at all levels within the Company in order to support the implementation of the principles of good corporate governance.
2. In the event of any breach or non-compliance with the Company's policy and Code of Conduct, the violator may be subject to sanctions in accordance with the severity of the breach. The decision to be made by the Company in this regard shall be made in accordance with the type and severity of the violations and the overall evaluation of the offending individual.
3. During 2017 there was no significant breach of the Company's Code of Conduct.

### Settlement of Cases of Breach of Code of Conduct 2017

During the year 2017, there are 97 (ninety seven) breaches of Code of Conduct summarized as follows:

Year	Total	Amount	Settlement Status
2017	SP I	70	Cases have been resolved
	SP II	20	
	SP III	7	

## CORPORATE CULTURE

The Corporate Culture is made up of Vision, Mission and Corporate Values. The Company's vision and mission are established to provide foundation, direction, and guidance for all levels within the Company in conducting their activities. While the Company's values are established to serve as a moral guideline for all levels within the Company to carry out its mission and achieve its vision.

The Company's Vision, Mission and Values are as follows:

### Corporate Vision

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

### Corporate Mission

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

### Corporate Values

#### 1. Customer Focus

Attention/concerns followed by the efforts to provide services to meet customers' specific expectations and/or needs.

#### 2. Integrity

A firm attitude in upholding honesty and transparency, followed by consistent and consequent actions shown in his/her roles/duties under various circumstances and situations to build customer confidence.

#### 3. Teamwork

Interactions and synergies based on self-awareness and also others to achieve organizational goals.

#### 4. Continuous Pursuit of Excellence

Continuous efforts to achieve the best to provide added values to customers.

Understanding of the Company's Mission:

1. Building an outstanding organization engaged in payment settlement and financial solutions for business and individual customers means that the Bank builds an outstanding organization for all areas of payments which include all payment activities within the banking business.

2. Understanding the diverse needs of customers and providing the right financial services to achieve optimal customer satisfaction shall mean that the Company understands the various needs of customers on an end-to-end basis in accordance with their needs.
3. Increasing the franchise value and stakeholder value shall have broad meaning including the totality of corporate values, both tangible and intangible values. While stakeholder value shall mean reflecting the flexibility of the Company in accommodating the interests of various parties.

### Socialization

The socialization of vision, mission, and values is conducted for and during the following:

1. All business units and all employees.
2. Coordination Meetings (Rakor)/ Quality Meetings (QM) of all Regional Offices.
3. Manager Development Program (MDP) and Manager Development Program (P2M), special forums such as Forum Account Officer (AO), and special Groups such as Project Management Office/PMO.

Corporate culture is introduced during the induction program for all new employees. The introduction of corporate culture includes understanding of Vision, Mission and Values of the Company. One learning method by using games is an effective way to introduce the vision, mission and corporate values to the new employees from Y generation.

The Company's vision, mission and values are also disseminated through:

- Info BCA magazine (internal monthly magazine).
- Employees' PC screen saver and mouse pad.
- Internal training.
- Internal Culture Video Clips.
- Corporate Handbook.
- Comic Books distributed to all employees
- Games.
- Other media.

Evaluation of the Company's vision and mission shall be conducted no later than every 5 (five) years. In 2014, the Company's vision and mission were evaluated by the Board of Commissioners and the Board of Directors. Board of Commissioners and Board of Directors evaluation resulted that the vision and mission are still in accordance with the current conditions.

## STOCK OPTION PLAN

During 2017, the Bank granted no Stock Option Plan.

## RELATED PARTY AND LARGE EXPOSURE

Related party and large exposure disclosures are prepared under Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 concerning the Implementation of Good Governance for Commercial Banks under Report of Corporate Governance Implementation.

The Company adopts policies regarding the provision of funds to related parties and large exposures, as governed under the Credit Provision Manual. Evaluation and updating of policies in such manual will be made on a periodic basis.

Provision of funds to related parties and large exposures are always conducted with reference of prudential principles, and with compliance to Bank Indonesia regulations and other prevailing rules and regulations, including the Legal Lending Limit (LLL). In addition, the provision of funds to related parties must be approved by the Board of Commissioners in an independent manner.

LLL is routinely reported to Bank Indonesia in a timely manner. During 2017 there was no breach nor excessive limit of LLL.

Provision of Funds to Related Parties and to Individuals and Large Exposure during 2017:

No	Provision of Funds	Total	
		Debtor/Group	Nominal (million Rp)
1	To Related Parties	212	10.908.664
2	To Main Debtors:		
	a. Individual	50	106.402.538
	b. Large Exposure	30	146.011.29

## STRATEGIC PLAN

In response to dynamic external environment changes, the Company constantly reviews business strategies for the short, medium and long term as outlined in the Company's Strategic Plan in the form of Bank Business Plan (RBB) and Annual Work Plan and Budget (RKAT). The Company prepares the Company's Strategic Plan with due observance to Financial Services Authority Regulation No. 5 / POJK.03 / 2016 dated January 26, 2016 concerning Bank Business Plan and Financial Services Authority Circular Letter No. 25 / SEOJK.03 / 2016 dated July 14, 2016 concerning Business Plan of Commercial Banks.

As part of the direction and strategic steps for the Company to achieve its vision and mission, the Company designs and develops business-oriented initiatives to meet its customers' evolving needs.

### Strategic Plan in 2018

The Indonesian economy in 2018 is expected to improve from 2017, but will remain at a recovery phase. The government's development of infrastructure will be key to

higher economic growth in the coming years as multiplier effects are created by the new infrastructure. As the projects are in progress over the next one or two years, economic growth in 2018 expected to remain moderate.

Economic conditions will affect the overall banking industry. The Bank will continue to monitor the growth of banking liquidity, demand for credit across the banking sector and the development of interest rate trends in 2018.

BCA faces rapid technological developments, characterized by widespread financial technology products and emerging international players. Increasingly dynamic technological developments and shortening technological platform cycles will be a challenge and opportunity in the coming years.

The Company constantly reviews its business strategies for short, medium, and long term as set forth in Bank Business Plan (RBB) and Annual Work Plan and Budget (RKAT).

In 2018, the Company is committed to continue investing in strengthening the Company's franchise value. Strategic

priorities and work programs in 2018 will be focused on improving customer relations through payment settlement services, lending activities, and the development of new business lines through its subsidiaries. The following is further elaboration of those three areas:

- **Payment settlement**

BCA will continue to develop its payment settlement services to strengthen CASA funding, which remains its main source of funds. Investments in transaction banking multi-channel infrastructure and digital technology will continually be conducted to enhance customer experience, allowing BCA to make its transaction banking platform more convenient, while not forgoing security and reliability. The Bank will continue to enhance its working methods and increase information technology capacity and capability to be more agile and innovative.

BCA observes closely the evolving needs of customers and works to provide solutions in line with developing trends. With the ongoing advancement in digital technology, the Bank is constantly adapting to the development of online payment settlement methods utilized by e-commerce businesses. In addition to providing updated services to correspond with shifts in customer preferences, BCA will continue to harness technological developments to improve operational efficiency. The Bank continues to improve the use of Internet and mobile banking services, which serve as more efficient platforms than ATMs and branches. It also continues to enrich the functionality and increase the transaction capacity of Internet and mobile banking platforms.

