

**ANNUAL REPORT
OF THE INTEGRATED GOVERNANCE IMPLEMENTATION**

**FINANCIAL CONGLOMERATION
PT BANK CENTRAL ASIA Tbk**

YEAR 2020

ANNUAL REPORT
OF THE INTEGRATED GOVERNANCE IMPLEMENTATION
OF THE FINANCIAL CONGLOMERATION PT BANK CENTRAL ASIA Tbk YEAR 2020

Annual Report of The Integrated Governance Implementation of The Financial Conglomeration PT Bank Central Asia Tbk (“BCA”) year 2020 was prepared in accordance with:

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

Annual Report of The Integrated Governance Implementation of The Financial Conglomerates PT Bank Central Asia Tbk (“BCA”) year 2020 at least consist of:

- I. Self Assessment Report on the Integrated Governance Implementation;
- II. Financial Conglomerate Structure as of 31 December 2019;
- III. Share ownership structure in Financial Conglomerate describing the parties who become shareholders of Financial Service Institution (Subsidiaries) in Financial Conglomerate up to the ultimate shareholders;
- IV. Management Structure in Main Entity and Financial Services Institution (Subsidiaries) of a Financial Conglomerate;
- V. Intra-group transaction policy which at least contains policy to identify, to manage and to mitigate intragroup transaction;
- VI. Supervision of Board of Commissioners and Board of Directors;
- VII. Adequacy of Policy, Procedure, and Implementation of Inter-group Transaction Risk Limit;
- VIII. Adequacy of Identification Process, Measurement, Monitoring, and Risk Control and Information System of Inter-group Transaction Risk Management;
- IX. Internal Control System Towards the Implementation of Inter-Group Transaction Risk;
- X. The Report of Good Corporate Governance of the Company has to cover at least the following:
 1. Transparency of Good Corporate Governance Implementation as referred by point IX Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017;
 2. Self-Assessment Report Implementation of GCG year 2019 in accordance with The Attachment IV Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017; and
 3. The Company’s Good Corporate Governance Action Plan for 2019 in accordance with the point X Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017.

I. SELF-ASSESSMENT REPORT ON INTEGRATED GOVERNANCE IMPLEMENTATION

Main Entity : PT Bank Central Asia Tbk
 Report Position : December 31, 2020

The Result of Self-Assessment of the Implementation of Good Corporate Governance on 1st Semester – 2020:

	Rank	Definition of Rank
Individual	2	BCA management has applied good governance in general. The results are reflected in the adequate implementation of principles of governance. If flaws exist in the implementation of the principles of governance, generally they are less significant and can be resolved by normal actions by BCA management.

Analysis:

Based on the self-assessment analysis of the Integrated Governance structure, the Integrated Governance process, and the Integrated Governance results on each of the Integrated Governance implementation assessment factors, it can be concluded as follows:

1. The Integrated Governance Structure based on the results of the assessment is complete.
2. The Integrated Governance Process based on the results of the assessment is effective, supported by a complete structure.
3. Results of Integrated Governance based on the results of the assessment have been of high quality resulting from the aspects of an effective Integrated Governance Process supported by a complete structure.

The Result of Self-Assessment of the Implementation of Good Corporate Governance on 2nd Semester – 2020

	Rank	Definition of Rank
Individual	1	BCA management has applied very good governance in general. The results are reflected in the adequate over the principles of governance. If flaws exist in the implementation of the principles of governance, generally they are insignificant and can be resolved by normal actions by BCA management.

Analysis:

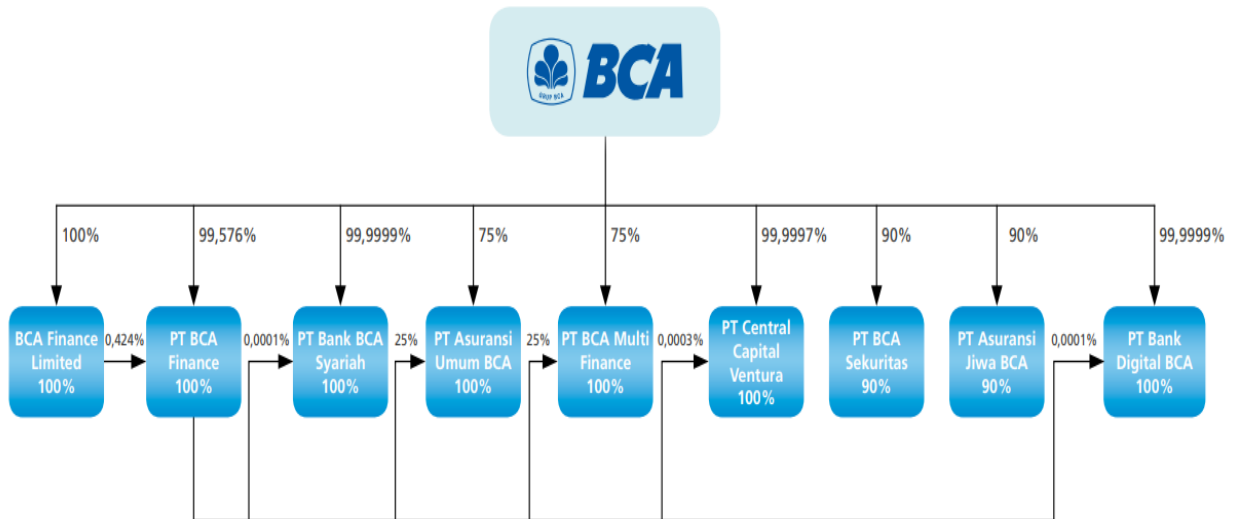
Based on the self-assessment analysis of the Integrated Governance structure, the Integrated Governance process, and the Integrated Governance results on each of the Integrated Governance implementation assessment factors, it can be concluded as follows:

1. The Integrated Governance Structure based on the results of the assessment is complete.
2. The Integrated Governance Process based on the results of the assessment is very effective, supported by a complete structure.
3. Results of Integrated Governance based on the results of the assessment are of high quality resulting from the aspect of the Integrated Governance Process which is very effective, supported by a complete structure.

II. FINANCIAL CONGLOMERATE STRUCTURE AS OF 31 DECEMBER 2020

Throughout 2020, BCA has revised the financial conglomerate structure with:

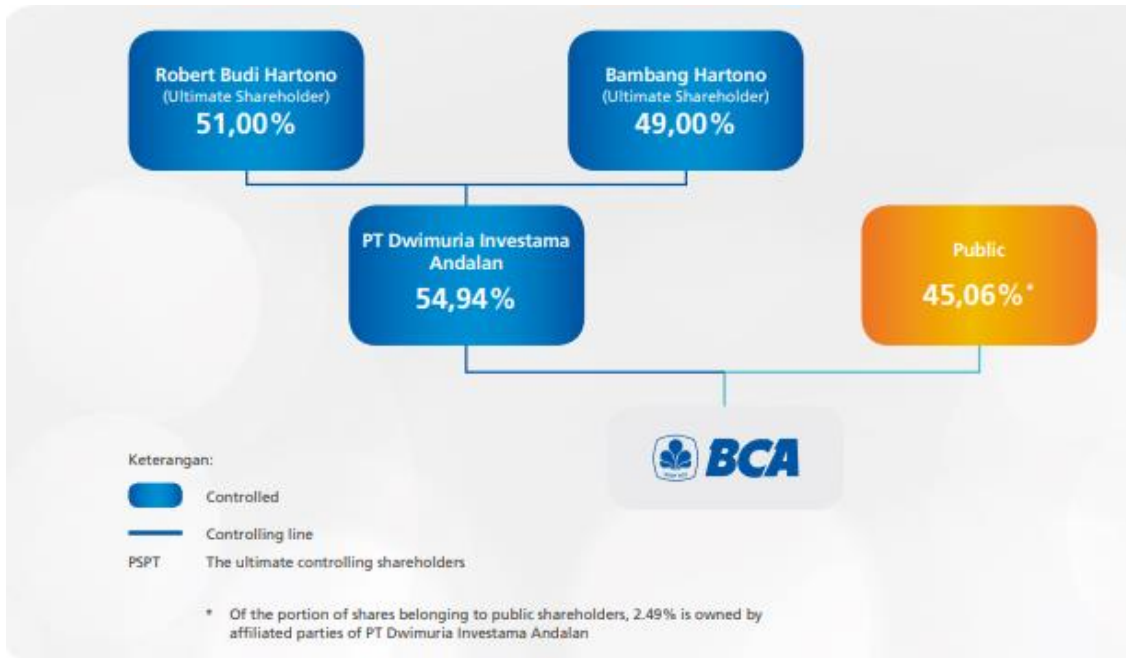
1. Board of Directors Decree No. 850/DIR/2020 dated October 19, 2020 concerning Report Submission of changes of financial conglomerate members of PT Bank Central Asia Tbk, in accordance with the acquisition of PT Bank Interim Indonesia; and
2. Board of Directors Decree No. 1109/DIR/2020 dated December 17, 2020 concerning Report Submission of changes of financial conglomerate members of PT Bank Central Asia Tbk, in accordance with the merger of PT Bank Interim Indonesia into PT Bank BCA Syariah.



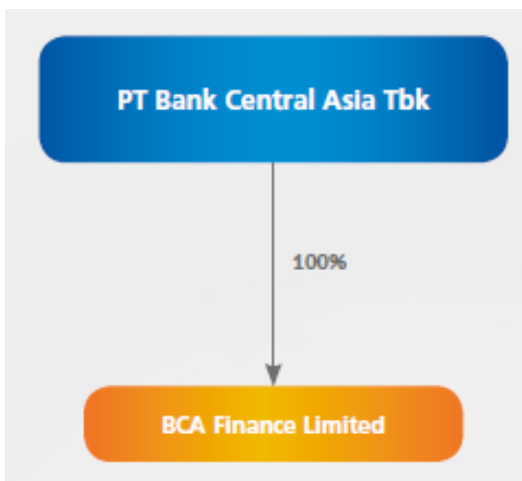
III. SHARE OWNERSHIP STRUCTURE IN FINANCIAL CONGLOMERATE DESCRIBING THE PARTIES WHO BECOME SHAREHOLDERS OF FINANCIAL SERVICE INSTITUTION (SUBSIDIARIES) IN FINANCIAL CONGLOMERATE UP TO THE ULTIMATE SHAREHOLDERS

As of December 31, 2020, share ownership structure of PT Bank Central Asia Tbk as the Main Entity and FSI (Subsidiaries) in the Financial Conglomerate, as follows:

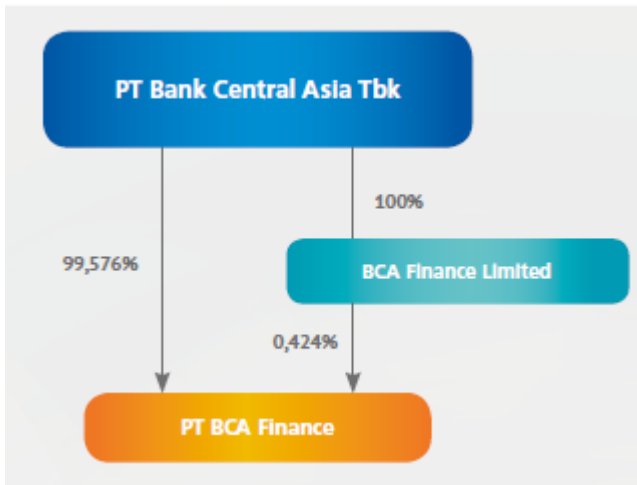
- Share Ownership structure at PT Bank Central Asia Tbk as the Main Entity



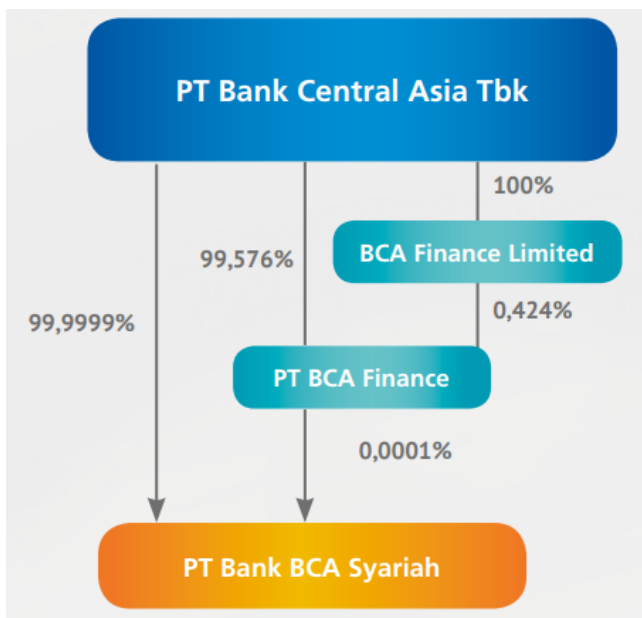
- SHARE OWNERSHIP STRUCTURE BCA FINANCE LIMITED



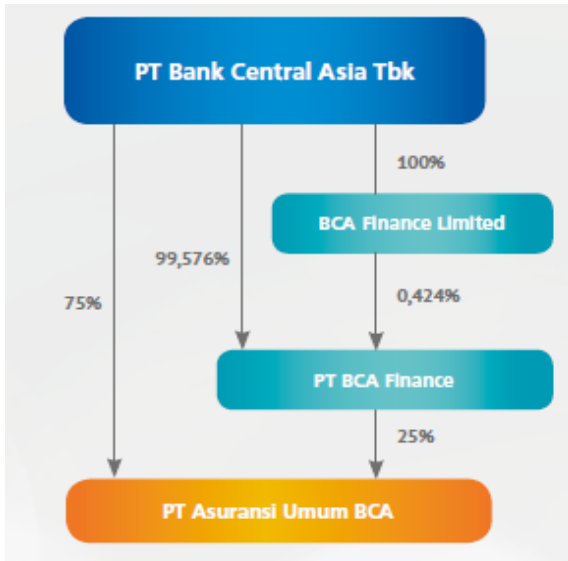
- SHARE OWNERSHIP STRUCTURE SAHAM PT BCA FINANCE



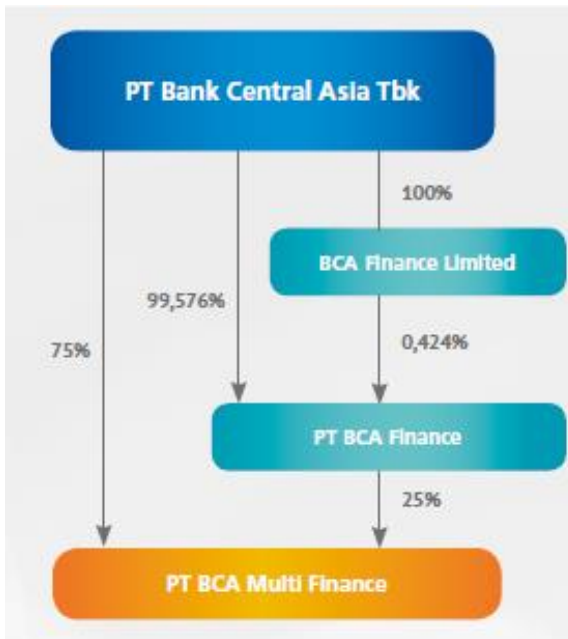
- SHARE OWNERSHIP STRUCTURE PT BANK BCA SYARIAH



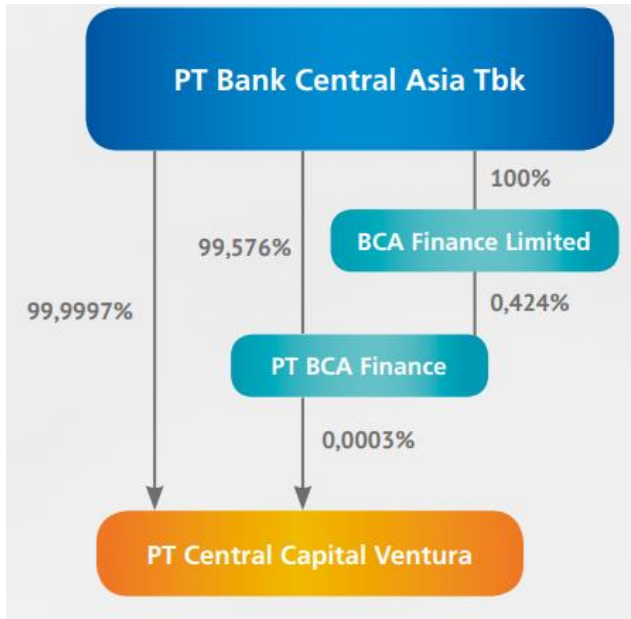
- SHARE OWNERSHIP STRUCTURE PT ASURANSI UMUM BCA



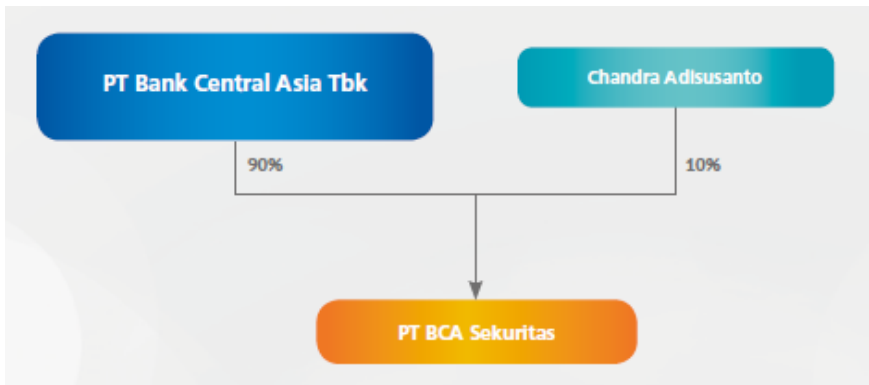
- SHARE OWNERSHIP STRUCTURE PT BCA MULTI FINANCE



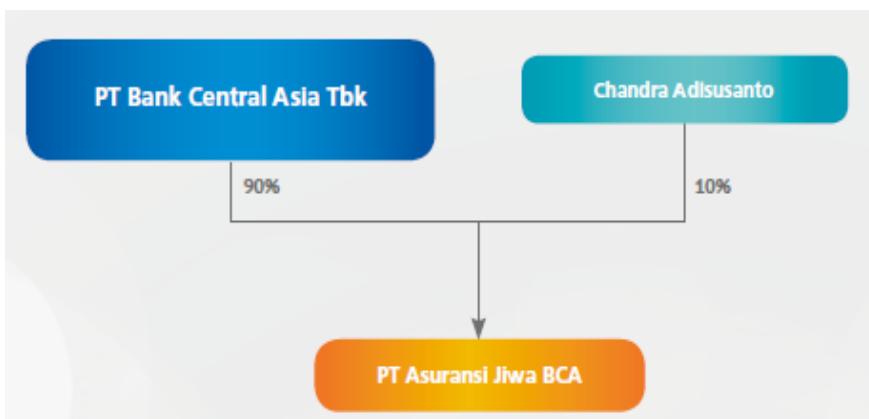
- **SHARE OWNERSHIP STRUCTURE PT CENTRAL CAPITAL VENTURA**



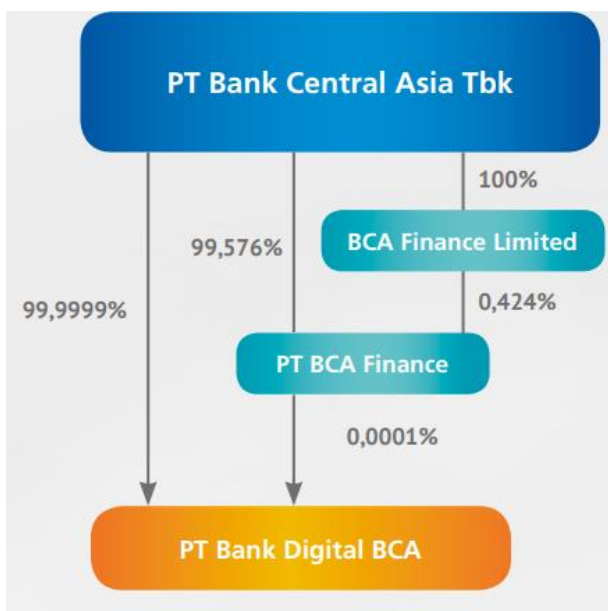
- **SHARE OWNERSHIP STRUCTURE PT BCA SEKURITAS**



- **SHARE OWNERSHIP STRUCTURE PT ASURANSI JIWA BCA**



- **SHARE OWNERSHIP STRUCTURE PT BANK DIGITAL BCA**



IV. MANAGEMENT STRUCTURE OF A FINANCIAL CONGLOMERATE OF BCA

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

BOARD OF COMMISSIONER

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

BOARD OF DIRECTOR

Position	Name
President Director	Jahja Setiaatmadja
Vice President Director	Suwignyo Budiman
Vice President Director	Armand Wahyudi Hartono
Director	Tan Ho Hien/Subur atau Subur Tan
Director	Henry Koenafi
Independent Director	Erwan Yuris Ang
Director	Rudy Susanto
Director	Lianawaty Suwono
Director	Santoso
Director	Vera Eve Lim
Director	Gregory Hendra Lembong
Director (Concurrently Compliance Director)	Haryanto Tiara Budiman

Duties and Responsibilities of Main Entity's Board of Commissioners and Board of Directors

1. Duties and responsibilities of Main Entity's Board of Commissioners

- a. Monitoring the implementation of Integrated Governance;
- b. In the efforts to monitor the implementation of Integrated Governance as mentioned above, at least:
 - 1) Monitor the implementation of governance in each Subsidiary for conformity with the Integrated Governance Guidelines;
 - 2) Monitor the implementation of duties and responsibilities of the Board of Directors of the Main Entity, as well as providing directives or advice to the Board of Directors of the Main Entity over the implementation of Integrated Governance Guidelines; and
 - 3) Evaluate the Integrated Governance Guidelines and provide directives for improvement.
- c. Hold a meeting at least once every semester. The meeting can be held through video conference.
- d. Outlining the meeting resolutions in well documented minutes of the meeting, as well as clearly stating the dissenting opinions occurring in the meeting, complete with the reason for the dissenting opinion.
- e. Establish the Integrated Governance Committee

2. Duties and Responsibilities of Main Entity's Board of Directors

- a. Ensure the implementation of integrated governance in the Financial Conglomerate.
- b. In the efforts to ensure the implementation of Integrated Governance as mentioned above, at least:
 - 1) Formulating integrated governance guidelines;
 - 2) Direct, monitor, and evaluate the implementation of the Integrated Governance Guidelines; and
 - 3) Follow-up the directives or advice from the Board of Commissioners of the Main Entity in the effort to improve the Integrated Governance Guidelines
- c. Ensure that audit findings and recommendations from the integrated internal audit unit, external auditors, results of OJK's monitoring and/or monitoring results of other authorities have been followed-up by the Subsidiary.

