PT BANK CENTRAL ASIA Tbk
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020 AND 2019

DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED
31 DECEMBER 2020

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

We, the undersigned:

1.	Name	: Jahja Setiaatmadja
	Office Address	: Menara BCA Grand Indonesia Jl. M.H. Thamrin No. 1, Jakarta 10310
	Home Address	: Jl. Metro Kencana V/6 RT 001 RW 015, Pondok Pinang, Kebayoran Lama, Jakarta Selatan
	Phone Number	: (021) 2358-8000
	Title	: President Director
2.	Name	: Vera Eve Lim
	Office Address	: Menara BCA Grand Indonesia Jl. M.H. Thamrin No. 1, Jakarta 10310
	Home Address	: Teluk Gong Raya Blk C.4/20, Pejagalan, Penjaringan Jakarta Utara
	Phone Number	: (021) 2358-8000
	Title	: Director

declare that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Bank Central Asia Tbk (the "Bank") and its subsidiaries;

2. The consolidated financial statements of the Bank and its subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. a. All information has been fully and correctly disclosed in the consolidated financial statements of the Bank and its subsidiaries; and

   b. The consolidated financial statements of the Bank and its subsidiaries do not contain false material information or facts, nor do they omit material information or facts;

4. We are responsible for the Bank and its subsidiaries internal control system.

This statement has been made truthfully.

Jakarta, 29 January 2021

For and on behalf of the Board of Directors

METERAI TEMPEL 29/1 2021 2B316AHF920675027 6000 ENAM RIBU RUPIAH
METERAI TEMPEL 29/1 2021 0DD59AHF920675023 6000 ENAM RIBU RUPIAH

Jahja Setiaatmadja
President Director

Vera Eve Lim
Director

pwc

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF

PT BANK CENTRAL ASIA Tbk

We have audited the accompanying consolidated financial statements of PT Bank Central Asia Tbk (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Central Asia Tbk and its subsidiaries as of 31 December 2020, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA,
29 January 2021