BCA continues to selectively develop new branches to facilitate the ongoing need for large transactions. Branch expansion focuses on compact formats, in the form of cash offices and kiosks. In order to improve efficiency, information technology is incorporated into the branches, and transaction automation will continue to be developed to maximise these benefits. Investment in ATM networks is focused on the conversion from conventional ATMs and cash deposit machines (CDM) to cash recycling machines (CRM).

- **Prudent Lending**

Lending capabilities must continuously be improved in view of the positive long-term prospects of the Indonesian banking industry. Investment in improvements in loan infrastructure, loan processing enhancement and continuous assessment of credit policies in line with economic developments will remain a priority for BCA. The Bank targets positive growth in all loan segments – corporate, commercial and SME, and consumer – in 2018. The Bank will actively review its competitive interest rates and develop new programs to optimize loan growth, while maintaining prudent banking principles.

BCA will continue to offer competitive mortgage programs in the consumer segment, such as fix and cap programs which extend attractive interest rates for a certain period of time. Organizing events to support customer consumption needs should stimulate consumer loan demand. The Bank will continue to enhance synergy with its subsidiaries in vehicle loans. BCA prioritizes service quality, offers fast application processing and provides reliable marketing personnel to ensure the best experience for its customers. The Bank continues to work with renowned credit card partners and conducts various promotional programs while enhancing the proprietary BCA Card.

In line with Indonesia's ongoing infrastructure development in 2017, BCA seeks to capitalize on these opportunities and explore avenues for lending in the infrastructure sectors. Corporate lending is targeted on reputable corporations with proven track records. BCA will also support the credit needs of the commercial and Small and Medium Enterprise (SME) segments, supported by its extensive branch network and the development of specialized business centres for credit processing.

Investment in developments in loan infrastructure, loan processing enhancement and continuous assessment of credit policies will be essential to improving existing capabilities. BCA will continue to improve the quality and quantity of its account officers and relationship managers, developing loan products, refining lending policies and strengthening regional business development infrastructure.

The Bank constantly monitors current economic conditions and promotes prudent lending practices. It also consistently monitors the quality of its loan portfolio and proactively takes preventive measures when customers encounter loan repayment difficulties, including initiating loan restructuring for quality customers showing long-term business solidity but facing temporary financial difficulties. Lending is diversified across a number of potential sectors to mitigate concentration risks.

- **Business Development among Subsidiaries**

BCA supports the business development of its subsidiaries engaged in varying business lines to provide comprehensive solutions for customers. Through its subsidiaries, BCA will continue to capture opportunities in vehicle financing, remittances, Sharia banking, securities, general and life insurance and venture capital. The Bank's large customer base provides opportunities for the development of these subsidiaries, and it is expected they will in turn strengthen BCA's transaction banking business. Strong synergy with the subsidiaries also facilitates BCA's efforts to increase fee-based income and supports the profitability of the BCA Group.

Various activities in the three business pillars as outlined above and improvement in the Company's organizational structure are expected to improve the Company's business performance and to optimize interest and fee based income. Business initiatives will be rolled out seamlessly with operational efficiency programs in 2018 and in the years to come.

## TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS UNDISCLOSED IN OTHER REPORTS

The Company already adopts policies and procedures concerning the procedures for transparency of financial and non-financial condition in accordance with prevailing regulations. Information on Company's financial condition is disclosed explicitly and transparently in several reports, including the following:

### Transparency of Financial Condition

#### 1. Annual report

- a. Financial Highlights, including Overview of Shares, Board of Commissioners reports, Board of Directors reports, company profile, management

analysis and discussion on business and financial performance, good corporate governance and corporate social responsibility.

- b. Annual Financial Statements audited by a Public Accountant and Public Accountant Firm registered with Bank Indonesia. The Annual Financial Statements cover a period of 1 (one) fiscal year and is compared to the previous fiscal year, and the start of the earliest comparative year.
- c. Accountability statement of the Board of Commissioners and Board of Directors verifying the content of the Annual Report. The statement is delivered in writing and bears the signature of all members of the Board of Commissioners and Board of Directors.
- d. In accordance with Financial Services Authority Regulation No. 32/POJK.03/2016 dated August 8, 2016 concerning Amendment to Financial Services Authority Regulation No. 6/POJK.03/2015 of Transparency and Publication of Bank Reports and Financial Services Authority Regulation No. 29/POJK.04/2016 on the Annual Report of Issuer or Public Company, the Company has submitted its Annual Report to Financial Services Authority and to shareholders.
- e. The Annual Reports (financial and non-financial) and the Company's Financial Statements have been published on the Company's website - [www.bca.co.id](http://www.bca.co.id) with summaries of Financial Statements published in widely circulated newspapers in Indonesia.

#### 2. Quarterly Published Financial Reports

- a. The Company has published its Quarterly Published Financial Statements pursuant to prevailing Financial Services Authority Regulation in newspapers and the Company's website.
- b. The financial reports in newspapers represent the Consolidated Financial Statements of Company and its subsidiaries which is published in 2 (two) newspapers and Financial Statements of Company as the holding entity is published in 1 (one) newspaper. The newspaper shall be daily national newspapers in Bahasa Indonesia with wide circulation at the location where Company Head Office is domiciled. The published quarterly financial report is signed by President Director and 1 (one) Board of Directors member of Company.

- c. The published quarterly financial reports in the corporate website, both the financial statements and other reports, are maintained for at least the last 5 (five) fiscal years

### 3. Monthly Published Financial Reports

The Company has published the Monthly Financial Report in accordance with the applicable Financial Services Authority Regulations on the Company website.

### Transparency of Non-Financial Conditions

Company discloses information on its products in an explicit, accurate and updated manner. Such information can be easily accessed by customers, among others in leaflets, brochures or other written materials in every Company branch office in locations that customers can have easy access to, and/or in the form of electronic information made available through hotline service/call center or website.

In addition, Company provides and communicates to customers on its customer complaints and dispute settlement mechanism in compliance with Bank Indonesia policy on customer complaints and banking mediation.

In relation to the foregoing matters, the Company has performed the following measures:

1. Transparently publicized its financial and nonfinancial condition to stakeholders, among others through its periodic Financial Reports, routine reporting of Legal Lending Limit to Bank Indonesia, Quarterly Financial Reports, Governance Implementation Report, Analyst Meetings, Press Conferences, Public Expose and Road Shows and as featured in Company's official website according to existing policies.
2. Prepared and presented reports according to the procedure, type and scope set forth in the Bank Indonesia policy on the transparency of banks' financial condition.
3. Published information on Company products in compliance with Bank Indonesia/ Financial Services Authority policy on the transparency of information on banking products and us and protection of customers' personal data.
4. Provided customers with a customer complaint and dispute settlement mechanism according to Bank Indonesia/Financial Services Authority policy on customer complaints and banking mediation, among others through Company website - [www.bca.co.id](http://www.bca.co.id).

5. Submitted the Annual Report to Bank Indonesia, Financial Services Authority and other institutions as required or deemed necessary.
6. Disclosed information on the ownership structure in the Annual Report and Company's website
7. Submitted internal reporting that has been completely, accurately, and in a timely way prepared and supported by an adequate Management Information System.
8. Provided reliable management information systems supported by competent human resources and an adequate IT security system capable of providing complete, accurate and timely information to the Board of Directors for the purpose of supporting the Company's business decision-making process. In addition, access to information uses user-IDs and passwords.