Management Structure of Financial Services Institution in the Financial Conglomerate

- MANAGEMENT STRUCTURE BCA FINANCE LIMITED**

DIRECTOR

Position	Name
Director	Andy Kwok Sau Lai
Director	Rudy Harjono

- MANAGEMENT STRUCTURE PT BCA FINANCE**

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Jacobus Sindu Adisuwono
Commissioner	David Hamdan
Independent Commissioner	Sulistiyowati

DIRECTOR

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

- MANAGEMENT STRUCTURE PT BANK BCA SYARIAH**

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Tantri Indrawati
Independent Commissioner	Suyanto Sutjiadi
Independent Commissioner	Joni Handrijanto

DIRECTOR

Position	Name
President Director	John Kosasih
Compliance Director	Houda Muljanti
Director	Rickyadi Widjaja
Director	Pranata

SHARIA SUPERVISORY BOARD

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

- MANAGEMENT STRUCTURE PT ASURANSI UMUM BCA

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Petrus Santoso Karim
Commissioner	Liston Nainggolan
Independent Commissioner	Gustiono Kustianto
Independent Commissioner	Gunawan Budi Santoso

DIRECTOR

Position	Name
President Director	Hariyanto
Director	Hendro Hadinoto Wenan
Director	Antonius
Director	Sri Angraini
Compliance Director	Arif Singgih Halim Wijaya

- MANAGEMENT STRUCTURE PT BCA MULTI FINANCE

BOARD OF COMMISSIONER

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

DIRECTOR

Position	Name
President Director	Herwandi Kuswanto
Director	Senjaya Komala
Director	Adhi Purnama
Director	Parmanto Adhi Tjahjono*
Director	Liston Nainggolan**

* Resigned 30 September 2020

** Activated 1 October, 2020

- MANAGEMENT STRUCTURE PT CENTRAL CAPITAL VENTURA

BOARD OF COMMISSIONER

Position	Name
Commissioner	Jan Hendra

DIRECTOR

Position	Name
President Director	Armand Widjaja
Director	Michelle Suteja

- MANAGEMENT STRUCTURE PT BCA SEKURITAS

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Dharwin Yuwono
Independent Commissioner	Ir. Hendra Iskandar Lubis

DIRECTOR

Position	Name
President Director	Mardi Henko Sutanto
Director	Imelda Arismunandar

- MANAGEMENT STRUCTURE PT ASURANSI JIWA BCA

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Christina Wahjuni Setyabudhi
Commissioner	Eva Agrayani Tjong
Independent Commissioner	Pudjianto
Independent Commissioner	Hardjono

DIRECTOR

Position	Name
President Director	Rio Cakrawala Winardi
Director	Yannes Chandra
Director	Antonius Widodo Mulyono
Compliance Director	Sukawati Lubis

- MANAGEMENT STRUCTURE PT BANK DIGITAL BCA

BOARD OF COMMISSIONER

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

DIRECTOR

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

Duties and Responsibilities of the Board of Commissioners, Board of Directors and Sharia Supervisory Board in the BCA Financial Conglomerate

1. The Financial Services Institution Board of Commissioners' duties and responsibilities in the BCA financial conglomerate, include:
 - a. Supervising the implementation of corporate governance implementation, duties and responsibilities of the Board of Director and reviewing the audit results from internal and external parties;
 - b. Establishing committee or appointing the parties to perform functions that support the duties and responsibilities of the Board of Commissioners, at least the audit supervision committee or function, and compliance supervision committee or function;
 - c. Organizing the Board of Commissioners meeting, which covers at least the frequency, attendance and decision making procedures;
 - d. Compose the Board of Commissioner's work rules.

2. The Financial Services Institution Board of Directors' duties and responsibilities in the BCA financial conglomerate, covering at least:
 - a. Implement the corporate governance principles in the subsidiaries;
 - b. Review the audit results from the internal and external;
 - c. Prepare the work rules;
 - d. Organize the Board of Directors meeting which covers at least the decision making procedures and the meeting documentation.

3. The Financial Services Institution (FSI) Sharia Supervisory Board duties and responsibilities in the BCA financial conglomerate, covering at least:
 - a. Provide an advice and recommendation to the Board of Directors and supervise the BCA Syariah Bank activities in accordance to the Sharia Principles;
 - b. Prepare the Shariah Supervisory Board work rules.

Structure of Integrated Governance in the BCA Financial Conglomerate

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

*) The IGC (Integrated Governance Committee) Committee is compulsory to be formed in the main entity which consist of the representative of the Independent Board of Commissioner and/or Shariah Supervisory Board members from each of the FSI in the BCA financial conglomerate.

Integrated Governance Committee (IGC)

In accordance with the Board of Commissioners Decree No. 037/SK/KOM/2015 concerning the Establishment of Integrated Governance Committee dated February 26, 2015, BCA has formed the Integrated Governance Committee which consist of the BCA's Independent Board of Commissioner's representative, independent party and all of the BCA's Independent Board of Commissioner and/or Sharia Supervisory Board representative of the subsidiaries members. The IGC's duty is to assist the Board of Commissioners of the main entity in supervising the implementation of Integrated Governance in the BCA Financial Conglomerate.

In 2020, some adjustments were made to the IGC due to:

- The composition changes in the Board of Commissioners of subsidiaries;
- The addition of Financial Services Institutions (subsidiaries).

Integrated Compliance Work Unit

BCA as the main entity in the BCA financial conglomerate has added the integrated compliance function in the Compliance Work Unit (SKK) to supervise and evaluate the implementation of compliance in each of the financial services institution (FSI) in the BCA financial conglomerate through coordination with compliance function in each of subsidiaries.

The integrated compliance unit has the following duties and responsibilities:

- Monitor and evaluate the implementation of the compliance function of the Subsidiaries;
- Develop the required methods and processes to implement Integrated Compliance Risk Management;
- Assess and prepare the integrated compliance risk profile based on the implementation of integrated risk management;

- d. Prepare report on the implementation of integrated compliance duties and responsibilities and submit to the Compliance Director of the Main Entity. The Compliance Director prepares and submits the report on the implementation of duties and responsibilities of integrated compliance to the Board of Directors and Board of Commissioners of the Main Entity.

Integrated Internal Audit Work Unit

BCA as the main entity in the BCA financial conglomerate has added the integrated internal audit function in the Internal Audit Division (DAI) to monitor the implementation of the internal audit function on each of the financial services institution (FSI) in the BCA financial conglomerate and provide recommendations to increase the added value.

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

- a. Assess the adequacy and effectiveness of risk management internal control, and governance processes of the Subsidiaries, as well as providing improvement recommendations;
- b. Monitor the implementation of internal audits in the Subsidiaries;
- c. Monitor and evaluate the appropriateness of recommendations based on audit results of the Subsidiaries, as well as submitting the report to the Board of Directors, Board of Commissioners, and audit committee of the Main Entity;
- d. Submit the integrated internal audit report to the Director appointed to supervise the Subsidiaries, the Board of Commissioners of the main entity, as well as the Director in charge of the compliance function of the Main Entity;
- e. Provide support to Subsidiaries in developing the internal audit function.

Integrated Risk Management Implementation

In accordance with the OJK Regulation No. 17/ POJK.03/2014 dated November 18, 2014 concerning Implementation of Integrated Risk Management for Financial Conglomerates, BCA and the subsidiaries in the BCA financial conglomerate have implemented the integrated risk management comprehensively and effectively based on the characteristics and complexity of the Financial Conglomerate's business.

In the implementation of integrated risk management, BCA as the main entity has established the Integrated Risk Management Committee (IRMC) and added the Integrated Risk Management Function in the Risk Management Work Unit (SKMR) which also serves as the Integrated Risk Management Work Unit (SKMRT).

- BCA's Integrated Risk Management Committee (IRMC) consists of BCA's Subordinating Director of the Integrated Risk Management Function, all of the Board of Director members, some of the related BCA's senior management, and Director of subsidiaries as the representative from the FSI in BCA's financial conglomerate. Further explanation regarding the Integrated Risk

Management Committee (IRMC) can be seen in the Integrated Risk Management Committee (IRMC) section on page 420-423 in this Annual Report.

- In carrying out the function, the Integrated Risk Management Committee (IRMC) is also supported by the Integrated Risk Management Work Unit (SKMRT) to ensure that the risks faced by the main entity and the subsidiaries are integrated which can be identified, measured, supervised, controlled, and reported correctly through the implementation of the suitable risk management framework. Duties and responsibilities of the Integrated Risk Management Work Unit (SKMRT), as follows:
 - b. Provide recommendation to the Board of Directors of the main entity and the Integrated Risk Management Committee (IRMC), including the preparation of and improvements to the Integrated Risk Management Policy.
 - c. Oversee the implementation of the Integrated Risk Management Policy such as developing and conducting periodical reviews of the procedure and the tools for identifying, measuring, monitoring and controlling the risks.
 - d. Conduct risk monitoring in the BCA's financial conglomerate.
 - e. Conduct stress testing.
 - f. Review the proposed new lines business that are strategic and have a significant impact on the financial conglomerate risk exposure.
 - g. Provide information to the Integrated Risk Management Committee (IRMC) regarding the matters that need to be follow-up related to the evaluation results of the integrated risk management implementation.
 - h. Prepare and submit the Integrated Risk Profile Report periodically.

V. INTER-GROUP TRANSACTION POLICY

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

Definition of Inter-Group Transactions Risk

Inter-group transaction risk that occurs because of the entity's dependence, both directly and indirectly, on other entities in the Financial Conglomerate in order to fulfill obligations on written or unwritten agreements followed and/or unfollowed by a transfer of funds.

Objective of Inter-Group Transaction Risk Management

Main objectives of the inter-group transaction risk management are as follows:

- a. To manage and supervise inter-group transactions of the Financial Conglomerate based on the precautionary principle.
- b. To ensure the risk management process can minimize the possibility of negative impacts caused by dependency of Financial Service Institutions (FSI), directly or indirectly, on other FSI in the Financial Conglomerate.

Types of inter-group transactions

Inter-group transaction risk may arise from:

- a. Cross ownership between FSIs in the Financial Conglomerate.
- b. Centralized management of short-term liquidity.
- c. Collateral, loans, and commitments given or obtained by an FSI from another FSI in the Financial Conglomerate.
- d. Exposure to controlling shareholders, including loan exposure and off-balance sheet exposures, such as guarantees and commitments.
- e. Purchase or sale of assets to other FSI in the Financial Conglomerate.
- f. Risk transfer through reinsurance.
- g. Transactions to divert exposure of risk from third party between FSIs in the Financial Conglomerate.

Scope of inter-group transaction risk management policy

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

1. Supervision by the Board of Commissioners and Board of Directors
2. Adequacy of Policies, Procedures, and Determination of Risk Limits of Inter-Group Transaction
3. Adequacy in Process of Identification, Measurement, Monitoring, Risk Control, and Information System of Inter-Group Transaction Risk Management
4. A Comprehensive Internal Control System for the Implementation of Inter-Group Transaction Risk Management

VI. SUPERVISION OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

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

Authority and responsibilities of the Board of Commissioners

The authority and responsibilities of the Board of Commissioners in the implementation of intergroup transaction risk management include:

- a. Approve the inter-group transaction risk management policies.
- b. Evaluate the accountability of the Board of Directors and provide improvement directives for the implementation of inter-group transaction risk management policies.

Authority and responsibilities of the Board of Directors

Authority and responsibilities of the Board of Directors in the management of inter-group transaction risk include:

- a. Understand the inherent risks of inter-group transactions in the Financial Conglomerate.
- b. Formulate and establish the inter-group transaction risk management policies.
- c. Responsible for the implementation of intergroup transaction risk management.
- d. Ensure that each entity in the Financial Conglomerate implements inter-group transaction risk management.

- e. Monitor the risk of inter-group transactions regularly.
- f. Develop a risk culture as part of the implementation of inter-group transaction risk management.
- g. Ensure that the implementation of inter-group transaction risk management is free from conflicts of interest between the Financial Conglomerate and individual FSI.

VII. ADEQUACY OF POLICY, PROCEDURE, AND IMPLEMENTATION OF INTER-GROUP TRANSACTION RISK LIMIT

Inter-group transaction policies, procedures, and determination of risk limits refer to policies, procedures, and limit determination as stated in the Integrated Risk Management Basic Policy.

Risk appetite and risk tolerance

The risk appetite and risk tolerance in inter-group transactions are described as follow.

- a. Risk appetite is the risk that is willing to be taken in the effort to achieve targets in an integrated manner. The risks willing to be taken are reflected in the business strategies and objectives.
- b. Risk tolerance is the maximum level of risk that is willing to be taken.
- c. The risk appetite and risk tolerance must be in line with the business strategy, risk profile, and capital plan of the Financial Conglomerate.

Policy and procedure

Several matters that need to be considered in the policies and procedures related to the risk of intergroup transaction include:

- a. Financial Conglomerate policy must comply with the applicable regulations relating to inter-group transactions.
- b. Financial Conglomerate must ensure the fulfillment of the arm's length (fairness of transaction) principle relating to inter-group transactions.
- c. Inter-group transaction risk management procedures contain at least:
 - 1) Accountability and clear level of delegation of authority in the implementation of inter-group transaction risk management.
 - 2) Implementation of periodic reviews on the procedures.
 - 3) Adequate documentation of procedures, namely complete and easy written documentation for audit trail.

Inter-group transaction risk limits

The Financial Conglomerate must ensure that the establishment of inter-group transaction limits is in accordance with the applicable regulatory provisions.

VIII. ADEQUACY OF IDENTIFICATION PROCESS, MEASUREMENT, OVERSIGHT, AND RISK CONTROL AND INFORMATION SYSTEM OF INTER-GROUP TRANSACTION RISK MANAGEMENT

In the implementation of inter-group transaction risk management, BCA as the Main Entity is required to conduct the process of identification, measurement, monitoring and risk control to all significant risk factors in an integrated manner, and supported by an adequate inter-group transaction risk management information system.

Identification of inter-group transaction risks

Inter-group transaction risk identification is carried out through:

- a. Identification of the composition of inter-group transactions in the Financial Conglomerate.
- b. Identification of transaction documentation and arm’s length.
- c. Identification of other information.

Measurement of inter-group transaction risk

Measurement of the inter-group transaction risk aims to rank the risk level of inter-group transaction of the Financial Conglomerate. In addition, BCA as the Main Entity is required to prepare the inter-group transaction risk profiles in an integrated manner with members of the Financial Conglomerate.

The following are measurements that must be conducted to obtain the risk profile for integrated inter-group transactions:

Measurement	Description	Measurement Result
Inherent Risk	In determining the inherent risk level, Main Entity has to conduct a comprehensive analysis by using all relevant quantitative and qualitative indicators, covering 3 (three) aspects, as follows: 1. Composition of inter-group transactions in Financial Conglomerate. 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	Measurement of quality implementation of integrated risk management, covering 4 (four) aspects, as follows: 1. Supervision of the Board of Commissioners and Board of Directors. 2. Adequacy of inter-group transaction policies, procedures, and determination of risk limits. 3. Adequacy in identification process, measurement, monitoring, and risk control of inter-group transaction risk management. 4. Comprehensive internal control system for implementation of inter-group transaction risk management.	1. Strong 2. Satisfactory 3. Fair 4. Marginal 5. Unsatisfactory

Risk Rating

Risk rating is a combination of inherent risk measurement and the quality of risk management implementation results. Mapping of risk rating of inter-group transaction risk rating can be viewed in the following matrix:

Result of Assessment Rank of Level Rank of Risk Management Implementation Quality (KPMR)

Result of Assessment Rank of Level		Rank of Risk Management Implementation Quality (KPMR)				
		Strong	Satisfactory	Fair	Marginal	Unsatisfactory
Rank of Integrated of Inherent Risk	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 risk of inter-group transactions

Monitoring risk of inter-group transactions is carried out with consideration to the following:

- Composition of inherent risk parameters in intra-group transactions in the integrated risk profile report.
- Complete documentation of inter-group transactions.
- Fairness of the inter-group transactions.
- Other information relating to inter-group transactions.

Management of risk of inter-group transactions

Management of risk of inter-group transactions is carried out with consideration to the following:

- Fairness of inter-group transactions of the Financial Conglomerate.
- Existence of documentation for every intergroup transaction.
- Every inter-group transaction has to comply with prevailing law/regulator provisions.

Management information system of risk of intergroup transactions

Management information system of inter-group transaction risk comprises Risk Profile Report on the risk of inter-group transaction which is an integral part of the Integrated Risk Profile Report.

IX.A Comprehensive Internal Control System for the Implementation of Inter-Group Transaction Risk Management

The process of implementing effective intergroup transaction risk management must be complemented by a comprehensive internal control system. An effective implementation of internal control system of inter-group transactions risk refers to internal controls as stipulated under the Integrated Risk Management Main Policy.

Implementation of the internal control system is as follows:

- a. BCA is required to implement an inter-group transaction risk internal control system effectively by referring to the established policies and procedures.
- b. Internal control system was structured to ensure:
 - 1) Compliance with internal policies or provisions as well as laws and regulations.
 - 2) The effectiveness of risk culture in the Financial Conglomerate as a whole to identify weaknesses and deviations early and to reassess the fairness of policies and procedures in the Financial Conglomerate on an ongoing basis.
- c. Review of the measurement of inter-group transaction risk, including:
 - 1) Conformity of policy, organizational structure, resource allocation, design of inter-group transaction risk management processes, information system, and risk reporting in accordance with the business needs of the Financial Conglomerate, as well as the development of regulations and best practices related to inter-group transaction risk management.
 - 2) Complete and adequate documentation on the scope, operational procedures, audit findings, and responses of the management of the Financial Conglomerate based on audit results.

X. GOOD CORPORATE GOVERNANCE IMPLEMENTATION REPORT OF THE COMPANY

1. Transparency of Good Corporate Governance Implementation as referred by point IX Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017 concerning the The Implementation of Governance for Commercial Banks, consist of:

A. GCG Implementation Disclosures

1) Implementation fo Duties of the Board of Directors and the Board of Commissioners Number, composition, and criteria of Members of the Board of Directors

Number and composition of Members of the Board of Directors

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

As of December 31, 2020, the Board of Directors has twelve members.

Of the above, one member also serves as Compliance Director. The President Director is independent from Controlling Shareholders. BCA also has appointed an Independent Director who is responsible for supervising Regional and Branch Management, Network and Regional Development, and Procurement. In 2020, the Board of Directors' composition changed based on The decision regarding the third item of the 2020 AGMS

agenda. Changes to the Board of Directors' composition can be seen in General Meeting of Shareholders section of this Annual Report. The composition of BCA Board of Directors in 2020 has been written in Deed of Resolution of PT Bank Central Asia Tbk No. 162 dated 28 May 2020, of Notary Public Christina Dwi Utami, S.H., M.Hum., M.Kn., Notary in Jakarta.