Jimmy Pangestu, S.E.
License of Public Accountant No. AP.1124

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2020	31 December 2019
ASSETS			
Cash	2b,2g,5,39, 42,45	24,322,335	25,421,406
Current accounts with Bank Indonesia	2b,2g,2i,6,39, 42,45	27,482,178	47,904,674
Current accounts with other banks - net of allowance for impairment losses of Rp 927 as of 31 December 2020 (31 December 2019: Rp nil)	2b,2g,2i,7,39, 42,45	11,972,409	10,521,687
Placements with Bank Indonesia and other banks - net of allowance for impairment losses of Rp 4,700 as of 31 December 2020 (31 December 2019: Rp nil)	2b,2g,2j,8,39, 42,45	47,450,890	30,948,274
Financial assets at fair value through profit or loss	2g,2k,9,39,42, 45	2,936,245	5,910,146
Acceptance receivables - net of allowance for impairment losses of Rp 409,132 as of 31 December 2020 (31 December 2019: Rp 176,622)	2g,2l,10,39,42, 45	8,144,843	9,492,755
Bills receivable - net of allowance for impairment losses of Rp 8,012 as of 31 December 2020 (31 December 2019: Rp 2,734)	2g,11,39,42,45	8,091,013	7,909,020
Securities purchased under agreements to resell - net of allowance for impairment losses of Rp 1,148 as of 31 December 2020 (31 December 2019: Rp 1,733)	2g,2n,12,39,45	146,819,249	9,575,565
Loans receivable - net of allowance for impairment losses of Rp 26,945,942 as of 31 December 2020 (31 December 2019: Rp 14,905,584)	2g,2m,13,39,42, 45,		
Related parties	2ak,49	5,203,700	4,227,386
Third parties		542,439,966	567,806,613
Consumer financing receivables - net of allowance for impairment losses of Rp 806,306 as of 31 December 2020 (31 December 2019: Rp 473,097)	2g,2o,14,39,45	7,605,934	10,532,424
Finance lease receivables - net of allowance for impairment losses of Rp 1,009 as of 31 December 2020 (31 December 2019: Rp 3,147)	2g,2p,39,45	100,299	149,428
Assets related to sharia transactions - net of allowance for impairment losses of Rp 161,203 as of 31 December 2020 (31 December 2019: Rp 146,132)	2g,2q	5,408,030	5,499,287
Investment securities - net of allowance for impairment losses of Rp 199,637 as of 31 December 2020 (31 December 2019: Rp 70,420)	2g,2r,15,39,42, 45	192,553,101	142,982,705
Prepaid expenses	16		
Related parties	2ak,49	-	211,012
Third parties		788,583	1,325,468
Prepaid tax	21a	31,215	7,045
Fixed assets - net of accumulated depreciation of Rp 11,994,702 as of 31 December 2020 (31 December 2019: Rp 11,021,327)	2h,2s,17	21,915,054	20,852,301
Intangible assets - net of accumulated amortisation of Rp 1,726,035 as of 31 December 2020 (31 December 2019: Rp 1,424,329)	2e,2u,18	1,629,620	1,377,452
Deferred tax assets - net	2ai,21h	4,880,722	3,184,290
Other assets - net of allowance for impairment losses of Rp 24,622 as of 31 December 2020 (31 December 2019: Rp 902)	2g,2h,2t 19,42,45		
Related parties	2ak,49	8,368	7,758
Third parties		15,786,502	13,142,616
TOTAL ASSETS		**1,075,570,256**	**918,989,312**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2020	31 December 2019
LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY			
LIABILITIES			
Deposits from customers	2g,2v,20,39,42, 45		
Related parties	2ak,49	1,628,726	1,326,903
Third parties		832,655,117	697,653,165
Sharia deposits	2g,2w	1,151,652	1,035,526
Deposits from other banks	2g,2v,20,39,42, 45	10,163,163	6,717,474
Financial liabilities at fair value through profit or loss	2g,2k,9,39,42, 45	138,757	106,260
Acceptance payables	2g,2k,10,39,42, 45	4,400,045	5,321,249
Securities sold under agreements to repurchase	2g,2n,15,39,42, 45	-	113,249
Debt securities issued	2g,2y,22,39,45	590,821	1,347,523
Tax payable	2ai,21b	2,272,189	1,635,469
Borrowings	2g,23,39,42,45	1,307,298	2,332,870
Deferred tax liabilities	2ai,21h	5,957	-
Estimated losses from commitments and contingencies	2g,2ab,24,42,45	3,537,741	12
Accrued expenses and other liabilities	2g,2ab,25,42,45	17,540,226	14,022,357
Post-employment benefits obligation	2ah,40	9,646,227	7,955,070
Subordinated bonds	2g,2z,26,39,45	500,000	500,000
TOTAL LIABILITIES		**885,537,919**	**740,067,127**
TEMPORARY *SYIRKAH* DEPOSITS	2x	**5,317,628**	**4,779,029**
EQUITY			
Equity attributable to equity holders of parent entity			
Share capital - par value per share of Rp 62.50 (full amount) Authorised capital: 88,000,000,000 shares Issued and fully paid-up capital: 24,655,010,000 shares	1c,27	1,540,938	1,540,938
Additional paid-in capital	1c,2e,2ad,28	5,548,977	5,548,977
Revaluation surplus of fixed assets	2s,17	9,521,414	9,520,945
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	373,092	364,984
Unrealised gains on financial assets at fair value through other comprehensive income - net	2g,2r,8,15	7,070,825	1,951,554
Retained earnings			
Appropriated	38	2,241,254	1,955,604
Unappropriated	2ah	158,298,441	153,158,544
Other equity components	2e	1,385	1,385
Total equity attributable to equity holders of parent entity		**184,596,326**	**174,042,931**
Non-controlling interest	1d,2e,48	118,383	100,225
TOTAL EQUITY		**184,714,709**	**174,143,156**
TOTAL LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY		**1,075,570,256**	**918,989,312**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2020	2019
OPERATING INCOME AND EXPENSES			
Interest and sharia income	2ae,2ak,30,49		
Interest income		64,728,072	63,215,353
Sharia income		675,089	622,442
Total interest and sharia income		65,403,161	63,837,795
Interest and sharia expense	2ae,2ak,31,49		
Interest expense		(10,959,204)	(13,063,276)
Sharia expense		(282,687)	(297,071)
Total interest and sharia expense		(11,241,891)	(13,360,347)
NET INTEREST AND SHARIA INCOME		54,161,270	50,477,448
OTHER OPERATING INCOME			
Fee and commission income - net	2af,32	13,159,846	13,608,381
Net income from transaction at fair value through profit or loss	2ag,33	4,302,773	3,456,342
Others		3,541,409	4,080,378
Total other operating income		21,004,028	21,145,101
Impairment losses on assets	2g,34	(11,628,076)	(4,591,343)
OTHER OPERATING EXPENSES			
Personnel expenses	2ah,2ak,35,40,49	(13,349,775)	(13,337,264)
General and administrative expenses	2ak,17,36,49	(12,978,260)	(14,115,175)
Others		(3,640,680)	(3,289,769)
Total other operating expenses		(29,968,715)	(30,742,208)
INCOME BEFORE TAX		33,568,507	36,288,998
INCOME TAX EXPENSE	2ai,21c	(6,421,398)	(7,719,024)
NET INCOME		**27,147,109**	**28,569,974**
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	2ah,40	(1,483,912)	(341,292)
Income tax on remeasurements of defined benefit liability	2ai	243,248	70,080
		(1,240,664)	(271,212)
Revaluation surplus of fixed assets	2s,17	469	769,197
		(1,240,195)	497,985
Items that will be reclassified to profit or loss:			
Unrealised gains on financial assets at fair value through other comprehensive income	2j,2r,8,15	6,290,838	2,604,958
Income tax	2ai	(1,169,409)	(519,218)
Unrealised gains on financial assets at fair value through other comprehensive income - net of income tax		5,121,429	2,085,740
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	8,108	(15,438)
		5,129,537	2,070,302
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		3,889,342	2,568,287
TOTAL COMPREHENSIVE INCOME (Carried forward)		**31,036,451**	**31,138,261**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2020	2019
TOTAL COMPREHENSIVE INCOME (Brought forward)		**31,036,451**	**31,138,261**
NET INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		27,131,109	28,565,053
Non-controlling interest	2e,48	16,000	4,921
		27,147,109	**28,569,974**
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		31,018,293	31,131,779
Non-controlling interest	2e,48	18,158	6,482
		31,036,451	**31,138,261**
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT ENTITY (full amount of Rupiah)	2ac,37	1,100	1,159