### SHARE BUY BACKS

During 2017, the Company did not undertake any corporate action for repurchasing shares (share buy back).

### PROVISION OF FUNDS FOR SOCIAL ACTIVITIES

Company actively contributes to improving the welfare of communities and environmental condition through its corporate social responsibility activities developed under 'Bakti BCA' program

In general, the Company's social activities focus on 3 (three) key pillars, namely:

#### A. Smart Solution Pillar, as follows:

1. Non-degree Accounting Education Program (PPA)
2. Non-Degree Informatics Technology Program (PPTI)
3. BCA Internship Program
4. BCA Integrated Partner School
5. BCA Scholarship
6. Financial Literacy Education
7. Education Partnership.

#### B. Synergy Solution Pillar, as follows:

1. Culture
2. Health
3. Environment
4. Sports
5. Empathy, in the form of donations for natural disaster victims, and sports programs.



### C. Outstanding Business Solution Pillar as follows:

1. Tourism Village Development
2. Community Development
3. UMKM development

In addition to the aforementioned programs, the Company also channels its donations to other social institutions.

Further information on the Company's social activities and total funding for social activities in 2017 is available under Chapter VI of Corporate Social Responsibility of this Annual Report 2017.

### PROVISION OF FUNDS FOR POLITICAL ACTIVITIES

Similar to previous years, in 2017, the Company has never provided any funding for political activities.

### IMPLEMENTATION OF INTEGRATED GOVERNANCE

The basis for the implementation of integrated governance is Financial Services Authority Regulation No. 18 / POJK.03 / 2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomerates (hereinafter referred to POJK No. 18 / POJK.03 / 2014) and Financial Services Authority Circular Letter No.15 / SEOJK.03 / 2015 dated 25 May 2015 on the Implementation of Integrated Governance for Financial Conglomerates (hereinafter referred to as SEOJK No. 15 / SEOJK.03 / 2015). A financial conglomerate is defined as a Financial Services Institution (LJK) within a group or due to ownership and / or control with all subsidiaries in a financial conglomerate. The Company has implemented integrated governance by adopting the following principles:

1. Transparency, which is transparency in disclosing material and relevant information and transparency during decision-making process.
2. Accountability, which is clarity of function and responsibility of the Company's organs in the Financial Conglomerate so as to have effective management.
3. Responsibility, which is the conformity of the management of the Main Entity and Financial Services Institution (LJK) with the rules and regulations and sound management principles.
4. Independence or professionalism, which is the professional management of the financial conglomerate without any undue influence or pressure from any parties.
5. Fairness, which is fairness and equality in meeting the rights of stakeholders based on the prevailing rules and regulations.

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

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

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

The Implementation of Integrated Governance covers the following:

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

### Requirements for Board of Commissioners and Board of Directors of Legal Primary Entity

1. Requirements for candidate of the Board of Commissioners of the Legal Primary Entity
    - a. Possess adequate knowledge on the Legal Primary Entity and Subsidiaries within the Financial Conglomerates. "Knowledge" refers to, among others, understanding the main business activities and main risks of Subsidiaries within the Financial Conglomerates.
    - b. Meet the criteria as required under Financial Services Authority Regulation governing Board of Commissioners and Board of Directors of Issuer or Public Company as follows:
      1. Have good character, moral and integrity;
      2. Be capable of performing legal actions;
      3. Within 5 (five) years prior to appointment and during the term of office:
        - a) Not having been declared bankrupt;
        - b) Not having served on a board of directors and/or commissioners found guilty of causing a company to be declared bankrupt;
        - c) Not having been convicted of any criminal offense that is detrimental to the country's financial condition and/or financial sector related matters; and
        - d) Not having been a member of a board of directors and/or commissioners and during the term of office:
          - Having failed to conduct an Annual GMS;
          - Having had the Annual GMS for his/her accountability report as on a board of directors and/or commissioners rejected or having not submitted his/her accountability report as on a board of directors and/or commissioners to the Annual GMS; and
          - Having caused a company with a license, approval or registration from Financial Services Authority to fail to meet its obligation to submit annual report and/or financial report to Financial Services Authority.
- 4) Have commitment to comply with rules and regulations; and
- 5) Possess knowledge and/or skills in the areas required by the company.
- c. Meet the integrity, competence and financial reputation requirements as set forth in Financial Services Authority and/or Bank Indonesia Regulation as follows:
    - 1) Integrity requirements are evidenced by:
      - a) Have capabilities in taking legal actions, the term "capable" shall refer to Indonesia Civil Code;
      - b) Have good character and moral, at least evidenced by complying the prevailing regulations, including having not been convicted of certain criminal offense within a certain period prior to being nominated;
      - c) Have commitment to comply with rules and regulations and support Financial Services Authority provisions;
      - d) Have commitment to the development of sound financial institutions;
      - e) Not be an individual prohibited from being on a board of directors and/or commissioners or among others not specified in the Disqualified List (DTL);
      - f) Have commitment not to conduct and/or repeat any actions and/or behaviors as set forth in Article 27 and Article 28, for commissioner candidates disqualified in the fit and proper test and whose sanction period has elapsed as required under Article 35 par (1), Article 40 par (4) point a and Article 40 par (5) of Bank Indonesia regulation concerning Fit and Proper Test.
    - 2) Competence requirements are evidenced by:
      - a) Sufficient knowledge in banking relevant to his/her position; and
      - b) Experience in banking and/or finance.
    - 3) Financial reputation requirements are evidenced by:
      - a) Having no non-performing loans and/or credit; and

- b) Having not been declared bankrupt and/or a member of a board of directors and/or commissioners convicted of causing a company to be declared bankrupt within 5 (five) years prior to being nominated.
2. Requirements of candidate of Board of Directors of Legal Primary Entity
- a. Possess sufficient knowledge concerning the Legal Primary Entity and Subsidiaries in a Financial Conglomerate. The term “knowledge” shall refer to main business activities and major risks of Subsidiaries in a Financial Conglomerates.
- b. Meet the criteria as required under Financial Services Authority Regulation governing the Board of Commissioners and Board of Directors of Issuer or Public Company as follows:
- 1) Have good character, moral and integrity;
  - 2) Be capable of performing legal actions;
  - 3) Within 5 (five) years prior to appointment and during the term of office:
    - a) Not having been declared bankrupt;
    - b) Not having served on a board of directors and/or commissioners found guilty of causing a company to be declared bankrupt;
    - c) Not having been convicted of any criminal offense that is detrimental to the country’s financial condition and/or financial sector related matters; and
    - d) Not having been a member of a board of directors and/or commissioners and during the term of office:
      - Having failed to conduct an Annual GMS;
      - Having had his/her accountability report as on a board of directors and/or commissioners rejected or having not submitted his/her accountability report as on a board of directors and/or commissioners to an Annual GMS; and
      - Having caused a company with a license, approval or registration from Financial Services Authority fail to meet its obligation to submit annual report and/or financial report to Financial Services Authority.
  - 4) Have commitment to comply with rules and regulations; and
  - 5) Possess knowledge and/or skills in the areas required by the company.
- c. Meet the integrity, competence and financial reputation requirements as set forth in Financial Services Authority and/or Bank Indonesia Regulation as follows:
- 1) Integrity requirements are evidenced by:
    - a) Have capabilities in taking legal actions, the term “capable” shall refer to Indonesia Civil Code;
    - b) Have good character and moral, at least evidenced by complying the prevailing regulations, including having not been convicted of certain criminal offense within a certain period prior to being nominated;
    - c) Have commitment to comply with rules and regulations and support Financial Services Authority provisions;
    - d) Have commitment to the development of sound financial institutions;
    - e) Not be an individual prohibited from being on a board of directors and/or commissioners or among others specified in the Disqualified List (DTL);
    - f) Have commitment not to conduct and/or repeat any actions and/or behaviors as set forth in Article 27 and Article 28, for a director candidates declared disqualified in the fit and proper test and whose sanction period has elapsed as required under Article 35 par (1), Article 40 par (4) point a and Article 40 par (5) of Bank Indonesia regulation concerning Fit and Proper Test.
  - 2) Competence requirements are evidenced by:
    - a) Sufficient knowledge in banking relevant to his/her position, knowledge of bank regulations and operations including understanding of risk management;
    - b) Knowledge of roles and responsibilities of Legal Primary Entity and understanding of main business activities and major risks of financial institutions in a financial conglomerate;