Composition of BCA Board of Directors after AGMS 9 April 2020 (as of 31 December 2020)

Name	Position	No. Letter of Agreement BI/OJK	Position Period
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011	2016-2021
Suwignyo Budiman	Deputy President Director	38/KDK.03/2019 dated August 14, 2019	2019-2021
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 Dated June 21, 2016	2016-2021
Tan Ho Hien/Subur/Subur Tan	Director	4/69/DpG/DPIP/Rahasia dated August 13, 2002	2016-2021
Henry Koenafi	Director	10/32/DPB3/TPB3-2 dated February 13, 2008	2016-2021
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011	2016-2021
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014	2016-2021
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016	2016-2021
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016	2016-2021
Vera Eve Lim	Director	SR-79/PB.12/2018 dated April 23, 2018	2018-2021
Gregory Hendra Lembong	Director	13/KDK.03/2020 dated May 14, 2020	2020-2021
Haryanto Tiara Budiman	Director (concurrently as Compliance Director)	14/KDK.03/2020 dated May 14, 2020	2020-2021

Composition of BCA Board of Directors before AGMS 9 April 2020

Name	Position	No. Letter of Agreement BI/OJK	Position Period
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011	2016-2021
Suwignyo Budiman	Deputy President Director	38/KDK.03/2019 dated August 14, 2019	2019-2021
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 Dated June 21, 2016	2016-2021
Tan Ho Hien/Subur/Subur Tan	Director	4/69/DpG/DPIP/Rahasia dated August 13, 2002	2016-2021
Henry Koenafi	Director	10/32/DPB3/TPB3-2 dated February 13, 2008	2016-2021
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011	2016-2021
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014	2016-2021
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016	2016-2021
Inawaty Handojo	Director (concurrently as Compliance Director)	39/KDK.03/2019 dated August 14, 2019	2019-2021
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016	2016-2021
Vera Eve Lim	Director	SR-79/PB.12/2018 dated April 23, 2018	2018-2021

All members of the Board of Directors have obtained approval from Bank Indonesia or OJK and have passed the Fit and Proper Test before performing the duties and functions of their positions, in accordance with Bank Indonesia Regulations No. 12/23/PBI/2010 concerning Fit and Proper Tests and Bank Indonesia Circular Letter No. 13/8/DPNP concerning Fit and Proper Tests that has been amended to Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011 or OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Tests for Primary Parties of Financial Services Institutions.

Terms of Office for Board of Directors

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

Criteria for the Board of Directors

Those who may be appointed as a member of the Board of Directors are individuals who meet the criteria and requirements in accordance with OJK Regulations No. 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies, Article 6 of OJK Regulations No. 55/POJK.03/2016 concerning the

Implementation of Governance for Commercial Banks, and OJK Regulations No. 27/POJK.03/2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions. Criteria for the Board of Directors are as follows:

1. Have good ethics, morals, and integrity.
2. Be proficient in performing legal actions.
3. Within 5 (five) years before appointment and during the term of office:
 - a. Not have been punished for committing a crime detrimental to state finances or relating to the financial sector; and
 - b. Have not been a member of the Board of Directors and/or a member of the Board of Commissioners who during their tenure:
 - did not held an Annual GMS
 - accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has been rejected by the GMS, or did not provide accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
 - had caused a company obtaining permits, approvals, or registrations from OJK to fail to comply with its obligation to submit annual reports and/or financial reports to OJK.
4. Has a commitment to comply with laws and regulations.
5. Has knowledge and/or expertise in the fields required by BCA.
6. Meets the following requirements for integrity, competence and financial reputation:
 - a. Integrity, includes:
 - 1) capable of carrying out legal actions;
 - 2) has good character and morals, at least shown through compliance with applicable provisions, including having not been convicted of a crime in a certain period before being nominated;
 - 3) has a commitment to comply with laws and regulations and uphold OJK policies;
 - 4) has a commitment towards the development of a healthy financial services institution;
 - 5) is not included as an individual principal prohibited from being a main party.
 - b. Competency, includes:
 - 1) knowledge in banking which is adequate and relevant to the position;
 - 2) Knowledge of the duties and responsibilities of the Main Entity as well as the main business activities and main risks of the Subsidiary;
 - 3) experience and expertise in banking and/or finance;
 - 4) ability to carry out strategic management in developing a healthy bank
 - 5) at least 5 (five) years experience in the operational field and at least as an bank's Executive Officer.

c. Financial reputation, at least evidenced by:

- 1) not having bad credit and/or non performing loans; and
- 2) has never been declared bankrupt and/or has never been a shareholder, controller of an insurance company who is not a shareholder, a member of the Board of Directors, or a member of the Board of Commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.

Independence of Board of Directors

The majority members of the Board of Directors of BCA has no financial, management, share ownership, and/or family relationship up to the second degree with other fellow members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders. In addition, the majority of members of the Board of Directors of BCA also has no relationship with BCA that may influence his/her ability to act independently.

Number and Composition of Members of the Board of Commissioners

As of December 31, 2020, BCA has 5 (five) members of the Board of Commissioners, consisting of 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of members of the BCA Board of Commissioners does not exceed the number of members of the BCA Board of Directors. The number of Independent Commissioners of BCA is 60% (sixty percent) of the total members of the BCA Board of Commissioners. All members of the BCA Board of Commissioners are domiciled in Indonesia. Throughout 2020 there was no change in the composition of the Board of Commissioners, so in this Annual Report, BCA does not present the reasons for change in composition of the Board of Commissioners. The composition of the BCA Board of Commissioners' membership in 2020 is contained in The Meeting Resolution Deed of PT Bank Central Asia Tbk No. 162 dated May 28, 2020, made in the presence of Christina Dwi Utami, S.H. M.Hum., M.Kn., Notary in Jakarta.

The Composition of BCA Board of Commissioners as of December 31, 2020

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

All members of the Board of Commissioners of BCA have obtained approval from Bank Indonesia or OJK and have passed the Fit and Proper Test from Bank Indonesia or OJK before carrying out their duties and functions. This is in accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test and Bank Indonesia Circular Letter No. 13/8/DPNP concerning Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011.

Term of Office of the Board of Commissioners

In accordance with BCA's Articles of Association, the term of office of members of the Board of Commissioners is 5 (five) years from the date specified in the GMS. The term of office of the members of the Board of Commissioners for this period will end when BCA Annual GMS is closed in 2021. The GMS still has the authority to dismiss one or more members of the Board of Commissioners at any time before their term ends.

Term of duty of Independent Commissioners follow the general terms of the Board of Commissioners. Independent Commissioners who have served for 2 (two) consecutive terms may be reappointed as Independent Commissioners in the next period in the case that:

- The Board of Commissioners Meetings assess that the Independent Commissioners remain able to act independently; and
- Independent Commissioners declare their independence at the GMS.

BCA has Independent Commissioners who have been appointed for more than 2 (two) periods, namely Cyrillus Harinowo and Raden Pardede. Based on the meeting of the members of the Board of Commissioners, both can still act independently and each has prepared a Statement of Independence, which was read at the appointment of the Independent Commissioner at the 2016 BCA Annual GMS.

Criteria for Members of the Board of Commissioners

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

The Criteria for members of the Board of Commissioners are as follows:

1. Have good character, morals and integrity.
2. Be competent in carrying out legal actions.
3. Within 5 (five) years before appointment and during their tenure:

- a. Have not been convicted of a criminal offense that is detrimental to the state finances and/ or related to the financial sector; and
- b. Have not been a member of the Board of Directors and/or a member of the Board of Commissioners who during their tenure:
 - did not held an Annual GMS
 - accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has been rejected by the GMS, or did not provide accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
 - had caused a company obtaining permits, approvals, or registrations from OJK to fail to comply with its obligation to submit annual reports and/or financial reports to OJK.
4. Has a commitment to comply with laws and regulations.
5. Has knowledge and/or expertise in the fields required by BCA.
6. Meets the following requirements for integrity, competence and financial reputation:
 - a. Integrity, includes:
 - 1) capable of carrying out legal actions;
 - 2) has good character and morals, at least shown through compliance with applicable provisions, including having not been convicted of a crime in a certain period before being nominated;
 - 3) has a commitment to comply with laws and regulations and uphold OJK policies;
 - 4) has a commitment towards the development of a healthy financial services institution;
 - 5) is not included as an individual principal prohibited from being a main party.
 - b. Competency includes:
 - 1) knowledge in banking which is adequate and relevant to the position;
 - 2) knowledge of the duties and responsibilities of the Main Entity as well as the main business activities and main risks of the Subsidiary;
 - 3) experience and expertise in banking and/or finance;
 - 4) ability to carry out strategic management in developing a healthy bank;
 - 5) minimum 5 (five) years experience in the operational field and at least as an bank's Executive Officer.
 - c. Financial reputation, at least proved by:
 - 1) not having bad credit and/or non performing loans; and
 - 2) has never been declared bankrupt and/or has never been a shareholder, controller of an insurance company who is not a shareholder, a member of the Board of Directors, or a member of the Board of Commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.

Independent Commissioners' Criteria

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

1. Is not employed by BCA, and has not had the authority or responsibility to plan, lead, control, or oversee BCA activities within the last 6 (six months), except for re-appointment as an Independent Commissioner of BCA in the following period;
2. Have no share in BCA, directly or indirectly;
3. Have no affiliation with BCA, other members of the Board of Commissioners, members of the Board of Directors, or the Majority Shareholders of BCA;
4. Have no direct or indirect business relationships related to BCA business activities;
5. Meet other requirements for Independent Commissioners in accordance with prevailing regulations;
6. Prospective Independent Commissioners who are former members of the Board of Directors or BCA executive officers or other parties having a relationship with BCA must undergo a cooling off period of at least 1 (one) year before becoming an Independent Commissioner;
7. Non-Independent Commissioners who will shift to Independent Commissioners must undergo a cooling off period of at least 6 (six) months. In addition to the criteria already mentioned above, Independent Commissioners also have to meet the general requirements of candidates for the members of Board of Commissioners.

In addition to the criteria already mentioned above, Independent Commissioners also have to meet the general requirements of candidates for the members of Board of Commissioners.

Independence of Board of Commissioners

All members of the Board of Commissioners of BCA have no financial or family relationship up to the second degree with other fellow members of the Board of Commissioners, members of the Board of Directors, and/or controlling shareholders. In addition, all members of the Board of Commissioners of BCA also have no relationship with BCA that may influence their ability to act independently.

The current BCA Independent Commissioners were appointed in 2016 and this will remain effective until 2021. Each Independent Commissioner has prepared a statement of independence and has submitted to OJK.

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

Duties and Responsibilities of the Board of Directors

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

- a. Lead and manage BCA in accordance with the purposes and objectives of the BCA Articles of Association.
- b. Control, maintain, and manage BCA's assets in its interests.
- c. Create internal control structure, ensure the implementation of internal audit function in every level of management, and follow up on internal audit findings in

- accordance with policies or directions given by the Board of Commissioners.
- d. Review BCA's Vision and Mission at the beginning of appointment of his position.
 - e. Prepare and submit Work Plan and Annual Budget, including other plans related to implementation of BCA's business, to the Board of Commissioners for approval, prior to the commencement of the forthcoming financial year, taking into account applicable regulations.
 - f. Implement Good Corporate Governance principles in all BCA's business activities at all levels and stages of the organization, including implementation of Integrated Governance.
 - g. Follow up on audit findings and recommendations from the External Auditor, the results of supervision of OJK, Bank Indonesia and/or the results of supervision of other authorities, including but not limited to the Indonesia Stock Exchange.
 - h. Establish, at the very least, Internal Audit Division, Risk Management Work Unit, Risk Management Committee, and Compliance Work Unit.
 - i. Appoint the members of Supporting Committees of the Board of Commissioners based on the Board of Commissioners' Meeting Decision.
 - j. Establish Executive Committees of the Board of Directors to help the Board of Directors in carrying out their duties and responsibilities, if necessary, and evaluate the committees' performance at the end of each financial year.
 - k. Conduct meetings, and record minutes of meetings as follows:
 - 1) The Board of Directors' meetings regularly, at least once in a month;
 - 2) The Board of Directors and the Board of Commissioners' meeting in accordance with applicable laws and regulations.
 - l. Conduct and keep List of Shareholders, Special List, Minutes of Shareholders' General Meetings, Minutes of the Board of Directors' Meetings, Annual Report, BCA financial document, and other BCA document.
 - m. Provide accountability and complete information regarding the Bank's situation and operation, including BCA's activity report, inclusive of financial report, either through the Annual Report or other documents with consideration to BCA Articles of Association and in accordance with prevailing laws and regulations.
 - n. Provide accurate, relevant, and timely data and information to the Board of Commissioners.
 - o. Perform Annual GMS and/or Extraordinary GMS or other GMS according to BCA's need and in accordance with applicable regulations.
 - o. Carry out its duties and responsibilities to shareholders through GMS.
 - p. Carry out other responsibilities with consideration to BCA Articles of Association or based on the Board of Commissioners Meetings or GMS.

Throughout 2020, the Board of Directors did not allow general power of attorney to the employees or other parties related to their duties and functions, as regulated in OJK Regulations with regard to Governance.

Duties and Responsibilities of the Board of Commissioners

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

- a. Supervise BCA management policies and the running management in general, for the interest of BCA in accordance with BCA's purposes and objectives.
- b. Directing, monitoring and evaluating the implementation of BCA's strategic policies and advising the Board of Directors in accordance with the purposes and objectives of the BCA Articles of Association.
- c. Ensure the principles of Corporate Governance are implemented in every business activity at all levels of the organization, at least through monitoring of the following:
 - Implementation of the duties and responsibilities of the Board of Commissioners and Directors.
 - Completeness and implementation of the duties of the committees and work units that carry out the internal control function.
 - Implementation and periodic evaluation of the remuneration policy;
 - Implementation of the compliance, internal auditor and external auditor functions.
 - Implementation of risk management, including internal control systems;
 - Provision of funds to related parties and provision of funds in large amount;
 - BCA's strategic plan;
 - Transparency of BCA's financial and nonfinancial conditions;
 - Approval and periodic review of BCA's vision, mission and core values.
- d. Supervise the implementation of Integrated Governance.
- e. Ensure that the Board of Directors has followed up on audit findings and recommendations from the Internal Audit Division, external auditors, and the results of supervision by the authorities, including but not limited to OJK, Bank of Indonesia, and/or the Indonesia Stock Exchange.
- f. Notifying OJK/Bank Indonesia within 7 (seven) working days after the violation of laws and regulations in the financial and banking sector has been discovered, and/or circumstances or predicted condition that may endanger BCA's business continuity.
- g. Establish:
 - 1) Audit Committee;
 - 2) Risk Oversight Committee;
 - 3) Remuneration and Nomination Committee;
 - 4) Integrated Governance Committee; The Board of Commissioners must ensure that the committees established perform their duties effectively and evaluate the performance of the committees at the end of the financial year.
- h. Hold meetings and prepare minutes of meeting for the following:
 - 1) Regular meetings of the Board of Commissioners in accordance with applicable laws and regulation;
 - 2) Regular meetings of the Board of Commissioners with the Board of Directors at least once in 4 (four) months.

- i. Under certain conditions, holding the Annual GMS and other GMS in accordance with respective powers as stipulated in the applicable laws and regulations, and BCA's Articles of Association.
- j. Submit reports on supervisory tasks that have been carried out during the previous financial year to the Annual GMS and set forth in the Annual Report.
- k. Approve the Sustainable Financial Action Plan prepared by the Board of Directors.

Duties and Responsibilities of President Commissioner

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

- a. Lead the Board of Commissioners in carrying out supervisory and assurance duties.
- b. Coordinate the implementation of the duties and responsibilities of the Board of Commissioners.
- c. Propose to hold Board of Commissioners meetings, including meeting agendas
- d. Initiate and lead the Board of Commissioners' meeting
- e. Submit a supervisory report to obtain the approval of the Annual GMS for the implementation of the duties and supervision of the Board of Commissioners
- f. Ensure that the responsibilities of the Board of Commissioners have been carried out according to procedures.
- g. Ensure that meetings of the Board of Commissioners make decisions effectively based on true and complete information, including ensuring that:
 - All strategic and important issues are taken into consideration by the Board of Commissioners;
 - Problems are discussed carefully and thoroughly;
 - All members of the Board of Commissioners are given the opportunity to contribute effectively;
 - Each member of the Board of Commissioners receives relevant information in a timely manner, including a brief explanation of the issues that will be discussed at the Board of Commissioners' meeting;
 - Meetings of the Board of Commissioners produce clear decisions and are recorded in the minutes of meeting.
- h. Ensure that the Board of Commissioners behaves in accordance with the Board of Commissioners' Charter.
- i. Strive to meet the development needs of the Board of Commissioners.
- j. Conduct a final evaluation, taking into account the recommendations of the Remuneration and Nomination Committee, on the results of the collective evaluation of the Board of Commissioners and Committees, as well as individual evaluation of members of the Board of Commissioners and committee members.

The Implementation of the Board of Commissioners' Duties

The Board of Commissioners supervises the Board of Directors, providing guidance and advice concerning policy and strategy through meetings and memoranda

Below is a summary of the input and advice provided by the Board of Commissioners to the Board of Directors from January to December 2020.

Topic	Summary
Business Strategy and Management	<ul style="list-style-type: none"> The Board of Commissioners together with the Board of Directors regularly reviews BCA's performance and developments in banking conditions in Indonesia, especially amid the impact of the spread of the COVID-19 pandemic. The Board of Commissioners provides direction and approval with respect to business developments and the implementation of corporate actions, such as determining dividends, forming business plans & making acquisitions.
Risk Management	<ul style="list-style-type: none"> The Board of Commissioners provides directions to review the potential strategic risks faced by the Bank along with their mitigation, particularly the impact of the development of the COVID-19 pandemic. The Board of Commissioners held discussions and provided directions for conducting studies into developments regarding credit restructuring and certain industries. The Board of Commissioners held discussions with the Board of Directors regarding the implementation of the National Economic Recovery (PEN) program.
Audit and Compliance	<ul style="list-style-type: none"> The Board of Commissioners reviewed internal audit performance and discussed the need for adjustments to internal control items. One such discussion concerned adjustments needed in response to "New Normal" conditions. The Board of Commissioners provided directions for creating a framework for the restructuring audit process. Discussions covered matters that needed to be audited, risk mitigation and compliance with regulations. The Board of Commissioners conducted discussions regarding the integrated internal audit process conducted for the subsidiaries.

2) Implementation of Committees' Duties

a. Board of Commissioners Committees

Structure, Membership, and Independence of Members of Audit Committee

Membership Structure of the Audit Committee The Audit Committee's composition meets the requirements of prevailing regulations in accordance with OJK Regulation No. 55/POJK.04/2015 concerning the Establishment and Guidelines for Work Implementation for Audit Committee and as stipulated in Audit Committee Charter. In 2020, BCA's Audit Committee consisted of 3 (three) members which appointed based on the Board of Directors Decree No. 078/SK/DIR/2016 dated June 2, 2016 and the Board Commissioners Meeting Resolution No. 23/RR/KOM/2016 dated June 1, 2016.

Members of Audit Committee as of December 31, 2020

Name	Position in Committee	Position in BCA	Expertise	Term of Duty
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)	Independent Commissioner	Finance and Banking	June 2, 2016 - GMS 2021
Ilham Ikhsan	Member	Independent Party	Finance/ Accounting	June 2, 2016 - GMS 2021
Tjen Lestari	Member	Independent Party	Banking	June 2, 2016 - GMS 2021

All members of the Audit Committee are independent parties who do not have the financial, management, share ownership and/or family relationship with members of

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

Structure, Membership, and Independence of Members of Risk Oversight Committee

The ROC’s composition meets the requirements of prevailing regulations in accordance with OJK Regulation No. 55/ POJK.03/2016 concerning Implementation of Good Corporate Governance For Commercial Banks and as stipulated in Risk Oversight Committee Charter. In 2020, BCA’s ROC Committee consisted of 3 (three) members which appointed based on the Board of Directors Decree No. 147/SK/DIR/2020 dated August 27, 2020 and the Board Commissioners Minutes of Meeting Resolution No. 21/RR/KOM/2020 dated Agustus 26, 2020.

Risk Oversight Committee Composition as of December 31, 2020

Name	Position in Committee	Position in BCA	Expertise	Term of Duty
Sumantri Slamet	Chairman (concurrently as member)	Independent Commissioner	Information Technology and Risk Management	September 30, 2016 - GMS 2021
Endang Swasthika Wibowo	member	Independent Party	Risk Management and Finance	September 30, 2016 - GMS 2021
Lianny Somyadewi D. *)	member	Independent Party	Risk Management	September 30, 2016 - GMS 2021
Ernawati Soegito **)	member	Independent Party	Risk Management	1 September 2020 - GMS 2021

*) Serve until August 31, 2020.

**) Effective on September 1, 2020.

All members of the ROC have fulfilled the independency aspects, which do not have the financial, management, share ownership and/or family relationship with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, and business relationships with BCA that may influence their ability to act independently.

Structure, Membership, and Independence of Members of Remuneration and Nomination Committee

The Remuneration and Nomination Committee’s composition meets the requirements of prevailing regulations in accordance with OJK Regulation No. 34/POJK.04/2014 concerning Nomination and Remuneration Committee for Issuer or Public Company and as stipulated in RNC Guidelines and Procedures. In 2020, BCA’s RNC consisted of 3 (three) members which appointed based on the Board of Directors Decree No. 107A/SK/DIR/2016 dated August 10, 2016 and the Board Commissioners Minutes of Meeting Resolution No. 31/RR/KOM/2016 dated August 10, 2016.