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Expressed in millions of Rupiah, unless otherwise stated)

		2020										
		Attributable to equity holders of parent entity										
	Notes	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Foreign exchange differences arising from translation of financial statements in foreign currency	Unrealised gains on financial assets at fair value through other comprehensive income - net	Retained earnings - Appropriated	Retained earnings - Unappropriated	Other equity components	Total equity attributable to equity holders of parent entity	Non-controlling interest	Total equity
Balance, 31 December 2019		**1,540,938**	**5,548,977**	**9,520,945**	**364,984**	**1,951,554**	**1,955,604**	**153,158,544**	**1,385**	**174,042,931**	**100,225**	**174,143,156**
Impact on initial implementation of SFAS 71 and 73 (after deferred tax)	2,53	-	-	-	-	-	-	(6,830,677)	-	(6,830,677)	-	(6,830,677)
Balance as of 1 January 2020, after impact on initial implementation of SFAS 71 and 73	2,53	1,540,938	5,548,977	9,520,945	364,984	1,951,554	1,955,604	146,327,867	1,385	167,212,254	100,225	167,312,479
Net income for the year		-	-	-	-	-	-	27,131,109	-	27,131,109	16,000	27,147,109
Revaluation surplus of fixed assets	2s,17	-	-	469	-	-	-	-	-	469	-	469
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	-	-	-	8,108	-	-	-	-	8,108	-	8,108
Unrealised gains on financial assets at fair value through other comprehensive income - net	2j,2r,8,15	-	-	-	-	5,119,271	-	-	-	5,119,271	2,158	5,121,429
Remeasurements of defined benefit liability - net	40	-	-	-	-	-	-	(1,240,664)	-	(1,240,664)	-	(1,240,664)
Total comprehensive income for the year		-	-	469	8,108	5,119,271	-	25,890,445	-	31,018,293	18,158	31,036,451
General reserve	38	-	-	-	-	-	285,650	(285,650)	-	-	-	-
Cash dividends	38	-	-	-	-	-	-	(13,634,221)	-	(13,634,221)	-	(13,634,221)
Balance, 31 December 2020		**1,540,938**	**5,548,977**	**9,521,414**	**373,092**	**7,070,825**	**2,241,254**	**158,298,441**	**1,385**	**184,596,326**	**118,383**	**184,714,709**