- c) Experience and expertise in banking and/or finance;
  - d) Skills in strategic management for the purpose of creating sound developments in a bank
- 3) Financial reputation requirements are evidenced by:
- a) Having no non-performing loans and/or credit; and
  - b) Having not been declared bankrupt and/or a member of a board of directors and/or commissioners convicted of causing a company to be bankrupt within 5 (five) years prior to being nominated.
2. Roles and Responsibilities of Board of Commissioners of Legal Primary Entity
- a. Ensure the implementation of Integrated Governance within the Financial Conglomerate
  - b. In order to ensure the implementation of Integrated Governance above, the Board of Directors must at least:
    - 1) Develop the Integrated Governance Guidelines;
    - 2) Direct, monitor, and evaluate the implementation of the Integrated Governance Guidelines; and
    - 3) Follow-up the direction or advice from the Board of Commissioners of the Legal Primary Entity to improve the Integrated Governance Guidelines.
  - c. Ensure that audit findings and recommendations from the Integrated Audit Unit, external auditor and the monitoring results of the Financial Services Authority and/or other authorities have been followed-up by Subsidiaries.

#### **Duties and Responsibilities of Board of Commissioners and Board of Directors of Legal Primary Entity**

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

#### **Roles and Responsibilities of the Integrated Governance Committee**

The Integrated Governance Committee has roles and responsibilities at least to:

- a. Evaluate implementation of the Integrated Governance at least through assessment of internal control adequacy and the implementation of integrated compliance function.
- b. Provide recommendation to the Board of Commissioners of the Legal Primary Entity to improve of Integrated Governance Guidelines.
- c. Conduct regular meetings at minimum 1 (once) each semester which may be conducted in a video conference.
- d. Present the Integrated Governance Committee meeting results in well-documented minutes of meetings and disclose any dissenting opinion noted during the meetings, including the reasons for which.

#### **Roles and Responsibilities of Integrated Compliance Unit**

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

- a. Monitor and evaluate the implementation of the compliance function in each Subsidiary.
- b. Develop the necessary methods and processes in order to implement integrated compliance risk management compliance.

- c. Assess and develop an integrated compliance risk profile in order to implement integrated risk management.
- d. Prepare and submit a report on the implementation of integrated compliance duties and responsibilities to the Compliance Director of Legal Primary Entity. The Compliance Director of the Legal Primary Entity shall prepare and submit this report to the Board of Commissioners and Board of Directors of the Legal Primary Entity.

#### Roles and Responsibilities of Integrated Internal Audit Unit

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

- a. Assess the adequacy and effectiveness of risk management processes, internal controls and Corporate Governance, and provide recommendations for improvement.
- b. Monitor the implementation of internal audits in each Subsidiary.
- c. Monitor and evaluate the adequacy of follow-up improvements on audit the results of the Subsidiary, and report it to the Board of Directors, the Board of Commissioners, and the Audit Committee of Legal Primary Entity.
- d. Submit an integrated internal audit report to the designated Director to perform a supervisory function of the Subsidiary, the Board of Commissioners of the Legal Primary Entity and the Director who oversees the compliance function of Legal Primary Entity.
- e. Provide support to subsidiaries in developing the internal audit function.

#### Implementation of Integrated Risk Management

Risk Management is a set of methodologies and procedures used to identify, measure, monitor, and control risks arising from all of the Subsidiary's business activities.

Integrated Risk Management is a set of methodologies and procedures used to identify, measure, monitor, and control risks arising from all subsidiary business activities incorporated in an integrated financial conglomerate.

The financial conglomerate is obliged to apply Integrated Risk Management in a comprehensive and effective manner, adapted to the characteristics and complexity of the financial conglomerate's business with due observance of regulations of Financial Services Authority on the Implementation of Integrated Risk Management for Financial Conglomerates.

#### Preparation and Implementation of Integrated Governance Guidelines

The preparation of an Integrated Governance framework refers to Financial Services Authority Regulation No. 18 / POJK.03 / 2014 and the requirements applicable to each LJK (Subsidiary) in the Financial Conglomerates. For the purpose of implementing integrated corporate governance with all LJK (Subsidiaries), the Company has performed the following:

1. Developed Integrated Governance Guidelines.
2. Established an Integrated Governance Committee.
3. Adjusted the organizational structure:
  - a. Compliance Unit to cover integrated compliance;
  - b. Internal Audit Unit to cover integrated internal audit;
  - c. Risk Management Unit to cover integrated risk management.
4. Socialized the Integrated Governance Guidelines and the implementation of Integrated Governance to members of the Integrated Governance Committee, business units related to the implementation of Integrated Governance and all Subsidiaries in the Company Financial Conglomerates.

The Guidelines for Integrated Governance are prepared by the Board of Directors and have been approved by the Board of Commissioners of the Company.

The Integrated Governance Guidelines must at least cover:

- a. Integrated Governance Framework for the Company.
- b. Governance Framework of for Subsidiaries within the Financial Conglomerates.

The preparation of an Integrated Governance framework refers to the Financial Services Authority Regulation No. 18 / POJK.03 / 2014 and the governance regulations applicable to each Subsidiary in the Financial Conglomerates.

The Board of Directors of the Bank has submitted the Integrated Corporate Governance Guidelines to the board of directors of the Subsidiaries in the Company Financial Conglomerates, to serve as a guideline for Subsidiaries in the Company Financial Conglomerates to prepare the draft of the Corporate Governance Guidelines and to implement such in each Subsidiary.

The Integrated Governance Framework for the Legal Primary Entity sets forth among others:

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

The Integrated Governance Framework for LJK (Subsidiary) in Financial Conglomerates includes among others:

- a. Requirements for candidates of Board of Directors and Board of Commissioners members;
- b. Requirements for candidates of Sharia Supervisory Board members;
- c. Structure of Board of Directors and Board of Commissioners;
- d. Structure of Sharia Supervisory Board;
- e. Independence in the actions taken by the Board of Commissioners;
- f. Implementation of Board of Directors management functions in Subsidiaries;
- g. Implementation of Board of Commissioners supervisory functions in Subsidiaries;
- h. Implementation of Sharia Board supervisory functions;
- i. Implementation of compliance function, internal audit function, and external audit function;
- j. Implementation of risk management function;
- k. Remuneration policy; and
- l. Management of conflict of interest.