Members of Remuneration and Nomination Committee as of December 31, 2020

Name	Position in Committee	Position in BCA	Expertise	Term of Duty
Raden Pardede	Chairman (concurrently as member)	Independent Commissioner	<ul style="list-style-type: none"> Economics-Finance Scenario Planner 	2016 - 2021
D.E. Setijoso	Member	President Commissioner	Banking	2016 - 2021
Hendra Tanumihardja	Member	Head of Human Capital Management Division	Human Capital*	2016 - 2021

* Head of Human Capital Management Division is the executive officer who has the knowledge of remuneration and/or nomination system and succession plan.

All members of the RNC have fulfilled the independency aspects, which do not have the financial, management, share ownership and/or family relationship with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, or business relationships with BCA that may influence their ability to act independently.

Structure, Membership, and Independence of Members of Integrated Governance Committee

The Integrated Governance Committee's composition meets the requirements of prevailing regulations in accordance with OJK Regulation No. 18/POJK.03/2014 concerning the Implementation of Integrated Good Corporate Governance for Financial Conglomerates and stipulated in Integrated Committee Charter. In 2020, BCA's IGC's Committee consisted of 11 (eleven) members which appointed by the Board of Director of main entity through the Board of Directors Decree No. 125/SK/DIR/2020 dated July 10, 2020 concerning the Appointment of Members of the Integrated Governance Committee and the Board Commissioners of Main Entity Meeting Minutes Resolution No. 16/RR/KOM/2020 dated July 1, 2020.

Integrated Governance Committee Composition as of December 31, 2020

Name	Position in Committee*	Position in Financial Conglomerate	Expertise	Term of Duty
Members from Main Entity				
Sumantri Slamet	Chairman (concurrently as member)	Independent Commissioner in the Main Entity	Information Technology and Risk Management	GMS April 2021
Wimpie Rianto	Member	Independent Party in the Main Entity **	Risk Management and General Management	GMS April 2021
Members from Subsidiaries***				
Sulistiyowati	Member	Independent Commissioner PT BCA Finance	Accounting and Finance	GMS April 2021
Gustiono Kustianto	Member	Independent Commissioner PT Asuransi Umum BCA	Risk Management	GMS April 2021
Pudjianto	Member	Independent Commissioner PT Asuransi Jiwa BCA	Financial Management and Accounting, Risk Management, Life Insurance	GMS April 2021
Suyanto Sutjiadi	Member	Independent Commissioner PT Bank BCA Syariah	Risk Management	GMS April 2021
Sutedjo Prihatono	Member	Sharia Supervisory Board Member PT Bank BCA Syariah	Syariah Banking General Management	GMS April 2021
Rudy Harjono	Member	Independent Director BCA Finance Limited	Trade Finance	GMS April 2021
Mendari Handaya	Member	Independent Commissioner PT BCA Multi Finance d/h Central Santosa Finance	Credit Risk and Risk Management	GMS April 2021
Hendra Iskandar Lubis	Member	Independent Commissioner PT BCA Sekuritas	Capital Market and Finance	GMS April 2021
Ignatius Djulianto Sukardi	Member	Independent Commissioner PT Bank Digital BCA	Information Technology and Information Security	GMS April 2021

* Membership of the Independent Commissioners, Independent Parties, and members of Sharia Supervisory Board in the IGC in the financial conglomerate is not counted as dual position.

** Independent party who are the members of IGC Committee appointed by the Board of Commissioners of the main entity.

*** Appointment of the IGC members who are the Independent Commissioners and/or Sharia Supervisory Board, that representing Financial Services Institution (FSI) in BCA financial conglomerate are appointed based on the appointment of each of the Financial Services Institution (FSI).

Independence and requirements of IGC members follow the independence and requirements of the Board of Directors and/or Board of Commissioners of the main entity and/or independence and requirements of the Board of Directors and/or Board of Commissioners of subsidiaries in the Financial Conglomerate.

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

b. Duties and Responsibilities of Board of Commissioners Committees

Duties and Responsibilities of Audit Committee

The Audit Committee has the following duties and responsibilities:

- Financial Report and Information
 1. Reviewing financial information to be released by BCA to public and/or authorities, and other financial-related information.
 2. Reviewing and provide advices/ recommendations to The Board of Commissioners related to the planned material affiliated transaction/related party transaction
 3. Analyzing and report to the Board of Commissioners on any complaints that relate to the BCA's accounting and financial reporting processes.

- Internal Audit
 1. Provide recommendations to the Board of Commissioners regarding the appointment and dismissal of the Head of the Internal Audit Division.
 2. Provide recommendations to the Board of Commissioners pertaining to the preparation of the audit plan, scope and budget of the Internal Audit Division (DAI).
 3. Provide recommendations to the Board of Commissioners of the Internal Audit Charter's approval.
 4. Monitor and review the effectiveness BCA's internal audit implementation.
 5. Evaluate DAI's performance to see if the internal audit function at BCA is adequate and effective, and ensure the DAI upholds integrity in discharging its duties, and provide recommendations to the Board of Commissioners on the DAI annual reward and remuneration for its overall performance.
 6. Ensure DAI communicates with the Board of Directors, the Board of Commissioners, the external auditor, the Financial Services Authority (OJK) and Central Bank of Indonesia (BI).
 7. Ensure DAI works independently

- External Audit
 1. Provide recommendations based on evaluation results to the Board of Commissioners on the appointment, reappointment, and dismissal or replacement of the Public Accounting Firm (PAF) and/or Public Accountant (PA) who will audit the BCA's financial statements based on independency, the scope of the assignment, and fee for the audit work.
 2. Monitoring audit performance by the Public Accounting Firm, on the following aspects:
 - a. Conformity of audit implementation by the Public Accountant Firm to the applicable Audit Standards.
 - b. Conformity of Financial Statements to the applicable Accounting Standards.

c. Provide independent opinions in case of disagreements on opinions between the management and the Public Accounting Firm on the services they provide.

- Process/ Internal Control Systems

1. Ensure the Board of Directors takes the necessary and immediate actions on the findings by DAI, Public Accountants, and the results of supervision conducted by the OJK and BI.
2. Provide recommendations to the Board of Commissioners to appoint independent quality assurance from external parties to review DAI.

- Governance and Compliance

1. Monitor the effective and sustainable Good Corporate Governance (GCG).
2. Analyze and give advice to the Board of Commissioners on conflicts of interest that may occur at BCA.
3. Review BCA's compliance on regulations of the banking industry, the Capital Market and other applicable laws and regulations, and other regulations related to BCA's business.
4. Keep the confidentiality of BCA's documents, data, and information.

- Carry out other tasks relevant to the function of the Audit Committee at the request of the Board of Commissioners.

Duties and Responsibilities of Risk Oversight Committee

ROC has the following duties and responsibilities:

- a. Assisting and giving 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.
- b. In regard with the process to provide recommendations, the ROC should:
 - 1) Evaluate the consistency between risk management policies and policy implementation.
 - 2) Monitor and evaluate the implementation of duties of Risk Management Committee and the risk management work unit.
- c. Composing and/or updating the ROC's Guidelines and Procedures.
- d. Administer other duties that are relevant with the ROC function as requested by the Board of Commissioners.

Duties and Responsibilities of Remuneration and Nomination Committee

The Remuneration and Nomination Committee (RNC) has the following duties and responsibilities:

- Related to the Remuneration Function:
 1. To evaluate and ensure the BCA's remuneration policy conform with the

- prevailing provisions and it based on the performance, risk, fairness with peer groups, targets and the longterm strategy, fulfillment of reserves as stipulated in prevailing regulations and the potential future revenue for BCA.
2. To give recommendations to the Board of Commissioners on:
 - a. Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the GMS.
 - b. Structures and amounts of remuneration for members of Board of Directors and/or members of Board of Commissioners.
 - c. Remuneration policy for all executive officers and employees to be submitted to the Board of Directors by the Board of Commissioners.
 3. To assist the Board of Commissioners in conducting the performance appraisals in compatibility with the remuneration received by each members of the Board of Directors and/or members of Board of Commissioners.
 4. To conduct periodic evaluation of the implementation of remuneration policy.
- Related to the Nomination Function:
 1. To develop and recommend to the Board of Commissioners in regard to the selection and/or replacement systems and procedures of the members of Board of Commissioners and Board of Directors to be further submitted to the GMS.
 2. To give recommendations to the Board of Commissioners on:
 - a. Policy and criteria required in the nomination process;
 - b. Prospective members of the Board of Commissioners and/or Board of Directors to be submitted to the GMS.
 - c. Composition of the members of the Board of Directors and/or Board of Commissioners.
 - d. Competence development program of the members of the Board of Directors and/or members of the Board of Commissioners.
 - e. Performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners.
 3. To recommend independent parties as prospective members of the Audit Committee and Risk Oversight Committee to the Board of Commissioners.
 4. To assist the Board of Commissioners in conducting the performance appraisals of the members of Board of Directors and/or members of Board of Commissioners based on pre-established benchmarks as the evaluation material.
 - To conduct other tasks assigned by the Board of Commissioners related to the remuneration and nomination in accordance with the prevailing provisions.
 - To report the result of reviews and recommendations with regard to the tasks of the RNC to the Board of Commissioners if needed.

Duties and Responsibilities of Integrated Governance Committee

The Integrated Governance Committee (IGC) has the following duties and responsibilities:

- a. Evaluate the implementation of Integrated Governance, at least through the assessment of internal controls adequacy and the implementation of the compliance function in an integrated manner.
- b. Provide recommendations to the Board of Commissioners of BCA as the main entity in the Financial Conglomerate to improve the effectiveness of supervision of the Integrated Governance implementation, including Integrated Governance Guideline refinement.

c. Frequency of Committee Meetings

Frequency of Audit Committee Meetings

The Audit Committee holds 4 (four) meetings, at the very least, in a year as stipulated in the Board of Commissioner Decree No. 117/SK/KOM/2019 concerning the Audit Committee Charter of PT Bank Central Asia, Tbk. The meeting can only be held if it is attended by at least 51% (fiftyone percent) of the total committee members, including Independent Commissioners and Independent Parties. As of December 2020, Audit Committee held 23 (twenty three) meetings in total.

Submission of results of Audit Committee’s meeting is as follows:

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

Name	Number of Meetings	Attendance	Percentage
Cyriilus Harinowo	23	21	91%
Ilham Ikhsan	23	23	100%
Tjen Lestari	23	23	100%

Frequency of Risk Oversight Committee (ROC) Meetings

The ROC holds 4 (four) meetings, at the very least, in a year as stipulated in the ROC Charter. A meeting can only be held if it is attended by at least 51% (fifty-one percent) of the total committee members, including Independent Commissioners and Independent Parties. As of December 2020, ROC held 9 (nine) meetings in total.

Delivery of results of ROC meetings as follows:

- a. For each of the ROC meeting, there are minutes of meeting documentations that state the dates of meetings, attendance of the ROC members, agenda, and meeting materials.
- b. Dissenting opinions that occur in the meetings of the committee should be clearly stated in the minutes of the meeting, along with the reasons behind such dissent.

Attendance of ROC's members in the meetings conducted throughout 2020 are as follows :

Name	Number of Meetings	Attendance	Percentage
Sumantri Slamet	9	9	100%
Endang Swasthika Wibowo	9	9	100%
Lianny Somyadewi D. ^{*)}	6	6	100%
Ernawati Soegito ^{**))}	3	3	100%

^{*)} Serve until August 31, 2020.

^{**))} Effective on September 1, 2020.

Frequency of Remuneration and Nomination Committee (RNC) Meetings

The RNC holds meetings in accordance with the needs of the BCA, at the very least once every 4 (four) months, as stipulated in the OJK Regulation No. 34/ POJK.04/2014 dated December 8, 2014 concerning Nomination and Renumeration Committee of Issuer or Public Company. The meeting can only be held if it is attended by at least 51% (fifty-one percent) of the total committee members, including Independent Commissioners and Executive Officer who is in charge of the human resources function. As of December 2020, RNC held 5 (five) meetings in total.

Submission of results of RNC meetings is as follows:

- The results of RNC meeting must be stated in the minutes of meeting which describing the date of meeting, attendance of RNC members, meeting agenda, and meeting materials
- Dissenting opinions that occur in the meetings of committee should be clearly stated in the minutes of the meeting, along with the reasons thereof such dissent.

Attendances of RNC's members in the meetings throughout 2020 are as follows:

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

Of the 5 (five) RNC meetings, 3 (three) meetings were held to discuss remunerations and 2 (two) were held to discuss nominations

Frequency of Integrated Governance Committee (IGC) Meetings

The implementation of IGC duties and responsibilities performed through the IGC meeting. IGC holds the meeting at least 1 (one) time in 1 (one) semester, as stipulated in IGC Charter. A meeting can only be held if it is attended by at least 51% (fifty-one percent) of the total committee members. As of December 2020, IGC held 5 (five) meetings in total.

Delivery of results of IGC meetings as follows:

- a. For each of the IGC meeting, there are minutes meeting documentations that state the dates of meetings, attendance of the IGC members, agenda, and meeting materials.
- b. Dissenting opinions that occur in the meetings of the committee should be clearly stated in the minutes of the meeting, along with the reasons behind such dissent.

Attendance of IGCs members in the meetings conducted throughout 2020 are as follows :

Name	Number of Meetings	Attendance	Percentage
Sumantri Slamet	5	5	100%
Wimpie Rianto	5	4	80%
Sulistiyowati	5	5	100%
Gustiono Kustianto	5	5	100%
Pudjianto	5	4	80%
Suyanto Sutjiadi	5	4	80%
Sutedjo Prihatono	5	3	60%
Rudy Harjono	5	5	100%
Mendari Handaya	5	5	100%
Hendra Iskandar Lubis	5	5	100%
Ignatius Djulianto Sukardi *)	2	2	100%

*) Mr. Ignatius Djulianto Sukardi effectively serve on July 10, 2020

d. Work Program Performance and Implementation of Committees Activities in 2020

Work Program Performance and Implementation of Audit Committee Activities in 2020

Performances of BCA Audit Committee work program throughout 2020 are as follows:

- a. Convened meetings with KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) to discuss the final results of the audit of the BCA's financial statements for the financial year 2020, along with the Management Letter.
- b. Evaluate and Recommended reusing of KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) to the Board of Commissioners to conduct an audit of the BCA's financial statements for fiscal year 2020.
- c. Organize meetings with KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) to discuss the plan and scope of the audit of the BCA's financial statements for fiscal year 2020.
- d. Organize meetings with the Finance and Planning Division to:
 - i. Review the BCA's financial report, which will be published quarterly.
 - ii. Review the adjustments and additional notes on the Consolidated Financial Statement in relation to the some of the new Financial Accounting Standards (PSAK) issuance.

- e. Conduct 6 (six) meetings with the Internal Audit Division to:
 - i. Evaluate annual planning;
 - ii. Evaluate the implementation of internal audits every semester; and
 - iii. Discuss the results of the audit that considered as significant.
- f. Attend internal audit exit meeting at 1 (one) of the BCA's subsidiary (BCA Multi Finance) as part of the internal audit quality assessment process.
- g. Review internal audit reports and monitoring its follow ups.
- h. Review the BCA's compliance with provisions, regulations, and applicable laws in the banking sector, through a review of reports on compliance with prudential provisions reported every semester.
- i. Review credit portfolio reports issued every semester.
- j. Monitor the implementation of risk management through quarterly report on the BCA's risk profile and monthly report on Operation Risk Management Information System (ORMIS).
- k. Conduct studies on:
 - i. Audit results of the OJK and their follow ups, and
 - ii. Management letter KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) and its follow up.
- l. Release the results of routine studies and evaluations of governance aspects, risk management, and compliance and control to the Board of Commissioners every quarter.
- m. Attend Analyst Meeting and National Work Meeting BCA in 2021 through virtual meeting.
- n. Assess DAI and the results was reported to the Board of Commissioners, to be further submitted to Remuneration and Nomination Committee (RNC) according to OJK Regulation No. 1/POJK.03/2019.

Realization of Work Program and Implementation of Activities of ROC in 2020

The following points are the realized work programs of the ROC in 2020:

- a. Monitor the implementation of the duties of the committee, and those of the Risk Management Work Unit and ITSC (Information Technology Steering Committee).
- b. Conduct the analysis on BCA's risk profile and specifically explored credit risk, operational, market, liquidity and reputation risk.
- c. Conduct the analysis on the results of stress tests of credit, market and liquidity risk.
- d. Ensure the implementation GCG was carried out well and in an appropriate manner. The committee also attended Analyst Meeting and National Work Meeting BCA in 2021 through virtual meeting.
- e. Conduct a monitoring of the realized implementation of risk management, specifically on credit risk, liquidity and market risk, and operational risk control and limit on monthly basis.
- f. Conduct impact analysis and risk mitigation related to the COVID-19 pandemic.

The Work Program Performance of RNC Activities in 2020

The RNC work program performances throughout 2020 are as follows:

- a. Formulate recommendation on the nomination of the new Directors for the year 2020-2021.
- b. Formulate recommendation related to remuneration of the new Directors for the year 2020-2021.
- c. Formulate recommendation related to the proposed tantiem to the Board of Commissioners and Board of Directors for 2019 performance.
- d. Conduct the evaluation on the self assessment result of Board of Director and Board of Commissioner

The Work Program of IGC Activities and Performance in 2020

Throughout 2020, the IGC carried out IGC activities/work programs, such as, evaluating the implementation of integrated governance in the BCA Financial Conglomerate. The evaluations were carried out, among others, through the presentation and discussion of the Integrated Internal Audit Report and the Integrated Compliance Report.

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

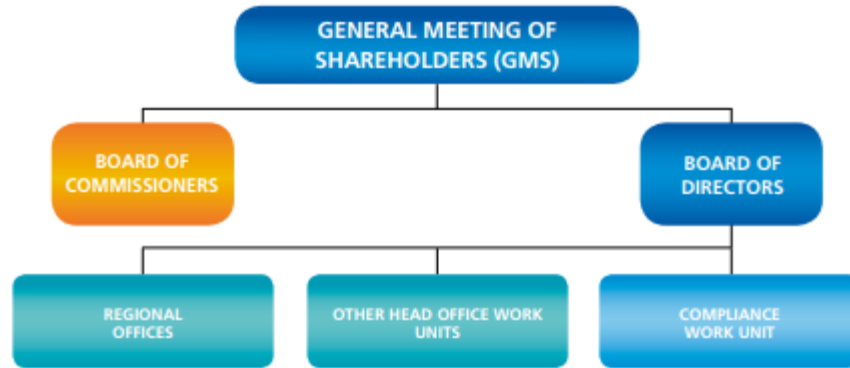
a. Compliance Function

In performing the compliance function based on the OJK Regulation No. 46/POJK.03/2017 concerning Implementation of Commercial Bank Compliance Function, BCA has established a Compliance Work Unit (SKK) that is independent and free from the influence of other work units. Moreover, as the main entities in the BCA financial conglomerate and in order to implement the Integrated Governance for financial conglomerate, BCA has added the integrated compliance aspect in the organizational structure of SKK.

SKK Organizational Structure

Compliance Work Unit (SKK) Organizational Structure is stipulated under the Board of Directors Decree No. 170/SK/ DIR/2018 dated October 25, 2018. SKK is led by a Chairman of SKK where the appointment has been reported to the Financial Services Authority (OJK).

SKK is responsible directly to the Compliance Director. The appointment and dismissal of Compliance Directors meet the applicable requirements and go through the process which determined by Financial Services Authority (OJK).



SKK Responsibilities

The followings are the responsibilities of SKK:

- Monitor BCA’s level of compliance in fulfilling the provisions by the Financial Services Authority (OJK), Bank Indonesia (BI) and other regulators. This includes ensuring that the policies, provisions, systems and procedures, as well as BCA’s business activities are in compliance with the regulatory provisions; and
- Coordinate the implementation of the Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT), i.e. by being responsible to make an assessment of the risk of AML and CFT program implementation in pursuant to the regulatory provisions.

Integrated Compliance Function

In accordance with OJK Regulation No. 18/POJK.03/2014 concerning Implementation of Integrated Good Corporate Governance for Financial Conglomerates, BCA as the main entity in financial conglomerate also added an integrated compliance function in the Compliance Work Unit organizational structure. The main tasks of the integrated compliance function in the Compliance Work Unit are monitoring and evaluating the compliance function implementation and its compliance level on each of the Financial Services Institution (FSI) that incorporated within BCA Financial Conglomerate, including the implementation of the AML and CFT program.

To ensure the BCA’s compliance function implementation, the Board of Directors and the Board of Commissioners actively monitor its implementation through the policies and procedures approval, periodic reporting, clarification requests, and meetings.

Implementation of the Compliance Function Duties in 2020

In 2020, SKK has performed its functions as follow:

1. Encouraged the creation of a compliance culture
 - Conducted the socialization/informed the latest regulations from regulators to the Board of Directors, Board of Commissioners, and work units.