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 3/2**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

		2019											
		Attributable to equity holders of parent entity											
							Retained earnings						
	Notes	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Foreign exchange differences arising from translation of financial statements in foreign currency	Unrealised gains (losses) on available-for-sale financial assets - net	Appropriated	Unappropriated	Other equity components	Total equity attributable to equity holders of parent entity	Non-controlling interest	Total equity
Balance, 31 December 2018		1,540,938	5,548,977	8,751,748	380,422	(132,647)	1,697,052	133,871,809	1,385	151,659,684	93,743	151,753,427
Net income for the year		-	-	-	-	-	-	28,565,053	-	28,565,053	4,921	28,569,974
Revaluation surplus of fixed assets	2s	-	-	769,197	-	-	-	3,997	-	773,194	-	773,194
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	-	-	-	(15,438)	-	-	-	-	(15,438)	-	(15,438)
Unrealised gains on available-for-sale financial assets - net	2j,2r,8,15	-	-	-	-	2,084,201	-	-	-	2,084,201	1,539	2,085,740
Remeasurements of defined benefit liability - net	40	-	-	-	-	-	-	(271,234)	-	(271,234)	22	(271,212)
Total comprehensive income for the year		-	-	769,197	(15,438)	2,084,201	-	28,297,816	-	31,135,776	6,482	31,142,258
General reserve	38	-	-	-	-	-	258,552	(258,552)	-	-	-	-
Cash dividends	38	-	-	-	-	-	-	(8,752,529)	-	(8,752,529)	-	(8,752,529)
Balance, 31 December 2019		**1,540,938**	**5,548,977**	**9,520,945**	**364,984**	**1,951,554**	**1,955,604**	**153,158,544**	**1,385**	**174,042,931**	**100,225**	**174,143,156**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts of interest and sharia income, fees and commissions		78,589,390	76,539,139
Other operating income		3,438,074	4,019,391
Payments of interest and sharia expenses, fees and commissions		(11,422,371)	(13,523,795)
Payments of post-employment benefits	40	(1,031,589)	(239,230)
Gains from foreign exchange transactions - net		106,142	1,864,822
Other operating expenses		(26,021,802)	(27,088,835)
Payment of tantiem to Board of Commissioners and Board of Directors	38	(445,180)	(413,500)
Other increases (decreases) affecting cash:			
Placements with Bank Indonesia and other banks - mature more than 3 (three) months from the date of acquisition		(3,278,195)	580,463
Financial assets at fair value through profit or loss		2,622,554	1,242,920
Acceptance receivables		1,115,402	2,248,758
Bills receivable		30,292	523,988
Securities purchased under agreements to resell		(137,243,099)	(118,822)
Loans receivable		9,394,072	(52,792,003)
Consumer financing receivables		2,327,408	(3,316,911)
Finance leases receivables - net		51,267	25,193
Assets related to sharia transactions		(65,298)	(854,413)
Other assets		(2,568,705)	1,065,298
Deposits from customers		135,030,737	70,428,018
Sharia deposits		116,126	414,211
Deposits from other banks		3,474,062	287,817
Acceptance payables		(921,204)	(522,237)
Accrued expenses and other liabilities		4,075,180	(702,168)
Temporary *syirkah* deposits		538,599	183,291
Net cash provided by operating activities before income tax		57,911,862	59,851,395
Payment of income tax		(6,932,987)	(7,909,355)
Net cash provided by operating activities		**50,978,875**	**51,942,040**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment securities		(130,808,823)	(113,341,023)
Proceeds from sales of investment securities		61,671	189,740
Proceeds from investment securities that matured during the year		89,587,869	81,979,747
Payment for acquisition activities	4	(303,726)	(924,002)
Cash dividends received from investment in shares		9,147	1,445
Acquisition of fixed assets		(2,673,737)	(2,675,281)
Proceeds from sale of fixed assets	17	9,755	36,960
Net cash used in investing activities		**(44,117,844)**	**(34,732,414)**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from debt securities issued		-	1,346,617
Payment of debt securities issued	22,50	(762,000)	(240,000)
Proceeds from borrowings		29,096,721	88,649,720
Payment of borrowings		(30,118,379)	(88,406,964)
Payment of cash dividends	38	(13,634,221)	(8,752,529)
Proceeds from securities sold under agreements to repurchase		896,290	698,016
Payment of securities sold under agreements to repurchase		(1,031,679)	(629,756)
Net cash used in financing activities		**(15,553,268)**	**(7,334,896)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(8,692,237)	9,874,730
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		113,067,545	103,311,560
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		1,895,929	(118,745)
CASH AND CASH EQUIVALENTS, END OF YEAR		**106,271,237**	**113,067,545**
Cash and cash equivalents consist of:			
Cash	5	24,322,335	25,421,406
Current accounts with Bank Indonesia	6	27,482,178	47,904,674
Current accounts with other banks	7	11,973,336	10,521,687
Placements with Bank Indonesia and other banks - mature within 3 (three) months or less from the date of acquisition	8	42,493,388	29,219,778
Total cash and cash equivalents		**106,271,237**	**113,067,545**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information of the Bank