#### Assessment of Integrated Governance Implementation

In accordance with the provisions of Financial Services Authority Regulation No. 18 / POJK.03 / 2014 Articles 44 and 45 of Chapter VII on Reporting and in accordance with Financial Services Authority Circular Letter No. 15 / SEOJK.03 / 2015 dated May 25, 2015 on the Implementation of Integrated Governance for Financial Conglomerates, as a the Legal Primary Entity, a bank is required to prepare a periodic assessment report on the implementation of Integrated Corporate Governance (prepared semi-annually) and an assessment report on the implementation of Integrated Governance and then submit it to Financial Services Authority.

In 2017, the Company as the Legal Primary Entity has conducted an Integrated Corporate Governance Assessment for Semester I and Semester II. The assessment covers 3 (three) aspects of Integrated Governance, namely Structure, Process and Outcome of Integrated Governance.

Assessment of the implementation of Integrated Governance includes at least 7 (seven) factors for the implementation of Integrated Governance, namely:

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

The assessment results of the Integrated Governance implementation in the first semester and second semester of 2017 are categorized as "Rank 1" ("Very Good").

#### Annual Report of the Integrated Governance Implementation

A Yearly Report on the Implementation of Integrated Governance of Financial Conglomerates of PT Bank Central Asia Tbk ("the Company") in 2017 was prepared in accordance with the following:

1. Financial Services Authority Regulation No. 18 / POJK.03 / 2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomerates;
2. Financial Services Authority Circular Letter No. 15 / SEOJK.03 / 2015 dated May 25, 2015 on the Implementation of Integrated Governance for Financial Conglomerates;
3. Financial Services Authority Regulation No. 55 / POJK.03 / 2016 dated 7 December 2016 on Implementation of Governance for Commercial Banks; and
4. Financial Services Authority Circular Letter No. 13 / SEOJK.03 / 2017 dated March 17, 2017 on the Implementation of Good Corporate Governance for Commercial Banks.

This Yearly Report on the Implementation of Integrated Governance of the Company Financial Conglomerate in 2017 consisted of:

1. Self-Assessment Report of the Implementation of Integrated Governance during fiscal year 2017;
2. Structure of the Company Financial Conglomerates;
3. Composition of shareholding ownership in the Company Financial Conglomerates which discloses the parties who become the shareholders of Financial Services Institution in Financial Conglomerates up to the ultimate shareholders;
4. Management structure of the Company as a Legal Primary Entity and LJK (Subsidiary) in Financial Conglomerates;
5. Intra-Group Transaction Policy which sets forth the policies to identify, manage and mitigate Intra-Group Transactions;
6. Corporate Governance Implementation Report, consisting of:

- a. Transparency in the Implementation of Corporate Governance as required under point IX of Financial Services Authority Circular Letter No.13 / SEOJK.03 / 2017 dated March 17, 2017; and
- b. Self Assessment Report on the Implementation of Governance for 2016 as required under Appendix IV of Financial Services Authority Circular Letter No. 13 / SEOJK.03 / 2017 dated March 17, 2017.

In addition to the information mentioned above, the Annual Report on the Implementation of the Integrated Governance also discloses the scope of the Good Corporate Governance Implementation Report as stipulated in the regulations applicable to commercial banks.

### 1. Self-Assessment Report on Integrated Governance Implementation

Legal Primary Entity : PT Bank Central Asia Tbk

As of : 31 December 2017

#### Self-Assessment Results of Integrated Governance Implementation

Rank	Rating Definition
1	In general the Company Financial Conglomerate has implemented very good Integrated Governance. This is reflected in the more than sufficient implementation of the principles of Integrated Governance. Should there be any insufficiency in the implementation of Integrated Governance, such insufficiency is generally insignificant and can be immediately corrected by the Legal Primary Entity and / or Financial Services Institutions (Subsidiaries) in the BCA Financial Conglomerate.

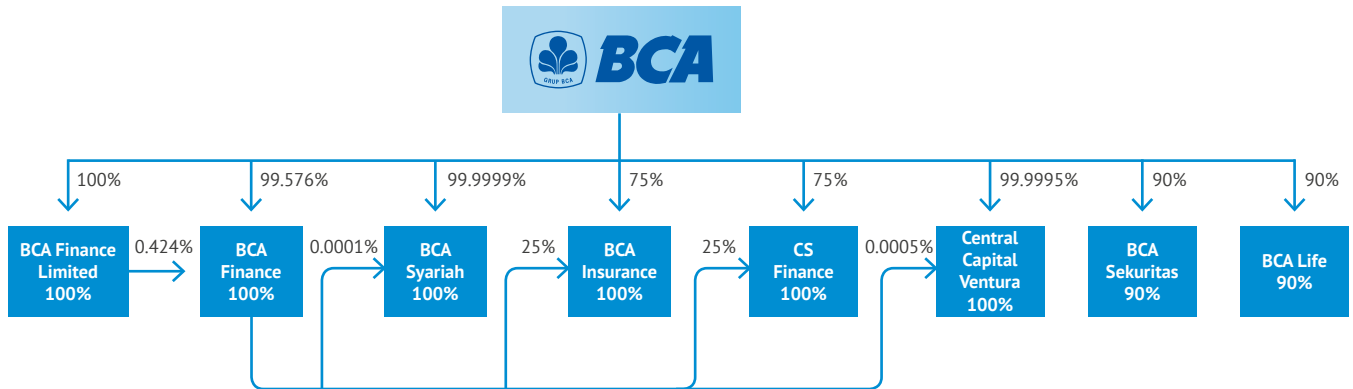
#### Analysis

Based on Self Assessment analysis on Integrated Governance structure, Integrated Governance process, and Integrated Governance outcomes in each of the Integrated Governance implementation assessment factors, the Bank concludes as follows:

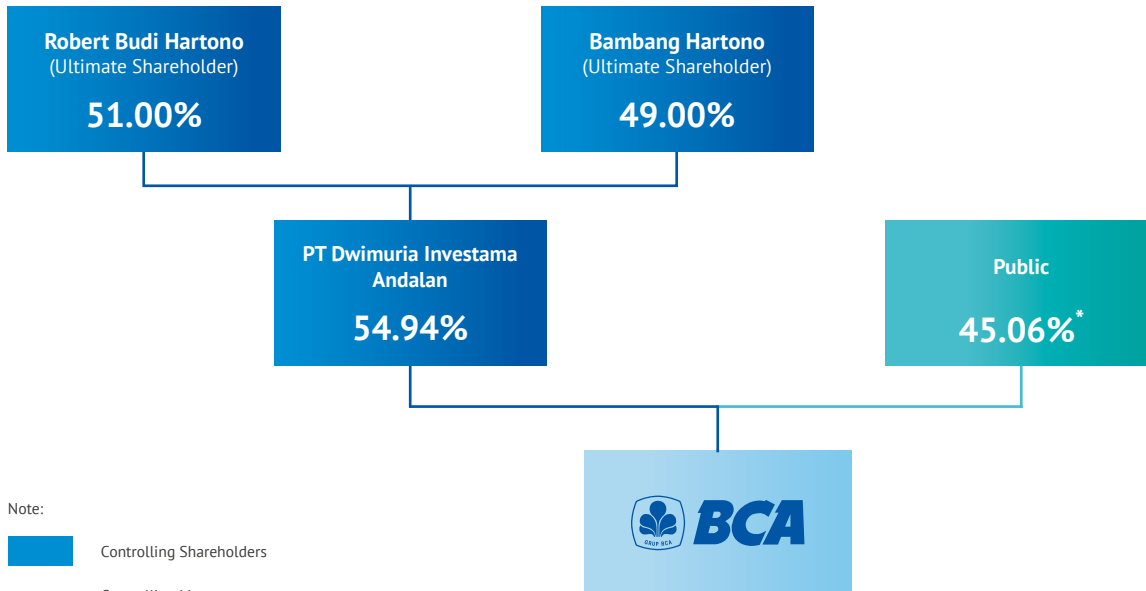
1. Integrated Governance Structure is complete based on the results of the assessment.
2. Integrated Governance Process is very effective based on the assessment results, supported by a complete structure.
3. Outcomes of Integrated Governance are highly qualified based on the results of the assessment, resulting from the highly effective Integrated Governance process supported by a complete structure.

The analysis of each assessment factor of the implementation of Integrated Governance is available in the Self Assessment Working Paper of the Implementation of Integrated Governance.

2. Financial Conglomerate Structure of the Company



3. Shareholding Structure in the BCA Financial Conglomerate Disclosing the Shareholders of the Subsidiaries within the BCA Financial Conglomerate Up To Ultimate Shareholders



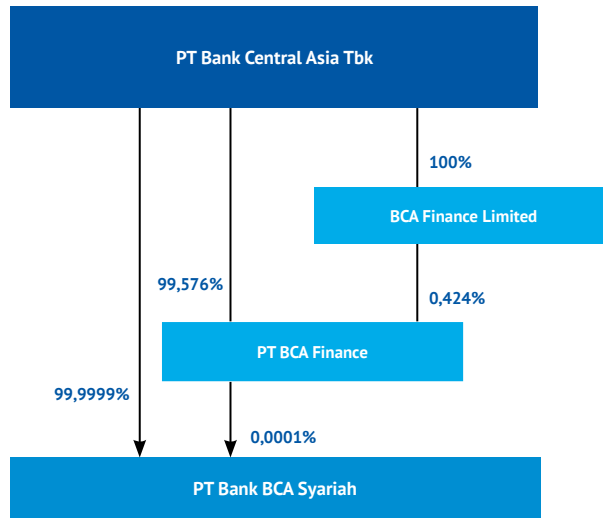
Note:

- Controlling Shareholders
- Controlling Line

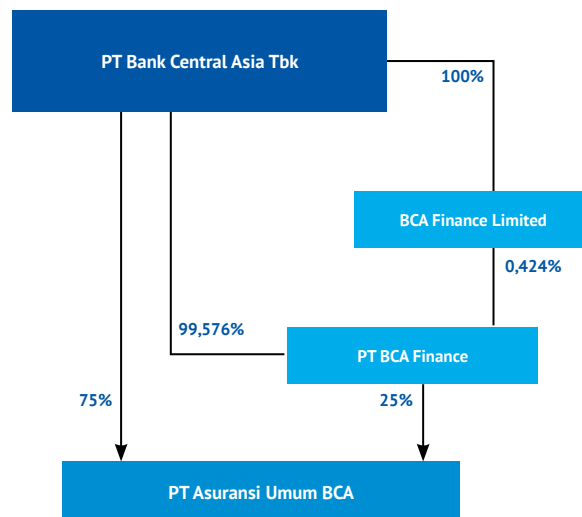
\* Of the portion of shares belonging to public shareholders, 2.49% is owned by affiliated parties of PT Dwimuria Investama Andalan, 1.76% is owned by Anthoni Salim and 0.19% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.



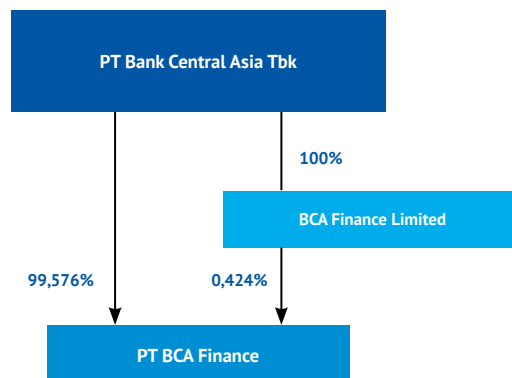
- Shareholding Structure of PT Bank BCA Syariah



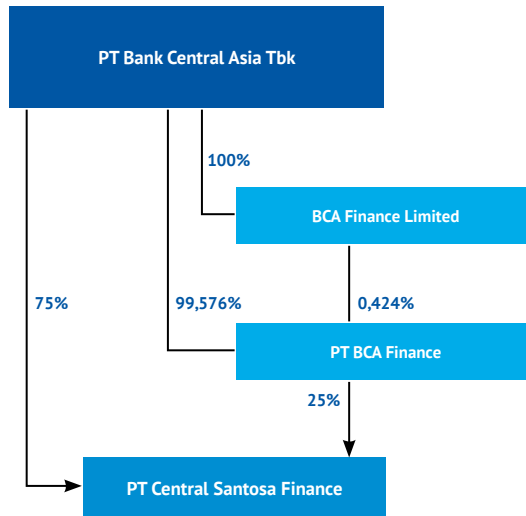
- Shareholding Structure of PT Asuransi Umum BCA (BCA Insurance)



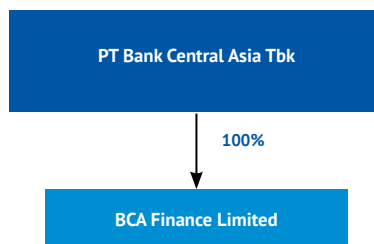
- Shareholding Structure of PT BCA Finance



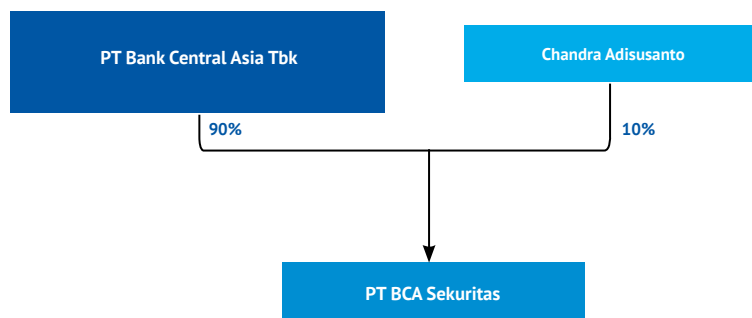
- Shareholding Structure of PT Central Santosa Finance