- Provided the information about the regulations enacted by OJK, BI, and other laws and regulations on BCA's portal site that can be accessed by work units.
 - Engaged in various training, seminars, regulatory socialization, and compliance certification organized by the Banking Professional Certification Institute (LSPP) which attended by SKK human resources in order to improve quality, including active participation in the working group of the Banking Compliance Director Communication Forum (FKDKP).
 - Carried out the consultative functions related to the implementation of applicable regulations through the provision of advice / response to questions from the work unit or branch.
2. Ensured that BCA's policies, provisions, systems and procedures, as well as business activities complied with the provisions:
- Identified the sources of compliance risk.
 - Conducted the gap analysis, analyzed the impact of any new provision to BCA operations, and proposed manual adjustments, internal policies and procedures.
 - Updated the database in accordance to the applicable regulatory provisions.
 - Developed a Compliance Matrix Diary as a monitoring tool to keep BCA's commitment to the reporting obligations to regulators.
 - Reviewed and provided opinions to ensure the compliance with applicable regulatory provisions for:
 - √ New products and activities Design;
 - √ Internal regulations draft to be issued;
 - √ Corporate credit releases adherence; and
 - √ Documents in order to ensure operational readiness for opening, changing addresses and closing office networks.
 - Conducted a compliance test on the application of provisions at Branch Offices, in collaboration with the Branch Internal Supervisor.
 - Monitored the level of compliance with applicable regulatory provisions pertaining to prudential banking principles, such as:
 - √ Minimum Capital Adequacy Requirement (KPMM);
 - √ Statutory Reserves (GWM);
 - √ Net Open Position (PDN);
 - √ Legal Lending Limit (BMPK);
 - √ Non Performing Loan (NPL); and
 - √ Macroprudential Intermediation Ratio (RIM).

Throughout 2020, BCA operations were run in compliance with prudential provision under the prudential banking principle.
 - Conducted monitoring towards if there were any sanctions/fines imposed by the regulator.
 - Made a compliance risk assessment and compiled a Compliance Risk Profile Report in every quarter as an effort to manage compliance risk.

- Prepared the Quarterly Compliance Monitoring Report to be submitted to the Board of Director and Board of Commissioner.
 - Coordinated with the work units in order to assess the Bank's risk-based soundness.
 - Utilized the information technology, also known as Regulatory Technology (RegTech) to increase the efficiency and effectiveness in overseeing the regulatory provisions process.
3. Ensured BCA compliance against the commitments made to regulators:
 - Monitored BCA's commitment to OJK, BI, and other regulators in collaboration with the Internal Audit Division (DAI).
 - Monitored and followed up on requests for information/data by OJK and BI in the context of bank oversight function.
 4. Monitored and evaluated the compliance function on each of the subsidiaries that incorporated under BCA financial conglomerate, and prepared the integrated compliance reports to be submitted to the Board of Director and Board of Commissioner.

Compliance Indicators in 2020

Compliance indicators in 2020 presented as the BCA's commitment and BCA's level of compliance with the prevailing rules and regulation, as follow:

Table of Compliance Indicators in 2020

No	Compliance Indicator	Applicable Provision	BCA's Achievement	Description
1	Minimum Capital Adequacy Requirement (KPMM) Covers the credit risk, market risk, and operational risk.	Min. 14% to < 15%	23.80%	Higher than the minimum limit
2	Non Performing Loan (NPL) Net	Max. 5%	1.34%	Lower than the maximum limit
3	Legal Lending Limit (BMPK)	Max. 10% of Equity	0.00%	Not exceed or violate the Legal Lending Limit of the related party and non-related party.
4	Statutory Reserves (GWM) Rupiah	Min. 3%	6.05%	Comply
5	Macroprudential Liquidity Buffer (PLM)	Min. 6%	13.51%	Comply

No	Compliance Indicator	Applicable Provision	BCA's Achievement	Description
6	Statutory Reserves (GWM) Foreign Exchange	Min. 4%	8.52%	Comply
7	Net Open Position (PDN)	Max. 20% from Capital	0.94%	Lower than the maximum limit
8	Liquidity Coverage Ratio (LCR)	Min. 85%	276.29%	Higher than the minimum limit

Commitments to OJK, BI and other supervisory authorities have been properly.

Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT)

BCA is committed to implement Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT) in accordance with OJK Regulation No. 12/POJK.01/2017 and OJK Regulation No. 23/POJK.01/2019 I Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program in Financial Services Sector and OJK Circular Letter No. 32/POJK.03/2017 Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program in Banking Sector. Activities related to the implementation of AML and CFT program during 2020 included the following:

- Performed periodic reports of the AML and CFT implementation to the to the Board of Director and Board of Commissioner.
- Monitored suspicious financial transactions using web-based application, namely the STIM (Suspicious Transaction Identification Model), developed and improved a system of applications using the latest technology, and updating parameters that can detect suspicious transactions.
- Coordinated the customer data updates by setting up the targets and monitoring their realization.
- Reviewed the new products and activities plan to ensure they take into account the AML and CFT regulations.
- Screened the customer data and watch list transactions through the List of Suspected Terrorists and Terrorist Organizations (DTTOT), and the List of Funding of Proliferation of Weapons of Mass Destruction (DPPSP), The Office of Foreign Assets Control (OFAC) List, United Nations (UN) List, European Union (EU) List, which issued by the competent authority whenever a new account was opened and when there were any changes in the watch list transactions record.
- Identified and assessed the risk of AML and CFT implementation in BCA using a risk-based approach by considering the factors related to customers, countries or geographical areas, products and services and distribution networks.
- Conducted compliance tests of the AML and CFT implementation at branch offices in collaboration with branch internal supervisors.
- Reported suspicious financial transactions, cash financial transactions, and financial funds transfer transactions from and to overseas, and submitted the data via the

Integrated Service User Information System (SiPESAT) to the Financial Transaction Reports and Analysis Center (PPATK).

- Improved the understanding of the AML and CFT continuously by organizing training and socialization through the classroom training, online training, e-learning, and virtual events and internal forums such as the Coordination Meeting with the Head of the Operational Branch and the Service Operation Forum.
- Developed the training materials of the AML and CFT Implementation.
- Conducted the periodic reviews of internal regulations related to AML and CFT which in accordance to the regulatory provisions, as well as the changes in BCA's processes or products.

b. Internal Audit Function

The Internal audit function is carried out by Internal Audit Division with reference to OJK Regulation No. 1/POJK.03/2019 dated January 28, 2019 concerning Implementation of Internal Audit Function in Commercial Banks. Internal Audit Division has a mission to improve and protect the value of BCA through providing risk-based and objective assurance, advice and insight, as well as acting as management strategic partner.

In carrying out its functions, the Internal Audit Division carries out independent and objective assurance and consultation to provide added value, by evaluating the effectiveness of the risk management process, internal control, governance, and the achievement of business goals.

Internal Audit Charter

The Internal Audit Division has an internal audit charter as a frame of reference in carrying out its duties and contains mission, position in the organization, independency and objectivity, authority, and scope of work. Development of an internal audit charter is referring to OJK Regulation No. 56/POJK.04/2015 concerning Establishment and Guidelines for Internal Audit Charter and has been adjusted to OJK Regulation Number 1/POJK.03/2019 dated January 29, 2019 concerning Implementation of Internal Audit Function in Commercial Banks. The internal audit charter has been reviewed and updated periodically in accordance with BCA requirements and applicable regulations. The last update of the internal audit charter was carried out in May 2019, approved by the President Director and the Board of Commissioners, by taking into account the recommendations of the Audit Committee.

Independency

To support independency and ensure the effortless operation of the audit and monitoring the follow up of audit results, the Head of Internal Audit Division is responsible to the President Director and can communicate directly with the Board of Commissioners and the Audit Committee, to inform on various matters relating to the audit. Throughout

2020, there were 8 (eight) meetings with President Director, 8 (eight) meetings with Audit Committee, and 2 (two) meetings with the Board of Commissioners.

During 2020, Internal Audit Division has carried out audit activities independently. There are no conflicts of interest, limitation on the scope and access to data of personnel or property, as well as restriction of resources that can affect the independency.

Internal Audit Division has no authority and responsibility to carry out operational activities, both at BCA and its subsidiaries.

Auditor's Code of Ethics

In addition to complying with the BCA code of ethics, the Internal Audit Division has the auditor's code of ethics as a standard and reference in behaving and thinking in carrying out their duties and functions. The code of ethics refers to the International Professional Practices Framework (IPPF) -The Institute of Internal Auditors (IIA), which consists of integrity, objectivity, confidentiality and competency. Annually, auditors in the Internal Audit Division make a statement to comply with the auditor's code of ethics as an effort to increase commitment and trust of stakeholders.

To maintain the objectivity in performing audit, each auditor also makes a statement that the auditor has no family / financial / other interest in the object of the audit and / or the auditee which may allow the loss of objectivity.

Duties and Responsibilities of the Internal Audit Division

The scope of the assignment of the Internal Audit Division covers the activities in branch offices, regional offices, headquarters, subsidiaries, and outsourced to third parties activities, with the following duties and responsibilities:

1. Assist the President Director, the Board of Commissioners, and the Audit Committee in carrying out the supervisory function.
2. Develop and implement a risk-based annual audit plan and report the realization to the President Director, the Board of Commissioners and the Audit Committee.
3. Perform audit activities by testing and evaluating the adequacy and effectiveness of the risk management process, internal control, governance processes, and providing recommendations for improvements.
4. Evaluate the performance and achievement of targets from the work program of the Branch Office/Regional Office/Head Office.
5. Perform investigations if there any indications of fraud either obtained from audit activities or whistleblowing systems.
6. Perform special investigations/audit based on the request of Board of Commissioners, Audit Committee, or Board of Directors.
7. Coordinate with working units that perform other assurance functions to increase the effectiveness of the internal control system.
8. Monitor, analyze and report on the follow-up actions that have been carried out by the auditee in line with the recommendation of audit results.
9. Carry out continuous credit quality assessments.
10. Compile and submit

reports of audit results to the Board of Commissioners, the Audit Committee and the Board of Directors, as well as other reports on the implementation of the internal audit function to the OJK in accordance with applicable regulations. 11. Carry out the integrated internal audit function. 12. Acting as a consultant for BCA internal parties, especially related to the scope of internal audit.

Audit Implementation Standards

The Internal Audit Division uses the Mandatory Guidance (covering Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing) established by The Institute of Internal Auditors and OJK Regulation Number 1/POJK.03/2019 concerning Implementation of Internal Audit Function in Commercial Banks, as the Internal Audit Professional Standard. In addition, Internal Audit Division also uses the standard issued by Information System Audit and Control Association (ISACA) as a reference for best practices.

Review by an independent external party is conducted at least once in 3 (three) years. The last review by an external party was carried out in June 2020 with the conclusion is generally conform and the report submitted to OJK in August 2020.

The Internal Audit Division applies risk-based audit methodology in performing audits. In line with developments in technology, the Internal Audit Division continues to optimize the use of data, develop tools and technology to increase the effectiveness and efficiency of audit as well as increase added value and early warning systems of potential errors/fraud, among others by implementing Continuous Auditing and Predictive Analytic Tools.

To support audit activities, the Internal Audit Division has used an integrated Audit Management System to support the implementation of the audit process, audit planning, and up to monitoring of follow up to audit results.

Internal Audit Division Activities in 2020

In 2020, the Internal Audit Division has carried out audits of Branch Offices, Regional Offices, Divisions/Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan which is determined based on the periodic results of risk assessments. The focus of the audit adjusted to take into account the increasing risks associated with the COVID-19 pandemic, are as follows:

1. Assessment on credit quality, credit restructuring process including alignment with government and regulatory policies, as well as the adequacy of reserves.
2. Review on treasury activities related to risk management of market and liquidity.
3. Operational risk, especially related to Information Technology (IT) activities, in line with the increase in digital transactions. The assessment includes reviews of IT infrastructure, reliability of the main application systems that support BCA operations

(deposit, credit, trade finance), mobile banking, development of Electronic Data Capture (EDC) and the Business Continuity Plan (BCP).

4. Regulatory audit in accordance with Bank Indonesia and OJK regulation:
 - Payment system process.
 - Internal Capital Adequacy Assessment Process (ICAAP).

Focus of the 2021 Audit Plan

Related to on going condition of the COVID-19 pandemic, the focus of 2021 audit assessment is adjusted in line the results of the risk assessment, especially related to credit, operational, market, and liquidity risk.

1. Credit quality related to restructuring and credit processes.
2. Implementation of Branch 2020 in line with the wider implementation to improve services in meeting customer needs by utilizing latest technological developments.
3. The reliability of main applications that support the Bank's operations (treasury, accounting, remittance).
4. Implementation of Anti Money Laundering and Prevention of Terrorism Funding (AML and CFT).
5. Increase the role of Early Warning Systems (EWS) by continuously expanding the scope of audits through continuous auditing and data analytics and developing predictive analytic tools for early detection of potential errors (fraud)/fraud by utilizing the latest technology.
6. Continue to develop auditor competence and professionalism on an ongoing basis.
7. Enhance the integrated internal audit function by providing support for the development of Subsidiary's internal audits,

c. Audit External

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

1. BCA uses the services of Public Accountant (PA) and/or Public Accounting Firm (PAF) to carry out an annual audit of historical financial information based on work agreement with the PAF. The work agreement includes the scope of the audit.
2. BCA restricts the use of audit services from the same PA for the maximum period of 3 (three) consecutive financial reporting years. BCA may reappoint the same PA for the audit of annual historical financial information after 2 (two) consecutive financial reporting years, if not using such audit services from the same PA.
3. Appointment of PA and/or PAF shall be carried out on PA and/or PAF registered at OJK.

4. BCA's AGMS has given the power and authority to the Board of Commissioners to appoint PAF (including PA) based on prior recommendations from the Audit Committee to the Board of Commissioners.
5. The proposal for the appointment of PA and/or PAF submitted by the Board of Commissioners considers the recommendations of the Audit Committee, by taking into account:
 - a. Independence of PA, PAF, and staff of PAF;
 - b. Scope of audit;
 - c. Audit services fee;
 - d. Expertise and experience of PA, PAF, and audit team of PAF;
 - e. Audit methodology, techniques, and tools used by PAF;
 - f. Benefits of fresh eye perspectives that will be obtained through the replacement of PA, PAF, and audit team of PAF;
 - g. Potential risks for using audit services by the same KAP consecutively for a long period of time; and/ or
 - h. Evaluation of the implementation of audit services on annual historical financial information by PA and PAF in the previous period.
6. BCA reports the appointment of PA and/or PAF regarding the audit of annual historical financial information by using the form contained in the attachment (OJK Circular Letter No.36/SEOJK.03/2017 concerning Procedure for Use of the Services of Public Accountants and Public Accounting Firms in Financial Service Activities), by attaching:
 - a. The documents for the appointment of PA and/ or PAF, among others, the Summary of Minutes of General Meeting of Shareholders or Minutes of General Meeting of Shareholders, Work Agreement between BCA and PAF.
 - b. Recommendations of the Audit Committee and considerations used in providing recommendations for the appointment of PA and/or PAF.

Effectiveness of External Audit Implementation

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

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

The AC evaluation report is submitted by the Board of Directors of BCA by using the form contained in the attachment (OJK Circular Letter No.36/SEOJK.03/2017 concerning Procedure for Use of the Services of Public Accountants and Public Accounting Firms in Financial Service Activities) and signed by the Audit Committee.

2020 Audit Fees

KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) was appointed as BCA's auditor to audit BCA's financial statements for the year ending December 31, 2020, with the service fee of Rp7,580,000,000.- (seven billion five hundred and eighty million rupiah) excluding VAT.

Other Services Provided by PAF/PA Beyond Audit

In 2020, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) also provided services for validating the implementation of PSAK 71, and services for reviewing the internal audit function, with the service fee of Rp562,000,000.- (five hundred and sixty two million rupiah) excluding VAT and Rp850,000,000.- (eight hundred and fifty million rupiah) including VAT.

Information regarding PAF and PA that performed audit services of BCA for the past 5 (five) years, as follows:

	2020	2019	2018	2017	2016
Public Accounting Firm	Tanudiredja, Wibisana, Rintis & Rekan	Tanudiredja, Wibisana, Rintis & Rekan	Tanudiredja, Wibisana, Rintis & Rekan	Tanudiredja, Wibisana, Rintis & Rekan	Siddharta Widjaja and Rekan
Public Accountant	Jimmy Pangestu	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Kusumaningsih Angkawijaya

4. Implementation of Risk Management

BCA is applying the risk management and internal control system effectively in accordance with objectives, policies, the size and complexity of its business activities. The Board of Commissioners and the Board of Directors of the BCA responsible for the implementation of risk management and internal control system in BCA, and its Subsidiaries as part of BCA Financial Conglomerate.

In ensuring the implementation of effective risk management, the bank has guidelines that are in accordance with the requirements and procedures set by the regulator and refers to international best practices. BCA has The Basic Risk Management Policy based on Board of Directors Decree No. 126/SK/DIR/2017 Dated October 3rd 2017 dan The integrated risk management policy based on Board of Directors Decree No. 178/SK/DIR/2015 dated December 10th 2015. Both policies are in accordance with OJK Regulation No. 18/POJK.03/2016 concerning Application of risk management for commercial bank and OJK Regulation No. 17/POJK.03/2014 concerning Implementation of Integrated Risk Management for Financial Conglomerates.

Overview of the Company's Risk Management System

In the process of risk management, BCA has implemented the Integrated Risk Management Framework. This framework is used in the determination of organizational

strategies, policies and procedures, and risk management infrastructure to ensure that all risks faced by the BCA can be identified, analyzed, evaluated, monitored, and reported correctly.

The implementation of BCA risk management includes:

1. Active supervision of the Board of Commissioners and Board of Directors.

The implementation supervision of the Board of Commissioners and Board of Directors are conducted in accordance with the duties and responsibilities in the Corporate Governance Guidelines on the Application of Risk Management. The board of Commissioners actively maintaining the communication with the board of Directors to provide advice on strategic steps in the application of risk management in the BCA.

a. Supervision by Board of Commissioners assisted by Risk Oversight Committee (ROC), aims to ensure the existing risk management framework has provided adequate protection against all BCA's risks and has the main duty:

- 1) To provide recommendations and opinions in an independent professional manner regarding the suitability of policies with the implementation of risk management policies.
- 2) Monitor and evaluate the implementation of the duties of the Risk Management Committee (RMC) and risk management unit.

b. Supervision by Board of Directors assisted by:

- 1) RMC specifically tasked with providing recommendations to the Board of Directors which at least includes:
 - Draw up policies, strategies, and guidelines for risk management implementation.
 - Improve the implementation of management based on the results of evaluation on the implementation of effective risk management processes and systems.
 - Determine other matters pertaining to business decisions that deviate from normal procedures (irregularities).
- 2) Integrated Risk Management Committee (IRMC) specifically tasked with providing recommendations to the Board of Directors which at least includes:
 - The preparation of integrated risk management policies.
 - Improvement of completion of integrated risk management policies based on the results of the implementation evaluation.
- 3) Another committee that is tasked to handle risk more specifically, among others, the Credit Policy Committee , Credit Committee as well as Asset and Liability Committee (ALCO).

2. The adequacy of risk management policies and procedures and risk limits.
 - a. BCA has managed risks and ensure the availability of policies and determination of risk limits supported by procedures, reports and information systems that provide accurate and timely information and analysis to management, including determining steps to deal with changing market conditions.
 - b. BCA has ensured that in the process of compiling work systems and procedures it has taken into account both the operational and business aspects and the level of risk that may occur in a work unit.
 - c. BCA has the Basic Policy of Risk Management (KDMR) and the Basic Policy of Risk Management Integrated (KDMRT) as the main guidelines in the implementation of risk management in the BCA. The provisions set forth in KDMR and KDMRT include:
 - 1) Framework of the risk amangement application of each type of risk.
 - 2) Report of the risk management application.
 - 3) The application of consolidated risk management.
 - 4) The application of integrated risk management
 - d. The implementation of the review of the policies, procedures, and risk management framework are conducted periodically in accordance to the needs of the BCA and the laws and regulations that apply.

3. The adequacy of the process of identification, analyzes, evaluate, and control of risk as well as risk management information system.
 - a. BCA has adequate procedures for the identification, analyze, evaluate, and control of risk as well as risk management information system. Monitoring risk exposures on an ongoing basis by SKMR.
 - b. SKMR has been formed to ensure BCA and its subsdiary company in an integrated manner to mitigate risks properly through the identification, measurement, monitoring, control and reporting in accordance with risk management framework and be able to face an emergency that threatens going concern of BCA.
 - c. BCA has built a technology-based information system, which is an Integrated Risk Management Information System (IRMIS) application that will be used to prepare:
 - BCA Risk Profile Report (LPR BCA).
 - Integrated Risk Profile Report (LPRT).
 - Integrated Capital Adequacy Report (LKPT).