PT Bank Central Asia Tbk (the "Bank") was established in the Republic of Indonesia based on the Notary Deed No. 38 of Raden Mas Soeprapto dated 10 August 1955 under the name of "N.V. Perseroan Dagang Dan Industrie Semarang Knitting Factory". This deed of establishment was approved by the Minister of Justice in its decision letter No. J.A.5/89/19 dated 10 October 1955 and was published in Supplement No. 595 to State Gazette of the Republic of Indonesia No. 62 dated 3 August 1956. The name of the Bank has been changed several times with the latest change became PT Bank Central Asia based on the Notary Deed No. 144 of Wargio Suhardjo, S.H., the substitute of Notary Public Ridwan Suselo, dated 21 May 1974.

The Bank's Articles of Association have been amended several times, including amendments in relation to the Initial Public Offering of the Bank's shares in May 2000, which among others, changed its status to a publicly-listed company and its name to PT Bank Central Asia Tbk. These amendments were made based on Notary Deed No. 62 of Hendra Karyadi, S.H., dated 29 December 1999, which was approved by the Minister of Justice in its decision letter No. C-21020 HT.01.04.TH.99 dated 31 December 1999 and published in Supplement No. 1871 to the State Gazette of the Republic of Indonesia No. 30 dated 14 April 2000.

The amendment made in relation to the issuance of new shares under the Management Stock Option Plan ("MSOP"), for which the options were exercised up to 31 December 2006, was made based on Notary Deed No. 1 of Hendra Karyadi, S.H., dated 9 January 2007. This deed was approved by the Minister of Justice and Human Rights under its decision letter No. W7-HT.01.04-797 dated 18 January 2007 and published in Supplement No. 185 to the State Gazette of the Republic of Indonesia No. 15 dated 20 February 2007.

The latest amendment to the Bank's Articles of Association was made based on Notary Deed No. 145 of Christina Dwi Utami S.H., M.HUM., M.KN., dated 24 August 2020. This deed was approved by the Minister of Justice and Human Rights in its decision letter No. AHU-AH.01.03-0383825 dated 8 September 2020.

The Bank started its commercial operations in the banking business since 12 October 1956. According to Article 3 of the Bank's Articles of Association, the Bank operates as a commercial bank. The Bank is engaged in banking activities and other financial services in accordance with the prevailing regulations in Indonesia. The Bank obtained its license to conduct these activities under the Minister of Finance Decision Letter No. 42855/U.M.II dated 14 March 1957. The Bank obtained its license to engage in foreign exchange activities based on the Directors of Bank Indonesia Decision Letter No. 9/110/Kep/Dir/UD dated 28 March 1977.

The Bank is domiciled in Jakarta with its head office located at Jalan M.H. Thamrin No. 1. As of 31 December 2020 and 2019, the number of branches and representative offices owned by the Bank was as follows:

	2020	2019
Domestic branches	1,013	1,012
Overseas representative offices	2	2
	1,015	1,014

The domestic branches are located in major business centers all over Indonesia. The overseas representative offices are located in Hong Kong and Singapore.