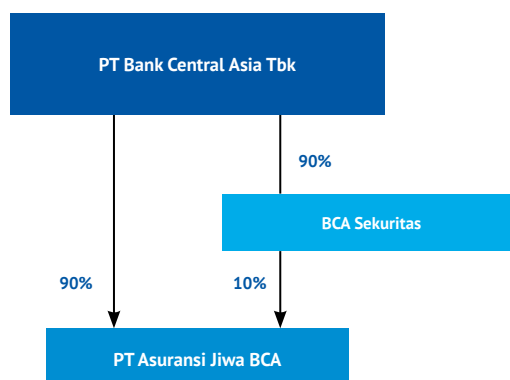
- Shareholding Structure of BCA Finance Limited



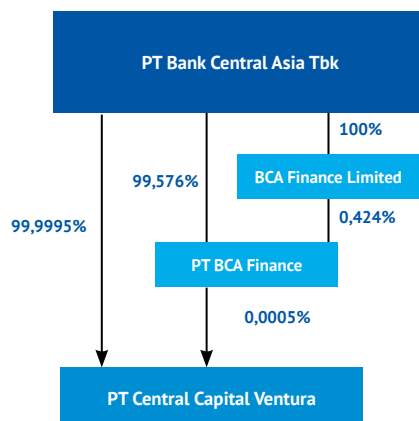
- Shareholding Structure of Pt BCA Sekuritas



- Shareholding Structure of PT Asuransi Jiwa BCA (BCA Life)



- Shareholding Structure of PT Central Capital Ventura



#### 4. Management Composition of PT Bank Central Asia Tbk As Legal Primary Entity and of Subsidiaries in the BCA Financial Conglomerate

##### Management Composition of PT Bank Central Asia Tbk

###### Board of Commissioners

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

###### Board of Directors

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

### Management Composition Of PT Bank BCA Syariah

Board of Commissioners	
Name	Position
Yana Rosiana	President Commissioner
Suyanto Sutjiadi	Independent Commissioner
Joni Handrijanto	Independent Commissioner

Board of Directors	
Name	Position
John Kosasih	President Director
Houda Muljanti	Director
Tantri Indrawati	Compliance Director

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

### Management Composition Of PT BCA Finance

Board of Commissioners	
Name	Position
Ricki Immanuel	President Commissioner
Adhi Gunawan Budirahardjo	Independent Commissioner
Leny Sulistiyowati	Independent Commissioner

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

### Management Composition Of PT Central Santosa Finance

Board of Commissioners	
Name	Position
Roni Haslim	President Commissioner
Yonathan Hermanto	Commissioner
Aldrian Irvan Kolonas	Commissioner
Mendari Handaya	Independent Commissioner

Board of Directors	
Name	Position
David Hamdan	President Director
Senjaya Komala	Director
Adhi Purnama	Director
Parmanto Adhi	Director

### Management Composition of PT Asuransi Umum BCA (BCA Insurance)

#### Board of Commissioners

Name	Position
Petrus Santoso Karim	President Commissioner
Liston Nainggolan	Commissioner
Gustiono Kustianto	Independent Commissioner
Edison Idrus	Independent Commissioner

#### Board of Directors

Name	Position
Gregorius Hariyanto	President Director
Hendro H. Wenan	Director
Antonius Tjhai	Marketing Director
Sri Angraini	Finance Director

### Management Composition of PT BCA Sekuritas

#### Board of Commissioners

Name	Position
Ferdinandus Aming Santoso	President Commissioner
Deddy Muljadi Hendrawinata	Commissioner
Hendra Iskandar Lubis	Independent Commissioner

#### Board of Directors

Name	Position
Mardi Henko Sutanto	President Director
Imelda Arismunandar	Director

### Management Composition of PT Asuransi Jiwa BCA

#### Board of Commissioners

Name	Position
Christina Wahjudi Setyabudhi	President Commissioner
Eva Agrayani Tjong	Commissioner
Pudjianto	Commissioner
Hardjono	Independent Commissioner

#### Board of Directors

Name	Position
Rio Winardi	President Director
Yannes Chandra	Director
Honggo Djojo	Director

### Management Composition of BCA Finance Limited

Name	Position
Andy Kwok	Director
Edmund Tondobala	Director
Rudy Harjono	Director

### Management Composition of Central Capital Ventura

#### Board of Commissioners

Name	Position
Arif Singgih Halim Wijaya	President Commissioner

#### Board of Directors

Name	Position
Armand Widjaja	Director
Michael Suteja	Director

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

Ownership and/or controlling relationships in various financial services sectors will affect the sustainability of a financial institution's services due to exposure to risks arising directly or indirectly from the operations of a subsidiary incorporated within a financial conglomerates.

The Company, as the Legal Primary Entity of the Company Financial Conglomerates, is accordingly required to manage the risk of intra-group transactions and to monitor intra-group transactions in an integrated manner.

### Risk Management Policy for Intra-Group Transactions in the Group is prepared with due observance to:

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

- The Board of Directors Decision Letter No. 178 / SK / DIR / 2015 of the Issuance of Integrated Risk Management Basic Policy in the BCA Financial Conglomerate.

### Definition of Risk of Intra-Grup Transactions

The risk of intra-group transactions represents the risk due to the dependence of an entity, directly or indirectly, on another entity in a financial conglomerate for the purpose of meeting the conditions in a written or unwritten agreement, subsequently followed by the transfer of funds and/or non transfer of funds

### Objectives of risk management of intra-group transactions

The main objectives of intra-group transaction risk management are to:

- Manage and supervise intra-group financial conglomerate transactions based on prudential principles.
- Ensure that the risk management process minimizes the potential negative impacts due to the dependence of one financial services institution either directly or indirectly to another(s) in a financial conglomerates.

### Types of intra-group transactions

The risks of intra-group transactions may arise from, among others:

- a. Cross ownership among financial services institutions in a financial Conglomerates.
- b. Centralized management of short-term liquidity.
- c. Guarantees, loans, and commitments provided or obtained by one financial services institution to/from another in a financial conglomerates.
- d. Exposure to controlling shareholders, including loan exposures and off-balance sheets such as guarantees and commitments.
- e. Purchase or disposal of assets to other financial services institution in a financial conglomerates.
- f. Risk transfer through reinsurance.
- g. Transactions to transfer third-party risk exposures among financial services institutions in a financial conglomerates.

### Principles of intra-group transactions risk management

In adopting risk management principles for intra-group transactions, the Legal Primary Entity is required to:

- a. Have adequate risk management process including for intra-group transactions for the entire financial conglomerates.
- b. Monitor intra-group transactions on a regular basis and prepare periodic reports.
- c. Encourage public disclosure related to intra-group transactions.
- d. Act as a liaison among the members of the financial conglomerates to ensure that important matters have been taken into account and also act as a supervisor to determine the feasibility of intra-group transactions.
- e. Consider the adverse effects that will occur both on members and also on the entire financial conglomerates due to entering into such intra-group transactions.

### Scope of intra-group transaction risk management policy

The implementation of intra-group risk management in a financial conglomerates includes:

- a. Oversight of the Board of Commissioners and the Board of Directors.

- b. Adequacy of policies, procedures, and establishment of risk limits on intra-group transactions.
- c. Adequacy of process of identification, measurement, monitoring, and risk control and information system of intra-group transaction risk management.
- d. Comprehensive internal control system for the implementation of intra-group transaction risk management.