The implementation of the review of the risk management information system is conducted periodically to adjusted the needs of the BCA and the laws and regulations that apply

4. Internal control system comprehensively.

Risks Faced and Managed

In accordance with OJK Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates and OJK Circular Letter No. 14/SEOJK.03/2015 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, BCA becomes the Main Entity of the BCA's Financial Conglomerate, which integrates the managing of 10 (ten) types of risks, as follows:

1. Credit Risk

- a. Risk organization continues to be refined by referring to the four eyes principle where credit decisions are taken from two sides, namely business development, and credit risk analysis.
- b. BCA has a basic bank credit policy (KDPB) which is constantly refined in line with BCA's development, regulatory provisions and in accordance with the prudential banking principles and international best practices.
- c. Improvement of credit risk management system and procedures is carried out through the development of a "Loan Origination System on the workflow of crediting process (from beginning to end) so that an effective and efficient credit process can be achieved. The development of a debtor risk profile measurement system continues to be developed so that it can be applied as a whole, as well as the process of building a credit database that continues to be carried out and refined.
- d. To maintain credit quality, monitoring continues to be carried out regularly, both in the credit category (corporation, commercials, small and medium Enterprises (SME), Consumers and Credit Cards), the industrial sector and the overall credit portfolio and branches that have SME/KPR Credit Card with a DPK 30+ ratio (overdue > 30 days) and a high NPL, close monitoring and control of authority is carried out so that the branch can focus on improving credit quality.
- e. BCA has developed credit risk management by conducting stress testing analysis of the loan portfolio and monitoring the results of the stress testing. In response to conditions of market changes and economic turmoil, BCA periodically conducts stress testing analysis. Stress testing is useful for BCA as a tool to estimate the magnitude of the risk impact on "stressful conditions" so that the Company can make appropriate strategies to mitigate these risks as part of implementing the "contingency plan".
- f. In the context of monitoring and controlling credit risk that occurs in subsidiaries, BCA has regularly monitored the credit risk of subsidiaries, while ensuring that the subsidiaries have a good and effective Credit Risk Management Policy.
- g. BCA has already implement the Early Warning System (EWS), followed by credit provisions in accordance with the latest provisions of the regulator and the development of the credit business with due attention to the credit business and to the principles of prudence and BCA's risk appetite.

- h. In 2021, the focus will be on developing a credit scoring system with a more advanced analytics to support sustainable credit growth.
- i. BCA has also developed a policy regarding of restructuring of credit for borrowers who affected by COVID-19 with reference to the OJK regulation No. 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy on The Impact of The Spread of Coronavirus Disease 2019, through the mechanism of:
 - 1) Determination of credit quality and the criteria of the debtor that can be given to restructuring.
 - 2) Establish different restructuring scheme for each segment:
 - Productive Credit: providing grace period, extension of the tenor and interest rate reduction.
 - KPR: an extension of the tenor, providing grace period and interest rate reduction.
 - KKB: postponement of installment payments and the option of an extension of the tenor.

2. Market Risk

- a. In managing foreign exchange risk, the BCA centralizes the management of Net Open Position (NOP) in the Treasury Division, which combines daily NOP Reports from all branches. In general, each branch must close its foreign exchange risk at the end of each working day, even though there is a PDN tolerance limit for each branch depending on the amount of foreign exchange transaction activity in the branch. BCA makes daily NOP Reports that combine PDN in consolidated and administrative account financial position reports (off-balance sheet accounts).
- b. To measure foreign exchange risk, BCA uses the Value at Risk (VaR) method with the Historical Simulation approach for internal reporting purposes, while for the calculation of reporting on the Minimum Capital Provision Obligation, the Company uses standard methods in accordance with regulatory provisions.
- c. ALCO regularly monitors market developments and adjusts deposit and credit interest rates.
- d. BCA deposits and credit interest rates based on market conditions and competition by monitoring the movement of the benchmark interest rates and interest rates offered by competing banks.
- e. In order to anticipate the impact of the pandemic COVID-19 to market risk, BCA has taken several steps which is to analyze and review the policy of risk weights to anticipate market risk which is reflected from the increased volatility of the exchange rate USD to IDR, as well as doing a stress test for the position of Trading and AFS.

3. Liquidity Risk

- a. BCA attaches great importance to safeguarding the adequacy of liquidity in fulfilling its commitments to customers and other parties, both in terms of providing credit, repaying customer deposits, and for meeting operational liquidity needs. The overall management function of liquidity needs is carried out by ALCO and operationally by the Treasury Division.
- b. The measurement and control of liquidity risk is carried out by:
 - 1) Monitoring liquidity reserves and liquidity ratios such as Loan to Funding Ratio (LFR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
 - 2) Analyzing maturity profiles, cash flow projections.
 - 3) Stress test regularly to see the impact on BCA's liquidity in the face of extreme conditions. The company also has a contingency funding plan to deal with these extreme conditions.
- c. BCA has implemented provisions related to liquidity in accordance with regulatory provisions that require the Bank to maintain Rupiah liquidity (Statutory Reserves/GWM) both on daily basis and on average for a certain reporting period:
 - 1) Primary GWM and RIM Demand Deposits (Macroprudential Intermediation Ratio) in the form of Rupiah demand deposits at Bank Indonesia.
 - 2) PLM (Macroprudential Liquidity Buffer) in the form of SBI, SDBI, and SBN.
 - 3) Foreign currency GWM in the form of foreign currency demand deposits at Bank Indonesia.
- d. In order to anticipate the impact of the pandemic COVID-19 against the liquidity risk, BCA has taken several steps among others:
 - 1) Improving monitoring changes of secondary reserves and other liquidity ratios to ensure adequate liquidity and Early Warning Indicators (EWI) as the leading indicator of liquidity risk.
 - 2) Simulation of liquidity risk stress testing.
 - 3) Increasing the frequency Meeting of ALCO to review the funds rate and credit.

4. Operational Risk

- a. A reliable and effective Operational Risk Management is a key factor in maintaining BCA's position as the leading transaction bank in Indonesia. BCA faces operational risks caused by human errors, insufficient internal processes, system failures, and or external events.

To manage, mitigate, and minimize operational risks, BCA has an Operational Risk Management Framework, and has implemented the Operational Risk Management Information System (ORMIS), a web-based application that consists of several tools and methodology, as follows:

- 1) Risk Control Self Assessment (RCSA) to all branches /regional offices and to work units/divisions at the Head Office that are considered to have significant operational risks. One of the objectives of RCSA implementation is to instill a

risk culture and increase risk awareness which is the main requirement in risk management.

- 2) Loss Event Database (LED) as a database of cases of losses related to operational risk that occur in all Branch/Regional Office and Work Unit/Division at Head Office. The main purpose of implementing LEDs is as a means of recording operational losses that will be used in calculating the capital burden allocation for operational risks, continuous monitoring of events that can cause operational losses for BCA, and to analyze cases or problems encountered, so that corrective/preventive actions can be taken to minimize/mitigate the risk of operational losses that may arise in the future.
 - 3) Key Risk Indicator (KRI) which is an application used to provide an indicator as a means to be able to provide an early warning sign of the possibility of an increase in operational risk in a work unit. This KRI is also further developed as Predictive and Risk Management which can assist the Work Unit in monitoring risk exposures.
- b. In accordance with regulators provisions regarding the Minimum Capital Provision Obligation, in calculating BCA's capital adequacy ratio (CAR), BCA has allocated capital for the provision of losses from operational risk using the Basic Indicator Approach, excluding capital allocation for reserve losses from credit risk and market risk.
 - c. With the enactment of the calculation of ATMR for Operational Risk using the standard approach by the regulator, the bank has conducted a gap analysis and prepare the things that need to be done in order to meet the specified requirements by the Regulator.
 - d. To ensure that BCA can serve 24 hour and seamless banking transactions, the Company runs 2 (two) data centers in redundancy designed to ensure business continuity in the event of a system failure in one of the two data center locations. In addition to 2 (two) data centers that work in mirroring, BCA also has a Disaster Recovery Center (DRC) in Surabaya. At present the Surabaya DRC continues to be developed as part of the Bank's Business Continuity Management and is designed to be able to operate as a Crisis and Command Center in the event of a disruption or natural disaster in the Jakarta area which causes the data center in Jakarta to be inoperable.
 - e. BCA also has a Secondary Operation Center ready for use in the event of a disturbance/ disaster in the building/work location of BCA's Critical Work Unit.
 - f. In order to support government programs in anticipation of the spread of COVID-19 to continue and to prioritize the safety and comfort of the customer in the transaction, without neglecting the health of customers and workers, then the BCA do the following things:
 - 1) Improve the experience of customers in the trade in the digital world, with the initiative here:
 - a) Cardless Banking

- b) Digital Account Opening
 - c) QR Payment
 - d) Omni Channel, which is an integrated individual data between electronic channels BCA
- 2) Developed infrastructure in order to support Work From Home (WFH) for workers according to the rules from the government without neglecting support for the customer in the transaction.
- g. Security awareness done on a routine basis to all workers and management BCA in the form of e-learning, videos, infographics, and simulated phishing email. As a form of awareness BCA to the security of the client and to provide the best service to the customer, the bank also conducts webinars on cybersecurity to the customer.
- h. In order to minimize the risk of impact of the pandemic COVID-19 BCA also do the following, among which:
- 1) Socialization to the workers regarding the information related to COVID-19, a plea to anticipate the spread of COVID-19 and the preventive measures that can be done. In addition, also provided call center as a means for workers who need information related to COVID-19.
 - 2) Protecting the environment/work area for workers and customers:
 - a) Perform measurements of the body temperature at the time of entering the building BCA.
 - b) Enhancement of the sanitation facilities and infrastructure.
 - c) Providing hand sanitizer.
 - d) Conducted self assessment alongside workers/guests (unless the customer) that will fit into the work area BCA.
 - e) Conducted assessment for workers who want to travel.
 - f) Social distancing in office area and lift.
 - g) Forbidding cross building activities
 - 3) Regulating the activities at the office office:
 - a) Conducted split operation for workers in home office/branch office who related to transactions operational customer service.
 - b) Work From Home (WFH) alternately for the workers of the home office/branch office in accordance with the conditions and needs.
 - c) Postpone or conduct with conference call/video conference for those face-to-face activities involving many people, such as meeting and training.
 - d) Restrictions/adjustments service hour in the branch office, the weekend service banking, and closing some of the KCP/ Cash Office/Car Cash
 - e) Office hours arrangement for workers who are WFO:
 - Flexi time: KP non Operational.
 - Go Home Early: KP Operasional/ Regional/Branch Office (work hours beyond 16:00 and requires permit from work unit head).

Arrangements of the activity in the office is made to keep security under control to minimize the risks that may arise in connection with the implementation of the policy Work From Home (WFH) and the adjustments of the other internal working process.

5. Legal Risk

- a. Inherent Legal Risk is assessed based on the potential loss of cases that occur in BCA and Subsidiary Companies that are in the process as well as those that have been completed in court compared to capital on a consolidated basis. The parameters used to calculate the potential losses for cases currently in process in the court are the basis of the claim (case position), case value, and legal documentation. Meanwhile, the parameters used to calculate losses from a claim are losses suffered by the Company and Subsidiaries based on court decisions that have permanent legal force.
- b. To identify, measure, monitor and control legal risk, the Company has established a Legal Group at the Head Office and Legal Work Unit in all Regional Offices.
- c. In order to mitigate legal risk, the Legal Group has done, among others:
 - 1) Creating a Legal Risk Management Policy, has internal provisions governing the organizational structure and job description of the Legal Group as well as standardizing legal documents.
 - 2) Hold legal communication forums to improve the competence of legal staff.
 - 3) Disseminating the impact of the new regulations in force on the Company's banking activities and various modus operandi of banking crimes and legal handling guidelines for branch officials, Regional Offices and related Head Office work units.
 - 4) Conduct legal defense of civil and criminal cases involving the Company that is in the process in court and monitor the progress of the case.
 - 5) Prepare a strategy for credit security strategies (in collaboration with other work units, including the Credit Rescue Unit) in connection with the problem of bad credit.
 - 6) Registering the assets of BCA, including Intellectual Property Rights (IPR) for BCA's banking products and services as well as rights to land and buildings owned by BCA at the competent authority.
 - 7) Monitor and carry out legal actions for violations of BCA's assets including violations of BCA's Intellectual Property Rights (IPR).
 - 8) Monitor and analyze cases currently in process in court faced by BCA and Subsidiaries.
 - 9) Conduct an inventory, monitor, analyze and calculate potential losses that may arise related to legal cases that occur.

6. Reputational Risk

- a. An assessment of reputation risk is carried out using parameters such as the number of complaints and negative publications as well as the achievement of complaints.
- b. Developing Infrastructure i.e. implementation the appropriate software and hardware (including: Halo BCA - 24-hour Telephone Service, BCA CRM Contact Center, Halo BCA Mail Application, Interactive Voice Response [IVR], Social Media Manager Application, Halo BCA Chat Service through www.bca.co.id), the development of procedures and better work management in order to facilitate monitoring and management information systems that allow speed and quality of organizational work.
- c. Reputation Risk is managed based on regulatory provisions

7. Strategic Risk

- a. Inherent strategic risk assessment is carried out using parameters such as the suitability of the strategy with the conditions of the business environment, low risk strategies and high risk strategies, BCA's business position and the achievement of the Bank's Business Plan
- b. Quality assessment on strategic risk management is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, and the adequacy of risk control system.

8. Compliance Risk

- a. Compliance risk is a type of risk that must be managed by the Company, considering that this risk can cause both financial and non-financial losses.
- b. In accordance with OJK Regulation No.46/ POJK.03/2017 dated July 12, 2017 concerning the Implementation of Commercial Bank Compliance Function, BCA has appointed a member of the Board of Directors as Director in charge of the compliance function, who is responsible for ensuring compliance and minimizing compliance risk by formulating compliance risk management policies and procedures and monitors the implementation. In carrying out its duties, the Director in charge of the compliance function is assisted by the Compliance Unit (CU) which is independent of the operational work unit.
- c. In assessing inherent compliance risk, the parameters used are the type and significant of violations committed, frequency of violations committed or track records of compliance, and violations of provisions for certain financial transactions. In addition, CU is also responsible for the implementation of the Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT), including being responsible for conducting risk assessments on the implementation of the AML and CFT program according to regulatory provisions.

- d. BCA has compliance policies and procedures, which include, among other things, a process to always adjust the provisions and internal systems with applicable regulations, communicate provisions to related employees, conduct a review of new products activities conduct periodic compliance tests, and train employees. The results of supervision of the Compliance Director are reported quarterly to the President Director with a copy to the Board of Commissioners.
- e. To increase efficiency and effectiveness in the process of managing regulatory provisions, BCA makes use of information technology or what is known as Regulatory Technology (RegTech).
- f. In order to support the bank's strategic positioning as a transactional bank, specifically related to preventing money laundering and terrorism funding, the Company uses a web-based application called STIM (Suspicious Transaction Identification Model) and has developed a system for cutting edge application and parameter updates to detect suspicious transactions.
- g. The Company also screens customer data and transactions related to the List of Terrorist and Terrorist Organizations (DTTOT) and the List of Funding for the Proliferation of Mass Destruction Weapons (DPPSP) issued by the competent authority whenever an account is opened, when BCA enters business relations, and changes to the list are identified.

9. Intra-Group Transaction Risk

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

10. Insurance Risk

- a. The inherent insurance risk assessment is carried out using parameters such as technical risk, insurance risk domination of the overall business line, product risk mix and types of benefits, and reinsurance structure.
- b. Quality assessment application of insurance risk management is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, and the adequacy of the risk control system.

Review/Review Results on Management System Implementation Risk

Based on the results of self-assessment, BCA had a 'low to moderate' risk profile rating in 2020 both individually and when treated as an integrated entity with its subsidiaries.

The risk profile rating was the result of an assessment on “low to moderate” risk rating and the quality rating of the implementation of “satisfactory” risk management.

The risk ratings of the 10 (ten) types of risk assessed are as follows:

- a. Risks that were rated as “low” are Market Risk, Liquidity Risk, Legal Risk and Intra-Group Transaction Risk.
- b. Risks that had “low to moderate” risk level were Credit Risk, Operational Risk, Reputation Risk, Strategic Risk, Compliance Risk and Insurance Risk.

BCA was able to achieve “low to moderate” risk rating because the Company and its Subsidiaries had established a quite effective and efficient risk management process in all of its activities

- a. The trend of integrated inherent risk for the coming period is stable because it is estimated that there will be no significant changes in inherent risk. BCA’s Financial Conglomerate needs to pay close attention to the impact of the COVID-19 pandemic, which puts pressure on macroeconomic conditions because it can have an impact on BCA’s Financial Conglomerate business activities, however, it is estimated that the risk in all BCA’s Financial Conglomerate business activities will be able to be managed on a prudent basis.
- b. The quality of the implementation of risk management in the coming years will be stable because BCA and its Subsidiaries continuously adjust risk management in all their activities with more improvements allowing both to identify, measure, monitor and control any emerging risk.

BCA and its Subsidiaries have implemented integrated risk management covering all risks that may directly or indirectly affect its business sustainability. What BCA and its Subsidiaries aim is that they can manage risk better and determine risk appetite and risk tolerance in accordance with the complexity and characteristics of the business.

BCA’s and its Subsidiaries’ risk management policies are continually updated to remain compliant with all applicable regulations, the direction of Basel II and III Accord development, prudential banking principles and global best practices. BCA’s Financial Conglomerate will continue to attend closely to economic situation and to latest development in the banking industry

Statement on the Adequacy and Effectiveness of the Risk Management System

The Board of Commissioners is assisted by the Risk Oversight Committee plays an active role in monitoring and evaluation of the implementation of the risk management system has been done by the Board of Directors. The Board of Directors continues to evaluate the effectiveness of the risk management system in BCA periodically based on the applicable policy and risk management procedure, the adequacy of the risk management information system, and risk exposures report and the risk profile BCA. Based on the

results of the evaluation submitted by the management, the Board of Commissioners considered that the risk management system in BCA is adequate and effective.

Internal Control System

BCA implements the monitoring mechanism formed by the management in a sustainable manner adapted to the purpose, the size and complexity of the business activities of the BCA and based on the requirements and procedure as set out by the regulator. BCA's internal control system abides by OJK Circular Letter No. 35/SEOJK.03/2017 dated July 7, 2017 on Internal Control System Standard Guidelines for Commercial Banks.

The Purpose of Internal Control System

The implementation of an effective internal control system in BCA aims to ensure:

- a. Compliance with laws and regulations as well as policy/ terms of internal.
- b. Completeness, accuracy, efficiency, and timeliness of the provision of financial information and management.
- c. The effectiveness and efficiency of operational activities.
- d. The effectiveness of the risk culture thoroughly.

In addition, to support OJK Regulation No. 17/POJK.03/2014 concerning Implementation of Integrated Risk Management for Financial Conglomerates, BCA sets up a internal control system in a thorough manner against the application of integrated risk management to ensure:

- a. Compliance with internal policies or conditions and relevant regulations and laws;
- b. Financial and management information is fully available, accurate, appropriate, and timely; and
- c. The effectiveness of risk culture in the organization of a Financial Conglomerate thoroughly.

The Framework of Internal Control System

BCA applies three lines model framework to support the development of credible risk management and governance. The application of the three lines model principle to the BCA is as follows:

1. Management

The Board of Commissioners and its Supporting Committees, among others, ensure:

- a. Structures and processes are adequate and available for the implementation of effective governance.
- b. The purpose and activities of the organization have been aligned with the interests of the main stakeholders.

2. Board of Directors, First Line, and Second Line

The responsibility of the Board of Directors includes the role of first-line and second-line. First line is responsible for providing products and services to the customer, including managing associated risks. Second-line role is to provide support related to the management of risk, including the responsibility for enterprise risk management, among others, by the Director of Compliance and Risk Management, the Risk Management Unit (SKMR), and Compliance Unit (SKK).

3. Internal Audit Division

The Internal Audit Division provides independent and objective assurance and advice on the relevance and effectiveness of governance, risk management and internal control processes. The Internal Audit Division informs the Board of Directors, the Audit Committee, and the Board of Commissioners of the results of the audit.

In fulfilling its role, all lines communicate and collaborate in a periodic manner, as well as contributing to creating and maintaining values to be aligned with stakeholder interests.

Main Components of Internal Control System

BCA's Internal Control consists of 5 (five) main components that are consistent with the Internal Control Integrated Framework that has been developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) which are:

1. Management Oversight and Control Culture.
2. Risk Identification and Assessment.
3. Control Activities and Segregation of Duties.
4. Accountancy, Information and Communication System.
5. Monitoring Activities and Correcting Deficiencies.

Implementation of Internal Control

Based on the framework and components of internal control that has been compiled, BCA implement internal controls to ensure the adequacy of financial control, the effectiveness and efficiency of operations, as well as compliance with applicable laws and regulations.

Internal control is implemented through several activities, namely:

1. Financial Control

- a. 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 (three) year business strategy which include Annual Work Plan and budget of BCA, which have been distributed to all relevant officers of BCA in order to be implemented.
- b. The strategies have been established by factoring in any impact of strategic risk on BCA's capital, in among other areas, capital projections and the Minimum Capital Requirement.