1. GENERAL (continued)

b. Recapitalisation

Based on the Indonesian Bank Restructuring Agency ("IBRA") Decision Letter No. 19/BPPN/1998 dated 28 May 1998, IBRA took over the operations and management of the Bank. Accordingly, the Bank's status was changed into a Bank Taken Over ("BTO"). The Bank was determined as a participant of the bank recapitalisation program under the Minister of Finance and the Governor of Bank Indonesia joint decision No. 117/KMK.017/1999 and No. 31/15/KEP/GBI dated 26 March 1999 regarding the implementation of the bank recapitalisation program for Bank Taken Over.

In conjunction with the recapitalisation program, on 28 May 1999 the Bank received a payment of Rp 60,877,000 from the Government of the Republic of Indonesia. This amount consisted of (i) the principal amount of loans granted to affiliated companies that were transferred to IBRA (consisting of Rp 47,751,000 transferred effectively on 21 September 1998 and Rp 4,975,000 transferred effectively on 26 April 1999), and (ii) accrued interest on the loans granted to affiliated companies calculated from their respective effective transfer dates up to 30 April 1999, amounted to Rp 8,771,000, minus (iii) the excess of outstanding Liquidity Support from Bank Indonesia (including interest) amounted to Rp 29,100,000 over the recapitalisation payment from the government through IBRA of Rp 28,480,000. On the same date, the Bank used such proceeds to purchase newly issued government bonds of Rp 60,877,000 (consisted of fixed-rate government bonds amounted to Rp 2,752,000 and variable-rate government bonds amounted to Rp 58,125,000 through Bank Indonesia).

Pursuant to the Chairman of IBRA Decision Letter No. SK-501/BPPN/0400 dated 25 April 2000, IBRA returned the Bank to Bank Indonesia effective on that date. To fulfill the requirement of Bank Indonesia Regulation ("PBI") No. 2/11/PBI/2000 dated 31 March 2000, Bank Indonesia announced in its press release Peng. No. 2/4/Bgub dated 28 April 2000, that the recovery program including the restructuring of the Bank had been completed and the Bank had been returned to be under the supervision of Bank Indonesia.

c. Public offering of the Bank's shares and subordinated bonds

<u>Public Offering of the Bank's Shares</u>

Based on the Letter of the Chairman of the Capital Market Supervisory Agency No. S-1037/PM/2000 dated 11 May 2000, the Bank through an Initial Public Offering, offered its 662,400,000 shares with total par value of Rp 331,200 (offering price of Rp 1,400 (full amount) per share), which represents 22% (twenty two percent) of the issued and paid-up share capital, as part of the divestment of shares owned by the Republic of Indonesia as represented by IBRA. This public offering was registered at the Jakarta Stock Exchange and the Surabaya Stock Exchange on 31 May 2000 (both exchanges have been merged and now named the Indonesia Stock Exchange).

The Bank's shareholders through the Extraordinary General Meeting of Shareholders ("EGMS") held on 12 April 2001 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in Deed No. 25) resolved to conduct a stock split from Rp 500 (full amount) per share to Rp 250 (full amount) per share and to increase the issued shares through the issuance of 147,199,300 shares (or equivalent to 294,398,600 shares after the stock split) under the Management Stock Option Plan ("MSOP"). The stock split was made under the Notary Deed No. 30 of Hendra Karyadi, S.H., dated 12 April 2001, which was approved by the Minister of Justice and Human Rights on 18 April 2001.

1. GENERAL (continued)

c. Public offering of the Bank's shares and subordinated bonds (continued)

Public Offering of the Bank's Shares (continued)

Based on the Letter of the Chairman of the Capital Market Supervisory Agency No. S-1611/PM/2001 dated 29 June 2001, the Bank offered additional 588,800,000 shares with total par value of Rp 147,200 (at an offering price of Rp 900 (full amount) per share), which represents 10% (ten percent) of the issued and paid-up share capital, as part of the divestment of shares owned by the Republic of Indonesia as represented by IBRA. This public offering was registered at the Jakarta Stock Exchange and the Surabaya Stock Exchange on 10 July 2001.

The Bank's shareholders through the Annual General Meeting of Shareholders ("AGMS") held on 6 May 2004 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in Deed No. 16) approved the stock split from Rp 250 (full amount) per share to Rp 125 (full amount) per share. The stock split was made under the Notary Deed No. 40 of Hendra Karyadi, S.H., dated 18 May 2004, which was approved by the Minister of Justice and Human Rights on 26 May 2004.