## 6. Oversight of Board of Commissioners and Board of Directors

Oversight by the Board of Commissioners and the Board of Directors is necessary to ensure the effective implementation of intra-group transactions risk management and conformity with prevailing regulations.

### Roles and responsibilities of Board of Commissioners

The authority and responsibility of the Board of Commissioners in the implementation of intra-group transaction risk management include among others:

- a. Approve the risk management policy of intra-group transactions.
- b. Evaluate the accountability of the Board of Directors and provide corrective action guidance for implementation of risk management policies of intra-group transactions

### Roles and responsibilities of Board of Directors

The authority and responsibility of the Board of Directors in intra-group transactions risk management include among others:

- a. Understand the inherent risks of intra-group transactions in a Financial Conglomerates.
- b. Develop and establish an intra-group transaction risk management policy.
- c. Be responsible for implementation of intra-group transaction risk management.
- d. Ensure each entity in the Financial Conglomerates implements intra-group transaction risk management.
- e. Monitor the risk of intra-group transactions on a regular basis.
- f. Develop a risk culture as part of the implementation of intra-group transaction risk management.

- g. Ensure that the implementation of risk management of intra-group transactions is free of any conflict of interest among Financial Conglomerates and individual LJKs.

#### **Human Resources**

In order to implement risk management related to human resources, the Board of Directors needs to ensure the following:

- a. Establishment of clearly-defined HR qualifications for each level of positions related to the implementation of risk management for intra-group transactions.
- b. Positioning of competent officers and staff in the business unit associated with the implementation of risk management of intra-group transactions.
- c. Adequacy of the quantity and quality of human resources in understanding their tasks and responsibilities in the implementation of risk management of intra-group transactions.
- d. Development of human resources competence, among others through continuous education and training programs.
- e. All relevant human resources' comprehension concerning the strategy, risk appetite, risk tolerance, and risk management framework of intra-group transactions.

### **7. Adequacy of Policy, Procedure, and Limits of Intra-group Transaction Risks**

Policies, procedures, and limits of intra-group transaction risks refer to the policies, procedures and the establishment of limits set forth in the Integrated Risk Management Basic Policy.

#### ***Risk appetite and risk tolerance***

- a. Risk appetite of intra-group transactions represents the risk that the Company is willing to take in order to achieve the targets in an integrated manner. The appetite is reflected in business strategies and targets.
- b. Risk tolerance represents the maximum level of risk that the Company is willing to take.
- c. The risk appetite and risk tolerance must be in line with the business strategy, risk profile, and capital plan of Financial Conglomerates

#### **Policies and procedures**

Some points to consider in policies and procedures related to the risk of intra-group transactions include:

- a. Financial Conglomerates policy must comply with prevailing regulations pertaining to intra-group transactions.
- b. Financial Conglomerates shall ensure compliance with the arm's length principle for its intra-group transactions.
- c. Intra-group transaction risk management procedures at least include:
  - 1) Accountability and clearly-defined level of delegation in the implementation of risk management of intra-group transactions.
  - 2) Periodic review of procedures.
  - 3) Adequate documentation procedure, which is written, complete and easily-enabled audit trail.

#### **Risk limit of intra-group transactions**

Financial Conglomerates shall ensure that the establishment of intra-group transaction limits is in accordance with prevailing regulations.

### **8. Adequacy of Process of Identification, Assessment, and Control of Risks and Information System of Intra Group Transaction Risk Management**

In the implementation of risk management of intra-group transactions, the Company as the Legal Primary Entity shall conduct a process of identification, assessment, monitoring and control of risks for all significant risk factors in an integrated matter, supported by an adequate intra-group transaction risk management information system.

#### **Identification of intra-group transaction risks**

Intra-group transactions are identified by:

- a. Identifying the composition of intra-group transactions in Financial Conglomerates.
- b. Identifying the documentation and fairness of transactions.
- c. Identifying other information.



### Assessment of intra-group transaction risks

Assessment of risks in intra-group transactions is aimed at obtaining the risk level rating of intra- transactions in a financial conglomerates. In addition, the Company as the Legal Primary Entity shall prepare an intra-group transaction risk profile in an integrated manner with other members of the Financial Conglomerates.

The following are the assessments to be made to obtain the integrated intra-group transaction risk profile:

Assessment	Description	Assessment Results
Inherent Risk	In establishing the inherent risk level, the Legal Primary Entity shall conduct a comprehensive analysis by using all relevant quantitative and qualitative indicators.  They include 3 (three) aspects: 1. Composition of intra-group transactions in Financial Conglomerates. 2. Documentation and fairness of transactions. 3. Other information	1. Low 2. Low to Moderate 3. Moderate 4. Moderate to High 5. High
Quality of Risk Management Implementation	Assessment of quality of integrated risk management implementation includes 4 (four) aspects as follows:  1. Oversight of the Board of Commissioners and Board of Directors. 2. Adequacy of policies, procedures, and establishment of risk limits for intra-group transactions. 3. Adequacy of process of identification, assessment, monitoring, and risk control and also intra-group transaction risk management information system. 4. Comprehensive internal control system for the implementation of intra-group transaction risk management.	1. Strong 2. Satisfactory 3. Fair 4. Marginal 5. Unsatisfactory

### Risk level rating

Risk level rating represents the combination of inherent risk assessment results and risk management implementation quality assessment results.

The mapping of intra-group transaction risk level is depicted in the the following matrix:

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

**Monitoring of intra-group transaction risk**

Intra-group transaction risk is monitored by taking into account:

- a. Composition of parameters of inherent risks in intra-group transactions in the integrated risk profile report.
- b. Complete documentation of intra-group transactions.
- c. Fairness of intra-group transactions.
- d. Other information related to intra-group transactions.

**Intra-group transaction risk is controlled by ensuring:**

- a. Fairness of intra-group transactions in a financial conglomerates.
- b. Documentation for each intra-group transaction.
- c. Compliance of each intra-group transaction with prevailing laws or regulations.

**Intra-group transaction risk management information system**

Intra-group transaction risk management information system includes transaction risk profile report which is a part of integrated risk profile report

**9. Comprehensive Internal Control System towards Implementation of Intra-Group Risk Management Transaction**

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

An effective implementation of intra-group transaction risk management process must be equipped with a comprehensive internal control system. The effective implementation of internal control system is expected to safeguard the assets of the Financial Conglomerates, to ensure the availability of reliable reporting, to improve compliance with laws and regulations, and to minimize the risk of losses, deviation and breach of prudent principles.

Implementation of internal control system is as follows:

- a. The Company is required to implement an effective internal control system for intra-group transaction risks with due observance to the established policies and procedures.
- b. An internal control system is structured to ensure:
  - 1) The compliance with internal policies and with rules and regulations.
  - 2) The effectiveness of risk culture in the entire organization within financial conglomerate to identify inadequacy and deviations at early stage and to re-assess the fairness of existing policies and procedures on the Financial Conglomerates on an ongoing basis.
- c. Review of intra-group transaction risk assessments, at least including:
  - 1) Conformity of policy, organizational structure, resource allocation, intra-group transaction risk management process design, information system and risk reporting in accordance with the business needs of Financial Conglomerates, as well as the development of best practices related to intra- group transaction risk management.
  - 2) Complete and adequate documentation of the scope, operational procedures, audit findings, and responses of the board of financial conglomerates based on the audit results.