- c. 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 BCA's business strategic objectives.
- d. BCA has implemented a financial control process, both on BCA and on the members of BCA's Financial Conglomerates, in order to monitor the realization against the budget as drafted in periodic reports. BCA has established a subsidiary monitoring unit to monitor the performance development of each of its subsidiaries.
- e. BCA has ensured that all policies and accounting standards updated periodically in accordance with the provisions and regulations.

2. Operational Control

To support comprehensive operational risk control, BCA has implemented the following:

- a. Established an organizational structure as follows:
 - 1) Segregation of duties to avoid conflict of interest.
 - 2) Supervisor oversees the implementation of internal control at Branch Offices on daily basis.
 - 3) Branch Internal Supervisor to oversee the implementation of internal control at Branch Offices.
 - 4) Regional Office/Internal Supervisor to oversee the implementation of internal control at Regional Offices.
 - 5) Head Office internal supervisor to oversee the implementation of internal control in certain work units at Head Office.
 - 6) 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 BCA or for members of BCA's Financial Conglomerates.
 - 7) Risk Management Work Unit and Compliance Work Unit that are independent of risk-taking units.
 - 8) Anti Fraud Bureau to improve the effectiveness of Anti Fraud strategy implementation on all activities of BCA.
- b. Each banking operational transaction that BCA 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.
- c. Established employee rotation and transfer policies.
- d. Imposing a limit and authorization for officers to conduct a transaction.
- e. Have an information security policy, such as: Utilizing User IDs and passwords as well as installing finger scan for employees to access computers.

3. Compliance to law and regulation, whereby

- a. BCA is committed to comply with the prevailing laws and regulations and take the necessary steps to improve weaknesses found regarding risk, if any.
- b. BCA has established a Compliance Work Unit independent of risk-taking units and is responsible for monitoring the compliance of BCA and its subsidiaries in an integrated manner.
- c. BCA has:
 - 1) Monitoring on Reporting Compliance to BI or OJK or other regulators.
 - 2) Compliance Report of BCA, including Report on the Implementation of AML and CFT Program to be submitted to the OJK every 6 (six) months.
 - 3) Compliance Monitoring Report on the Prudent Principles of BCA, including Report on the implementation of AML and CFT Program to be submitted to the Board of Commissioners, President Director and Deputy President Director every 3 (three) months
- d. BCA's Compliance Risk Management Strategy involves the necessary policies to always comply with applicable regulations which means proactively taking preventive measures (exante) to minimize the possibilities of violations and conducting curative actions (ex-post) for improvements.

Evaluation of Internal Control System

The Board of Directors is responsible for ensuring the application of the internal control system to achieve BCA objectives. The Board of Commissioners assisted by the Audit Committee is also responsible to supervise the implementation of the internal control system in BCA.

To assess the adequacy and effectiveness of the BCA's internal control system, during 2020 BCA carried out follow-up and remediation activities, including:

1. BCA continuously evaluates and monitors the effectiveness of the overall implementation of internal control, including in cases where changes in internal and external conditions that may keep BCA from achieving its goals are identified.
2. Monitoring is prioritized on BCA's key risks and serves as part of daily activities, including through periodic evaluations to detect and prevent new risks, both by operational work units, risk monitoring work units, and by the Internal Audit Division.
3. The adequacy and effectiveness of the internal control system is evaluated independently by the Internal Audit Division and the results are reported to the Boards of Commissioners and Directors, and the Audit Committee.

5. Provision of Funds to Related Party and Large Exposure

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

Lending Policy to the Board of Directors and the Board of Commissioners

BCA has policies related to loans for the Board of Directors and the Board of Commissioners, which are regulated in:

1. Credit Provision Guidance for Small & Medium Enterprises, Commercials, Corporates, and Consumers;
2. Policy regarding Credit Approval Mechanism to Related Parties; and
3. The Basic Bank Lending Policy of PT BCA Tbk (KDPB) published on July 22, 2019 (hereinafter referred to as “The Lending Policy for Board of Directors and Board of Commissioners”)

The Lending Policy of the Board of Directors and Board of Commissioners regulates that the credit loans to the Board of Directors and the Board of Commissioners are granted:

1. on the basis of the fairness principle or arm’s length basis; and
2. at market interest rates.

Policy on Provision of Funds to Related Parties

Provision of funds to related parties and to debtors in large exposure is always carried out with due regard to the prudence principle, through a review process and mechanism in accordance with BCA policies and fulfilling the OJK provisions and prevailing laws and regulations, including the Legal Lending Limit (LLL). In addition, the provision of funds to related parties must be decided by the credit decision officer and obtain approval from the Board of Commissioners.

Implementation of Provision of Funds to Related Parties in 2020

During 2020, BCA has implemented a policy of provision of funds to related parties, large exposure, and lending to the Board of Directors and the Board of Commissioners in accordance with applicable regulations, which must meet, among others the following conditions:

1. Provision of funds to related parties shall not conflict with the general lending regulations and procedures and must generate reasonable profits for BCA.
2. The credit terms to related parties policy, particularly in regard to credit interest rates and the form or type of loan shall still comply with general credit regulation at BCA.

Provision of Funds to Related Parties and to Main Debtors individuals and Groups (Large Exposure) at BCA during 2020:

Fund Provisioned	Total	
	Debtors/Group	Nominal (Rp)
To Related Parties	553	8,052,576,179,617
To Main Debtors:		
a. Individual	50	142,954,539,368,656
b. Group	30	203,391,293,789,214

6. Strategic Plan

The Board of Commissioners and Board of Directors continuously build active communication to align their views with the business strategy of BCA in the banking sector. The Board of Commissioners is responsible for directing, monitoring and evaluating the implementation of strategic policies of BCA and providing advice to the Board of Directors in accordance with the aims and objectives of BCA's Article of Association.

Every year the Board of Directors has a major role in the development and review process, monitoring and supervising the company's strategy and its implementation in accordance with internal policy and regulatory provisions. During 2020, the Board of Directors reviewed, monitored, and supervised the implementation of company's strategy through Joint Meeting of Board of Directors and Board of Commissioners regarding the Strategic Plan and related work unit.

Strategic Priorities & Projection 2021

The Bank closely monitors the developments of its external and internal conditions to determine strategic plans for 2021. With several uncertainties ahead, BCA will act prudently while maintaining optimism by prioritizing liquidity and adequate capital, especially amidst the increasing credit risk.

Entering 2021, in line with the forecast of gradual economic recovery, BCA projects moderate growth targets. Growth in third party funds and loans is targeted at 4.0-6.0%. BCA strives to maintain ROA ratio of above 3.2%-3.3%, ROE between 16.0%-17.0% and a relatively stable CAR level of 24.0%-25.0%.

BCA is committed to continue various initiatives and investments in strengthening the Bank's franchise value. Align with the growing diversification in customer preference for online services, BCA will continue to strategically focus on strengthening relationships with its customers, based on three main pillars: strengthening payment settlement services, lending and developing comprehensive solutions & services.

1) Strengthening transaction banking franchises through payment settlement services

BCA consistently continue to strengthen payment settlement services, which are main engine of BCA's core transaction banking business. This strategic initiative has resulted in stable and sustainable growth in current and savings accounts (CASA).

The limitations of out of home activities during the pandemic have accelerated the shift of customers behavior to digital services, as reflected in the significant increase in number of transactions performed through BCA mobile and internet banking platforms.

As such, BCA will continue to improve the features and facilities of its digital banking products & services to increase convenience for customers in making transactions. The Bank's main orientation will focus on creating a broad and integrated payment ecosystem, including through collaborations with fintech and e-commerce companies. BCA also focus to grow its customer base, which is one of the crucial factor to support the Bank's business growth and payment transactions. In supporting this, BCA will improve its digital on-boarding initiatives for new customer acquisitions.

All of these initiatives are carried out with the support of solid information technology infrastructure and highly reliable system security in conducting transactions.

2) Lending

In the dynamic economic condition and the challenges presented by COVID-19 pandemic that will likely have impact in 2021, BCA continue to stay prudent in lending disbursement, by balancing its targeted credit growth with credit quality.

BCA will continue to prioritize lending to customers with good track records and adhere to the principle of prudent lending by implementing disciplined risk management. One way is by implementing credit diversification, to mitigate credit risk and by closely monitoring developments of the debtors' credit quality, especially for restructured loans. BCA will continue to explore new business potential, by utilizing data optimization and deepening processes from potential industries and existing customers, as well as through exploring the business potential of debtors' networks.

The Bank continues to strengthen its credit infrastructure by taking advantage of technological developments to accelerate credit approval and the debtor acquisition process.

3) Developing Comprehensive Solutions and Services

The growing customers' needs have encouraged BCA to continuously innovate to create more comprehensive financial solutions. BCA collaborates in providing and marketing financial products & services together with its subsidiaries engaged in: (i)

vehicle financing (BCA Finance and BCA Multi Finance); (ii) Islamic banking (BCA Syariah); (iii) brokerage and investment management services (BCA Sekuritas); (iv) insurance (BCA General Insurance and BCA Life Insurance); (v) remittance (BCA Finance Ltd); and (vi) venture capital (PT Central Capital Ventura) including a new subsidiary, PT Bank Digital BCA, scheduled to start its business operation as a digital bank in 2021.

The variety of financial products and services complement the Bank's core business of transaction banking and provide an array of cross selling opportunities to support the Bank's overall performance. BCA continues to provide support to subsidiaries in the form of gradual capital injection, based on the subsidiaries' business development plan, and to provide support through collaboration for the development of capacity & capability related to service network and information technology.

7. Transparency of BCA Financial and Non-Financial Conditions Undisclosed in Other Reports

BCA has policies and procedures applying transparency in financial and non-financial conditions in accordance with OJK Regulation No. 37/POJK.03/2019 dated December 19, 2019 concerning Transparency and Publication of Bank Reports and OJK Regulation No. 29/POJK.04/2016 concerning Annual Report of Issuers or Public Companies. Information of financial and non-financial conditions of BCA have been stated clearly and transparently in several reports through printed media and BCA website, as follows:

Transparency of Financial Conditions

BCA has prepared and presented report on financial transparency according to procedures, type, and scope as stipulated in OJK Regulation and submitted monthly, quarterly, and annually according to the types of report.

1. Annual Report

- a. BCA has prepared and presented an Annual Report to OJK, shareholders, and other institutions as required or deemed necessary. Annual Report contains information as follows:
 - 1) Highlights of important financial data including an overview of shares, Board of Commissioners reports, Board of Directors reports, company profile, management discussion and analysis on business and financial performance, corporate governance, corporate social responsibility and sustainable finance.
 - 2) Annual Financial Statements audited by Public Accountant and Public Accounting Firm registered in OJK which is prepared for 1 (one) fiscal year and is presented in comparison with 1 (one) previous fiscal year, as well as the beginning of the previous comparative year.
 - 3) Responsibility statement of the Board of Commissioners and Board of Directors on the accuracy of the Annual Report, signed by all members of the Board of Commissioners and Board of Directors.

- b. Annual Reports (including Audited Annual Reports) have been posted on BCA website – www.bca.co.id and have been published through Indonesian newspapers that have wide circulation in Indonesia.

2. Quarterly Published Report

- a. BCA has announced Quarterly Published Report on newspapers and BCA website – www.bca.co.id, includes informed Financial Quarterly Published Report to OJK or stakeholders in accordance with the prevailing OJK Regulation.
- b. Announcement of Quarterly Published Report on BCA website including the Financial Quarterly Published Report and other reports, which are maintain for at least 5 (five) fiscal years.
- c. Announcement of Quarterly Published Report on BCA website including the Financial Published Report. The consolidation of BCA and its subsidiaries is carried out in 2 (two) newspapers and Financial Statement of Parent Company of BCA shall be published in 1 (one) newspaper. The selected newspapers are printed daily in Indonesian and have wide circulation in BCA's head office. The Financial Quarterly Published Report is signed by President Director and 1 (one) member of the Board of Directors.

3. Monthly Published Report

BCA has published its Monthly Published Report on the BCA website, and reported them to OJK in accordance with prevailing OJK Regulations

Transparency of Non-Financial Conditions

BCA has provided some reports related to transparency of non-financial conditions with procedures, type, and scope as stipulated in prevailing OJK Regulations, and provide and published other information related to non-financial conditions, as follows:

1. Published financial and non-financial conditions transparently to stakeholders, including Periodic Report of LLL to OJK, corporate governance information through Governance Implementation Report of BCA or published information in BCA website, and other transparent information of non-financial conditions in Analyst Meeting, Press Conference, Public Expose and Road Show, and BCA website in accordance with prevailing provisions.
2. Disclosed transparency of Ownership Structure in Annual Report and BCA website.
3. Published product information and/or BCA services clearly, accurate by, and up to date in accordance with OJK Regulations related to Transparency of Bank Product Information and Utilization of Customer Personal Data. This information can be easily obtained by customers through leaflets, brochures, or other written forms from BCA's branch offices in accessible locations, and/or in the form of electronic information provided through hotline service/call center or BCA's website.

4. Provided and informed procedures for customer complaints and dispute resolution for customers in accordance with OJK Regulations that regulate Customer Complaints and Banking Mediation, through the BCA website – www.bca.co.id. Furthermore, the mediation in order to settle complaints of BCA customers through complaints channel, which are BCA Branch Office or Halo BCA Contact Center 1500888 or email halobca@bca.co.id.
5. Provide internal reports that have been carried out completely, accurately, and in a timely manner, supported by adequate management of the information system. BCA has a reliably managed information system and supported by the competent of human resources, and an adequate IT security system capable to providing complete, accurate, and timely information to the Board of Directors to support the business decision making process.

B. Share Ownership for the Board of Directors and Board of Commissioners that Amounts to 5% or More of Paid-Up Capital

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

Table of Share Ownership of the Board of Directors amounting 5% or more as of December 31, 2020

Name	Share Ownership of members of the Board of Directors amounting 5% or more of paid-up capital to:			
	BCA	Other Bank	Non Bank Financial Institution	Other Companies
Jahja Setiaatmadja	-	-	-	√
Suwignyo Budiman	-	-	-	-
Armand Wahyudi Hartono	-	-	-	√
Tan Ho Hien/Subur/Subur Tan	-	-	-	-
Henry Koenaiifi	-	-	-	-
Erwan Yuris Ang	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Vera Eve Lim	-	-	-	-
Gregory Hendra Lembong	-	-	-	-
Haryanto T. Budiman	-	-	-	-
Remarks:	√ Have share ownership with amount up to 5% (five percents) or more.			

Table of Total BCA Share Ownership by the Board of Directors in 2020

Directors	Total Ownership at the Beginning of the Year (as of January 1, 2020)	Total Ownership at the End of the Year (as of December 31, 2020)
Jahja Setiaatmadja	8,007,628	7,905,463
Suwignyo Budiman	7,475,051	7,556,800
Armand Wahyudi Hartono	851,213	851,213
Tan Ho Hien/Subur/Subur Tan	2,773,326	2,849,792
Henry Koenaifi	1,041,883	908,098
Erwan Yuris Ang	1,251,720	1,269,131
Rudy Susanto	480,926	360,411
Lianawaty Suwono	183,694	174,186
Inawaty Handoyo ^{*)}	163,374	N/A
Santoso	237,324	264,593
Vera Eve Lim	57,348	115,201
Gregory Hendra Lembong ^{**)}	N/A	1,800
Haryanto T. Budiman ^{***)}	N/A	-

Information:

* Mrs. Inawaty Handoyo ended her term in the AGMS on April 9, 2020.

** Mr. Gregory Hendra Lembong assumes the position of Director based on OJK Letter No.13/KDK.03/2020 dated May 14, 2020.

*** Mr. Haryanto T. Budiman assumes the position of Compliance Director based on OJK Letter No.14/KDK.03/2020 dated May 14, 2020.

Table of the Board of Commissioners Share Ownership Amounted 5% or more of Paid-up Capital as of December 31, 2020

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

Note:

√ Owns shares amounted 5% (five percent) or more.

Table of the BCA Shareholding for the Board of Commissioners in 2020

Name	Total Ownership in the beginning of the year (as of January 1, 2020)	Total Ownership at the end of year (as of December 31, 2020)
Djohan Emir Setijoso	22,147,163	21,200,121
Tonny Kusnadi	1,175,285	1,217,653
Cyrrillus Harinowo	-	-
Raden Pardede	-	-
Sumantri Slamet	-	-

C. Affiliated Relationships

Affiliated relationships among members of the Board of Directors, the Board of Commissioners, and Major/ Controlling Shareholders are as follows:

- Affiliated relationship between members of the Board of Commissioners and other members of the Board of Commissioners, members of the Board of Directors, and Major and/or Controlling Shareholders.
- Affiliated relationship between members of the Board of Directors and other members of the Board of Directors, members of the Board of Commissioners, and Major and/or Controlling Shareholders.

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

Affiliated Relationships of Members of the Board of Directors

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

Table of Affiliated Relationships of the Board of Directors of BCA

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

Tan Ho Hien/ Subur or Subur Tan	Director	-	√	-	√	-	√	-	√	-	√	-	√
Erwan Yuris Ang	Direktur Independen	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Inawaty Handojo*	Director (concurrently Compliance Director)	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim	Director	-	√	-	√	-	√	-	√	-	√	-	√
Gregory Hendra Lembong**	Director	-	√	-	√	-	√	-	√	-	√	-	√
Haryanto T. Budiman***	Director (concurrently Compliance)	-	√	-	√	-	√	-	√	-	√	-	√

* Mrs. Inawaty Handojo ended her term in the AGMS on April 9, 2020.
** Mr. Gregory Hendra Lembong served as Director based on OJK Letter No.13/KDK.03/2020 dated May 14 2020.
*** Mr. Haryanto T. Budiman served as Compliance Director based on OJK Letter No.14/KDK.03/2020 dated May 14 2020.

Affiliated Relationships of Members of the Board of Commissioners

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

Table of Affiliated Relationships of the Board of Commissioners of BCA

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

D. Remuneration Policy

1. Procedure of Determination of Remuneration of Board of Commissioners and Board of Directors Procedure

Based on the resolution of BCA Annual GMS held in 2020, power and authority has been given to:

- The Board of Commissioners to determine the salary and other allowances for members of Board of Directors, taking into account the recommendation of Remuneration and Nomination Committee.

- b. The BCA majority shareholders to determine the salary and other allowances to be paid to members of Board of Commissioners.
- c. The BCA majority shareholders to determine tantiem distribution among members of Board of Commissioners and Board of Directors.

Scheme of Procedure of Proposal and Determination of Remuneration



2. Board of Directors’ Remuneration

Indicators for Determination Remuneration for Members of the Board of Directors

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

- 1) Performance of individual member of the Board of Directors.
- 2) Financial performance and reserve fulfilment as stipulated in Law No. 40 Year 2007 on Limited Liability Companies.
- 3) Fairness with peer group. d. The equality of positions within BCA and at several other similar banks, among others, in terms of assets and characteristics.
- 4) Consideration of BCA’s long term goals and strategy.

Remuneration Structure of Board of Directors

Remuneration packages and facilities received by the Board of Directors cover remuneration structure and details of the nominal amount, as specified in the table below:

Types of Remuneration and Facilities	Amount Received in 1 (One) Year			
	2020		2019	
	Number of People	In million Rupiah	Number of People	In million Rupiah
Salary, bonus, routine allowance, tantiem, and other non-natura facilities	12	464.414	11	456.602
Other facilities in the form of natura (housing, health insurance, etc) that :				
1. Can be possessed	-	-	-	-
2. Cannot be possessed	-	-	-	-
Total	12	464.414	11	456.602

3. Board of Commissioners' Remuneration

Remuneration Structure of Board of Directors

Remuneration packages and facilities received by the Board of Commissioners cover remuneration structure and details of the nominal amount, as specified in the table below:

Types of Remuneration and Facilities	Amount Received in 1 (One) Year			
	2020		2019	
	Number of People	In million Rupiah	Number of People	In million Rupiah
Salary, bonus, routine allowance, tantiem, and other non-natura facilities	5	132.750	5	134.313
Other facilities in the form of natura (housing, health insurance, etc) that :				
1. Can be possessed	-	-	-	-
2. Cannot be possessed	-	-	-	-
Total	5	132.750	5	134.313

E. Shares Option

There were no share options for Board of Directors, Board of Commissioners and/or Executive Officers during 2020.

F. Highest and Lowest Salary Ratios

Salary Ratio	2020	2019
The highest and lowest salary of employees ratio	22.97	25.37
The highest and lowest salary of the Board of Directors ratio	2.7	2.81
The highest and lowest salary of the Board of Commissioners ratio	1.62	1.62
The highest salary of the Board of Directors and highest salary of employees ratio	8.91	8.68
Ratio of Annual compensation of the President Director and median/ mean of the annual compensation of all employees (except the President Director)	90.22	94.05

G. Board of Commissioners' Meetings, Board of Directors' Meetings, and Joint Meetings

1. Board of Directors' Meeting

The disclosure of Board of Directors' meetings is based on the OJK Circular Letter No. 30/SEOJK.04/2016 concerning Form and Content of Issuers or Companies' Annual Report in Chapter III regarding the content of Annual Report, which stipulates that the Corporate Governance Report of Issuers or Public Companies contains a brief description of the policies and the frequency of meetings, including joint meetings with the Board of Commissioners, and the attendance of the individual members of the Board of Directors and Board of Commissioners in the meeting.