EGMS held on 26 May 2005 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in Deed No. 42) approved the buy back of the Bank's shares, provided that the buy back of shares has been approved by Bank Indonesia, whereby the number of shares to be bought back should not exceed 5% (five percent) of the Bank's total issued shares as of 31 December 2004, i.e. in total of 615,160,675 shares, and total fund to buy back the shares should not exceed Rp 2,153,060. With Letter No. 7/7/DPwB2/PwB24/Rahasia dated 16 November 2005, Bank Indonesia expressed no objection on the Bank's plan to buy back its shares.

EGMS held on 15 May 2007 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in the Deed No. 6) approved the buy back of the Bank's shares stage II, provided that the buy back of shares has been approved by Bank Indonesia and executed from time to time during the period of 18 (eighteen) months after the date of the meeting, whereby the number of shares to be bought back should not exceed 1% (one percent) of the Bank's total issued shares as of 27 April 2007 or in total of 123,275,050 shares and the total fund to buy back the shares should not exceed Rp 678,013. With Letter No. 9/160/DPB 3/TPB 3-2 dated 11 October 2007, the Bank has received an approval from Bank Indonesia in relation to buy back of shares stage II.

EGMS held on 28 November 2007 (with the minutes prepared by Notary Public Hendra Karyadi, S.H., in Deed No. 33), approved to conduct a stock split of the Bank's shares from Rp 125 (full amount) to Rp 62.50 (full amount) per share and therefore decided to amend note 1, note 2 and note 3 of Article 4 of the Bank's Articles of Association. The Amendments of the Bank's Articles of Association by the Deed of Notary Public Hendra Karyadi, S.H., dated 11 December 2007 were received and recorded by the Department of Law and Human Rights of the Republic of Indonesia by the Receipt Report of the Deed on Amendment of the Articles of Association No. AHU-AH.01.10-0247 dated 3 January 2008.

1. GENERAL (continued)

c. Public offering of the Bank's shares and subordinated bonds (continued)

Public Offering of the Bank's Shares (continued)

Based on Letter No. 038/IQ-ECM/LTR/HFJ/XI/2008.TRIM dated 26 November 2008, the buy back of shares stage II for the period of 11 February 2008 to 13 November 2008 had been performed with the number of shares bought back in total of 397,562 lot or 198,781,000 shares at the average acquisition cost of Rp 3,106.88 (full amount) per share. Therefore, the total shares bought back as of 13 November 2008 were 289,767,000 shares with a total amount of Rp 808,585.

On 7 August 2012, the Bank sold 90,986,000 shares of its treasury stocks at Rp 7,700 (full amount) per share, with total net sales amounted to Rp 691,492. The difference between the acquisition costs and the selling price of treasury stocks amounted to Rp 500,496 was recorded as "additional paid-in capital from treasury stock transactions", which is part of additional paid-in capital (Note 28). As of 31 December 2012, total treasury stocks of the Bank were 198,781,000 shares with a total amount of Rp 617,589.

On 7 February 2013, the Bank sold 198,781,000 shares of its treasury stocks at Rp 9,900 (full amount) per share, with total net sales amounted to Rp 1,932,528. The difference between the acquisition costs and the selling price of treasury stocks amounted to Rp 1,314,939 was recorded as "additional paid-in capital from treasury stock transactions", which is part of additional paid-in capital (Note 28). As of 31 December 2013, the Bank did not have any treasury stocks.

The Bank's immediate parent company is PT Dwimuria Investama Andalan, which was incorporated in Indonesia, the owner of 54.94% of Bank's shares as of 31 December 2020 and 2019. The ultimate shareholders of the Bank are Mr. Robert Budi Hartono and Mr. Bambang Hartono.

Public Offering of Subordinated Bonds

Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 were offered at par value. Interest will be paid on a quarterly basis based on interest payment due date. The first payment is on 5 October 2018, while the last payment of interest will be paid on the maturity date of the bond's principal.