Meeting Policy

The Board of Directors Meeting Policy has been regulated in the Corporate Governance Guidelines Part B Chapter 4 concerning Guidelines and Code of Conducts of the Board of Director, which among others regulates:

1. Meeting Frequency
Meetings of the oard of Directors must be held at least 1 (one) time each month.
2. Scheduling and Meeting Materials
 - a. The Board of Direcotrs schedules meetings for the following year before the end of the financial year
 - b. Material for scheduled meetings must be submitted to meeting participants, no later than 5 (five) working days before the meeting is held.
3. Minutes of Board of Directors' Meeting
 - a. The results of the meeting of the Board of Directors must be stated in the Minutes of Meeting which are signed by all members of the Board of Directors who are present in the meeting.
 - b. Minutes of Board of Drectors' meetings that have been signed by all members of the Board of Direcotrs who attended the meeting must be distributed to all members of the Board of Directors.

Quorum and Decision Making

Decision making at Board of Directors' meeting is considered valid and binding if more than 1/2 (one half) of the total number of members of the Board of Directors are present or represented at the meeting. This provision is in accordance with article 13 paragraph 4 of BCA's Articles of Association.

Decisions are made by consensus agreement. If the deliberation does not reach consensus, then the decision is made based on agreed votes of more than ½ (one half) of the total number of valid votes cast at the meeting. All decisions taken at the Board of Directors' meetings are binding. Dissenting opinions that occur in the Board of Directors' meeting and the reasons thereof must be clearly stated in the minutes of meeting.

Implementation

Throughout 2020, the Board of Directors held 57 (fifty-seven) Board of Directors' meetings. BCA has fulfilled the provisions of the OJK Regulation on the minimum frequency of the Board of Commissioners' meetings.

Frequency of Attendance, Schedule and Agenda of the Board of Directors' Meetings

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	57	56	98%
Suwignyo Budiman	Deputy President Director	57	57	100%
Armand Wahyudi Hartono	Deputy President Director	57	53	93%
Henry Koenaifi	Director	57	57	100%
Tan Ho Hien/Subur or Subur Tan	Director	57	56	98%
Erwan Yuris Ang	Independent Director	57	49	86%
Rudy Susanto	Director	57	57	100%
Lianawaty Suwono	Director	57	56	98%
Santoso	Director	57	56	98%
Inawaty Handoyo*	Director (concurrently serving as Director of Compliance)	24	24	100%
Vera Eve Lim	Director	57	57	100%
Gregory Hendra Lembong**	Director	33	31	94%
Haryanto T. Budiman***	Director (concurrently serving as Director of Compliance)	33	30	91%

Information:

* Mrs. Inawaty Handoyo ended her term in the AGMS on April 9, 2020.

** Mr. Gregory Hendra Lembong assumes the position of Director based on OJK Letter No.13/KDK.03/2020 dated May 14, 2020.

*** Mr. Haryanto T. Budiman assumes the position of Compliance Director based on OJK Letter No.14/KDK.03/2020 dated May 14, 2020.

Meeting Plan of Board of Directors in 2021

BCA has scheduled the Board of Directors' meeting in 2021 as follows:

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	7, 12, 14, 21, 26, 28	May	6, 11, 13, 20, 25, 27	September	2, 9, 14, 16, 23, 28, 30
February	4, 9, 11, 18, 23, 25	June	3, 8, 10, 17, 22, 24	October	7, 12, 14, 21, 26, 28
March	4, 9, 11, 18, 23, 25	July	1, 8, 13, 15, 22, 27, 29	November	4, 9, 11, 18, 23, 25
April	1, 8, 13, 15, 22, 27, 29	August	5, 10, 12, 19, 24, 26	December	2, 9, 14, 16, 23, 28, 30

The schedule for the Board of Directors' meetings may change from time to time as deemed necessary.

The Board of Directors' meeting schedule for 2021 has been posted in BCA website since November 2020 and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/StrukturOrganisasi>.

2. Board of Commissioners' Meeting

The disclosure of Board of Commissioners' meetings is based on the OJK Circular Letter No. 30/SEOJK.04/2016 concerning Form and Content of Issuers or Companies' Annual Report in Chapter III regarding the content of Annual Report, which stipulates that the Corporate Governance Report of Issuers or Public Companies contains a brief description

of the policies and the frequency of meetings, including joint meetings with the Board of Directors, and the attendance of the individual members of the Board of Directors and Board of Commissioners in the meeting.

Meeting Policy

The Board of Commissioners Meeting Policy has been regulated in the Corporate Governance Guidelines Part B Chapter 2 concerning Guidelines and Code of Conduct of the Board of Commissioner, which among others regulates:

1. Meeting Frequency
Meetings of the Board of Commissioners must be held periodically, at least 1 (one) time in 2 (two) months.
2. Scheduling and Meeting Materials
 - a. The Board of Commissioners schedules meetings for the following year before the end of the financial year.
 - b. Material for scheduled meetings must be submitted to meeting participants, no later than 5 (five) working days before the meeting is held
3. Minutes of Board of Commissioners' Meeting
 - a. The results of the meeting of the Board of Commissioners must be stated in the Minutes of Meeting which are signed by all members of the Board of Commissioners who are present in the meeting.
 - b. Meetings held through teleconferencing technology should be recorded and the Minutes of Meeting should be signed by all members of the Board of Commissioners who are present in teleconferencing.
 - c. Minutes of Board of Commissioners' meetings that have been signed by all members of the Board of Commissioners who attended the meeting must be distributed to all members of the Board of Commissioners.

Quorum and Decision Making

Decision making at Board of Commissioners' meeting is considered valid and binding if more than ½ (one half) of the total number of members of the Board of Commissioners are present or represented at the meeting. This provision is in accordance with article 16 paragraph 4 of BCA's Articles of Association.

Decisions are made by consensus agreement. If the deliberation does not reach consensus, then the decision is made based on agreed votes of more than ½ (one half) of the total number of valid votes cast at the meeting. All decisions taken at the Board of Commissioners' meetings are binding. Dissenting opinions that occur in the Board of Commissioners' meeting and the reasons thereof must be clearly stated in the minutes of meeting.

Implementation

Throughout 2020, BCA held 30 (thirty) Board of Commissioners' meetings. BCA has fulfilled the provisions of the OJK Regulation on the minimum frequency of the Board of Commissioners' meetings.

Frequency of Attendance, Schedule and Agenda of the Board of Commissioners' Meetings

Name	Position	Number of Meeting	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	30	29	97%
Tonny Kusnadi	Commissioner	30	30	100%
Cyrellus Harinowo	Independent Commissioner	30	26	87%
Raden Pardede	Independent Commissioner	30	25	83%
Sumantri Slamet	Independent Commissioner	30	30	100%

Meeting Plan of Board of Commissioners in 2021

BCA has scheduled the Board of Commissioners' meeting in 2021 as follows:

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	13, 20, 27	May	5	September	1, 8, 15, 22, 29
February	3, 10, 17	June	2, 9, 23, 30	October	6, 13
March	3, 10, 24, 31	July	14, 21	November	3, 10, 17
April	7, 14, 21	August	4, 11, 18	December	1, 8

The schedule for the Board of Commissioners' meetings may change from time to time as deemed necessary.

The Board of Commissioners' meeting schedule for 2021 has been posted in BCA website since November 2020 and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/StrukturOrganisasi>.

Attendance Frequency of the Board of Directors in Joint Meetings of the Board of Commissioners and the Board of Directors in 2020:

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	14	13	93%
Suwignyo Budiman	Deputy President Director	14	13	93%
Armand Wahyudi Hartono	Deputy President Director	14	13	93%
Henry Koenaifi	Director	14	14	100%
Tan Ho Hien/Subur or Subur Tan	Director	14	14	100%
Erwan Yuris Ang	Independent Director	14	13	93%
Rudy Susanto	Director	14	14	100%
Lianawaty Suwono	Director	14	13	93%

Santoso	Director	14	14	100%
Inawaty Handoyo*	Director (concurrently serving as Director of Compliance)	6	5	83%
Vera Eve Lim	Director	14	14	100%
Gregory Hendra Lembong**	Director	8	7	88%
Haryanto T. Budiman***	Director (concurrently serving as Director of Compliance)	8	8	100%

Information:

* Mrs. Inawaty Handoyo ended her term in the AGMS on April 9, 2020.

** Mr. Gregory Hendra Lembong assumes the position of Director based on OJK Letter No.13/KDK.03/2020 dated May 14, 2020.

*** Mr. Haryanto T. Budiman assumes the position of Compliance Director based on OJK Letter No.14/KDK.03/2020 dated May 14, 2020.

Attendance Frequency of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors in 2020:

Name	Position	Number of Meeting	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	14	14	100%
Tonny Kusnadi	Commissioner	14	14	100%
Cyrellus Harinowo	Independent Commissioner	14	12	86%
Raden Pardede	Independent Commissioner	14	12	86%
Sumantri Slamet	Independent Commissioner	14	14	100%

Joint Meeting Plan of the Board of Commissioners and the Board of Directors for 2021

BCA has scheduled joint meetings of the Board of Commissioners and the Board of Directors for 2021 as follows:

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	-	May	-	September	-
February	24	June	16	October	20, 27
March	17	July	7, 28	November	24
April	28	August	25	December	15

The joint meeting plan of the Board of Commissioners and the Board of Directors in 2021 has been posted in BCA website since November 2020 and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/StrukturOrganisasi>.

H. Internal Fraud

Number of Internal Fraud Cases BCA discloses internal fraud pursuant to article 64 of OJK Regulation No.55/ POJK.03/2016 on the Implementation of GCG for Commercial Banks and Section IX item 5 of OJK Circular Letter No.13/SEOJK.03/2017 in the Implementation of GCG for Commercial Banks.

Internal fraud is defined as fraud committed by management, supervisors, permanent and contract employees, or outsourced workers. Classified as fraud is a case where the financial loss or potential financial loss exceeds Rp100,000,000.- (one hundred million rupiah).

Table of Fraud Violation Committed by Management, Permanent Employees, and Non-Permanent Employees

Internal Fraud in 1 Year	Members of BoD and BoC		Permanent Employees		Contract and Outsourced Employees	
	2019	2020	2019	2020	2019	2020
Total Fraud	-	-	7	9	-	-
Settled	-	-	7	9	-	-
In the internal settlement process	-	-	-	-	-	-
Settlement process that has not been done	-	-	-	-	-	-
Through legal process	-	-	-	-	-	-

I. Legal Cases

The legal cases, both criminal and civil, that have been faced by BCA in 2020, 2019, and 2018 are presented in the table below.

1. Criminal Law Issues

Details of criminal law issues that have been faced by BCA during 2020, 2019, and 2018 are as follows:

Legal Issues in Criminal Cases	2020	2019	2018
Legally settled (a verdict has been issued with legal power)	9	8	11
In settlement process	4	5	4
Total	13	13	15

Criminal cases in the Court over reports from BCA against customers, employees, or other third parties which cover the cases of suspicion of funds transfer, theft, embezzlement, fraud, letter forgery, transfer / transferring information and / or electronic documents to other people's electronic systems without rights, but there is not a case with a material loss value of more than Rp1 Billion.

Whereas, criminal cases in the Court over reports from customers, employees, or other third parties against BCA are non/ zero.

2. Civil Law Issues

Details of civil law issues that have been faced by BCA during 2020, 2019, and 2018 are as follows:

Legal Issues in Civil Cases	2020	2019	2018
Legally settled (a verdict has been issued with legal power)	118	123	120
In settlement process	145	144	145
Total	263	267	265

Civil cases faced by BCA are occur as a result of:

- 1) Lawsuit filed on accounts inherited by customers' heirs.
- 2) Customer claims/appeal against account blocking by BCA as request from the Court, Tax Office and or other third parties.
- 3) Lawsuit filed by customers/other third parties on payment transactions, transfers, balances, and/or disbursement of documents.
- 4) Lawsuit on the use and payment of credit card bills.
- 5) Lawsuit filed by third parties on disputes over BCA properties i.e. land and buildings.
- 6) Lawsuits on accounts of legal entities in accordance with a dispute of legal entities management and/or association.
- 7) Lawsuit/appeal filed by BCA on the settlement of bad loans and saving collateral.
- 8) Lawsuit/rebuttal of debtor (husband/wife), collateral owner and/or other parties related to foreclosure, auction and or cleaning up foreclosed collateral.
- 9) Lawsuit/rebuttal of debtor (husband/wife) and or third parties on credit and/or collateral.
- 10) Lawsuit filed by BCA or its employees on Industrial Relations.

Throughout 2020, BCA did not face any significant risks over legal cases, because based on self assessment, BCA legal risk level is in a "low" position.

Important Cases and Administrative Sanctions Against Violations Committed

BCA discloses important cases faced by BCA, Subsidiary Companies, members of the Board of Directors and members of the Board of Commissioners based on Letter G Number 2 Chapter III SEOJK No. 30 / SEOJK.04 / 2016 concerning the Form and Content of the Annual Report of Issuers or Public Companies.

Disclosures of important cases throughout 2020 are described as follows:

1. Significant Cases faced by BCA, members of Board of Directors, and members of Board of Commissioners. Throughout 2020, BCA dan all of members of Board of Directors or Board of Commissioners who are currently officiate have never been involved in significant cases, both criminal cases and/or civil cases.
2. Cases faced by Subsidiaries
Throughout 2020, all of cases in the Court that have been faced by subsidiaries, are as follows:

Throughout 2020, all of cases in the Court that have been faced by subsidiaries, are as follows:

Subsidiary	Case Status	Civil	Criminal
PT BCA Finance	Legally settled (a verdict has been issued with legal power)	73	0
	In settlement process	65	0
PT BCA Multi Finance (d/h PT Central Santosa Finance)	Legally settled (a verdict has been issued with legal power)	0	10
	In settlement process	4	0
BCA Finance Ltd	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT BCA Syariah	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	13	0
PT Asuransi Umum BCA	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Asuransi Jiwa BCA	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	1	0
PT BCA Sekuritas	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Central Capital Ventura	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Bank Digital BCA (d/h PT Bank Royal Indonesia)	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	1	0

3. Significant Cases Faced by Members of Board of Directors and Board of Commissioners of BCA Subsidiaries

Throughout 2020, all of members of Board of Directors and Board of Commissioners of BCA Subsidiaries have never been involved in any significant cases, whether criminal and/or civil.

Impact of Legal Issues for BCA and Subsidiaries

All of legal Issues faced by BCA and Subsidiaries during 2020 did not have material impact on position and business continuity of BCA and its subsidiaries.

Administrative Sanctions from Related Authorities

Throughout 2020, there was no administrative sanctions that may have the an impact to business continuity of BCA or administrative sanctions to members of Board of Directors and/or Commissioners from related authorities.

J. Conflict of Interests Transactions

Policy Related to Conflicts of Interest

In accordance with Code of Ethic of BCA, decision making process is not influenced by other parties and any conflicts of interest. The results of decision making and existing conflicts of interest are always recorded and documented as evidence.

Conflict of interest policy of BCA has regulated to all BCA personnel to know and avoid the activities that may contain any conflicts of interest. In order to manage the potential of conflicts of interest, all of BCA employees of echelon 5 and above are required to sign the Annual Disclosure.

In relation to Integrated Governance, Board of Directors of BCA ensure that implementation of risk management for intra-group transactions in Financial Conglomerate are independent from conflict of interest that may occur between each individual of Financial Service Institutions.

Disclosure

Disclosure of Conflicts of Interest Transactions Throughout 2020, BCA did not have any conflicts of interest transactions.

Name and position of parties who have conflicts of interest	Name and position of decision makers	Types of Transaction	Value of Transaction	Description
-	-	-	-	-

K. Shares Buyback

During 2020 , BCA did not hold a shares buyback program.

L. Provision of Fund for Social Activities

BCA actively contributes towards the improvement of people's welfare and the environmental conditions through its corporate social responsibility (CSR) activities under the Bakti BCA program.

Bakti BCA is focused on 3 (three) primary pillars:

I. BCA Smart Solutions, comprising:

1. Non-Title Accounting Education Program (PPA).
2. Non-Title Informatics Engineering Education Program (PPTI).
3. Bakti BCA Internship Program.
4. Bakti BCA Partner School.
5. Bakti BCA Scholarship.
6. Financial Literacy Education.
7. Education Partnership

II. BCA Synergy Solutions, comprising:

1. Bakti BCA on Culture.
2. Bakti BCA on Health.
3. Bakti BCA on Environment
4. Bakti BCA Empathy

III. Excellent Business Solutions:

1. Tourism Village Development.
2. Community Development.
3. Micro, Small and Medium Enterprises (MSME) Development.

Other than the abovementioned programs, BCA also take part in making donations to other social institutions.

M. Provision of Fund for Political Activities

Throughout 2020, and in previous years, BCA has never made any donations for political activities.

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

Name : PT Bank Central Asia Tbk
Position : December 31, 2020

The Result of Self-Assessment of the Implementation of Good Corporate Governance on 1st Semester – 2020:

	Rank	Definition of Rank
Individual	2	BCA management has applied good governance in general. The results are reflected in the adequate implementation of principles of governance. If flaws exist in the implementation of the principles of governance, generally they are less significant and can be resolved by normal actions by BCA management.

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

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

The Result of Self-Assessment of the Implementation of Good Corporate Governance on 2nd Semester – 2020

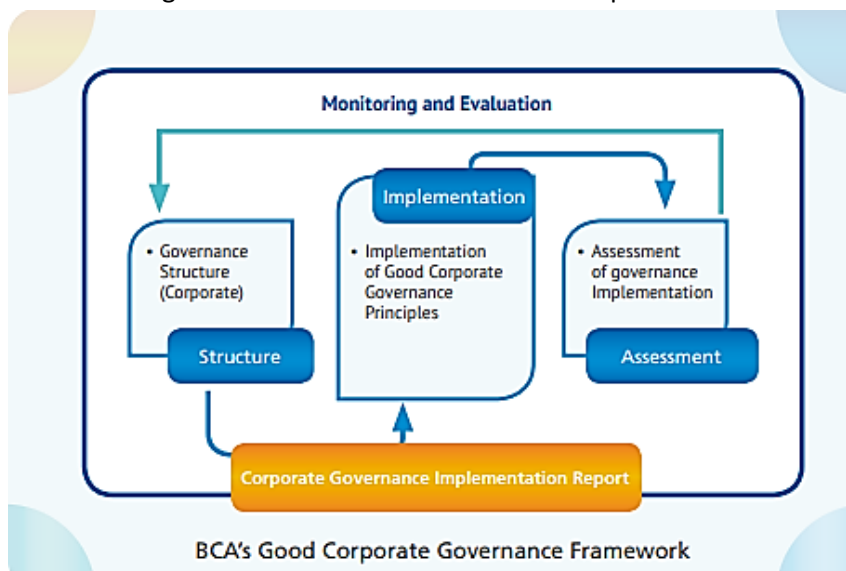
	Rank	Definition of Rank
Individual	1	BCA management has applied very good governance in general. The results are reflected in the adequate over the principles of governance. If flaws exist in the implementation of the principles of governance, generally they are insignificant and can be resolved by normal actions by BCA management.

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

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

3. Good Corporate Governance Framework and Action Plan

The following is the framework of BCA's Good Corporate Governance:



The Good Corporate Governance framework at BCA consists of a governance structure as a foundation, implementation as an embodiment of the governance principles, and assessment of the implementation of corporate governance as a parameter for implementing Corporate Governance principles at BCA. This parameter is used by BCA organs as an indicator to continue to make sustainable improvements in implementing the principles of Good Corporate Governance. Disclosure of the Corporate Governance framework is stipulated in the Corporate Governance Implementation Report.

BCA has conducted comprehensive self-assessment periodically to review the adequacy of the implementation of good governance, thus allowing BCA to immediately establish the required action plan. BCA's Good Corporate Governance Action Plan for 2020 was as follows:



BCA Good Corporate Governance Action Plan in 2020

Remarks:

* Improvement is a follow-up from the results that aimed to provide added value, refinement and / or improvement in implementing the principles of governance at BCA. Improvements conducted in 2020 include:

1. Analysis in order to update the Integrated Governance Guidelines.
2. Update of policies related to Corporate Governance, among others:
 - a. Internal audit function;
 - b. Audit committee;
 - c. Conflict of interest;
 - d. Affiliate transaction.
3. Socialization of terms of affiliated and conflict of interest transactions to the related work units.
4. Implementation of an to the Corporate Governance section of the BCA website and the subsidiary's website to facilitate the provision of Good Corporate Governance information for stakeholders and the public.
5. Implementation of ACGS indicators.
6. Socialization related to Good Corporate Governance through uploaded articles related to corporate governance on BCA internal portal as well as socialization that discusses issues around Good Corporate Governance, including topics related to capital market regulations from regulators, corporate governance issues, and implementation of Good Corporate Governance at BCA.