The Bank entered into a Trustee Agreement with PT Bank Rakyat Indonesia (Persero) Tbk. (act as the Bond's Trustee) of Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 based on Trusteeship Agreement No. 27 dated 22 March 2018, of Notary Public Aulia Taufani, S.H., in Jakarta. This agreement were amended due to several changes which had been legalised on Amendment I No. 5 dated 5 June 2018 and Amendment II No. 2 dated 3 July 2018.

As of 31 December 2020 and 2019, the rating of Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 based on Pefindo was idAA. On 26 June 2018, the bonds were listed on the Indonesian Stock Exchange (Note 26).

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

d. The Subsidiaries

The Subsidiaries, directly and non-directly owned by the Bank as of 31 December 2020 and 2019, were as follows:

Name of the Company	Year of starting the commercial operation	Type of business	Domicile	Percentage of ownership		Total assets	
				2020	2019	2020	2019
PT BCA Finance	1981	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency	Jakarta	100%	100%	8,536,082	10,873,175
BCA Finance Limited	1975	Money lending and remittance	Hong Kong	100%	100%	909,996	783,743
PT Bank BCA Syariah	1991	Sharia banking	Jakarta	100%	100%	9,720,254	8,634,374
PT BCA Sekuritas	1990	Securities brokerage dealer and underwriter for issuance of securities	Jakarta	90%	90%	1,258,384	762,320
PT Asuransi Umum BCA	1988	General or loss insurance	Jakarta	100%	100%	2,127,340	2,060,362
PT BCA Multi Finance (previously PT Central Santosa Finance)	2010	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency	Jakarta	100%	100%	1,069,918	1,358,022
PT Asuransi Jiwa BCA	2014	Life insurance	Jakarta	90%	90%	1,467,896	1,154,689
PT Central Capital Ventura	2017	Venture capital	Jakarta	100%	100%	405,964	404,054
PT Bank Digital BCA (previously PT Bank Royal Indonesia)	1965	Banking	Jakarta	100%	100%	2,893,909	2,808,300

PT BCA Finance

PT BCA Finance, a company domiciled in Indonesia and located at Wisma BCA Pondok Indah, 2nd Floor, Jalan Metro Pondok Indah No. 10, South Jakarta, is engaged in investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency.

PT BCA Finance was established in 1981 under the name of PT Central Sari Metropolitan Leasing Corporation ("CSML"). At its inception, the shareholders of CSML were PT Bank Central Asia and Japan Leasing Corporation.

In 2001, PT Central Sari Metropolitan Leasing Corporation changed its name to PT Central Sari Finance ("CSF"), followed by the change in the composition of its shareholders, where PT Bank Central Asia Tbk became the majority shareholder, and the change in its business focus to motor vehicles financing activities, particularly in vehicles with four or more wheels. Further, based on the Decision Letter of Minister of Law and Human Rights of the Republic of Indonesia No.C-08091 HT.01.04.TH.2005 dated 28 March 2005, PT Central Sari Finance's name was changed to PT BCA Finance.

1. GENERAL (continued)

d. The Subsidiaries (continued)

BCA Finance Limited

BCA Finance Limited, a company domiciled in Hong Kong and located at The Center, 47th Floor, Unit 4707, 99 Queen's Road Central, Hong Kong, is engaged in money lending and remittance and has been operated commercially since 1975.

PT Bank BCA Syariah

PT Bank BCA Syariah, a company domiciled in Indonesia and located at Jalan Raya Jatinegara Timur No. 72, East Jakarta, is engaged in sharia banking activities and has been operated commercially since 1991.

Based on the Deed of Resolutions in lieu of General Meeting of Shareholders of PT Bank UIB No. 49, of Notary Public Ny. Pudji Redjeki Irawati, S.H., dated 16 December 2009, PT Bank UIB changed its business activities to become sharia bank and changed its name to PT Bank BCA Syariah. The deed of amendment was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. AHU-01929.AH.01.02 dated 14 January 2010.

The change in business activities of this subsidiary from conventional bank into sharia bank was approved by the Governor of Bank Indonesia through its Decision Letter No. 12/13/KEP.GBI/DpG/2010 dated 2 March 2010. Through this approval, on 5 April 2010, PT Bank BCA Syariah officially operated as a sharia bank.

On 10 December 2020, PT Bank BCA Syariah entered into a merger with PT Bank Interim Indonesia, a company domiciled in Jakarta. The decision on the merger is stated in Deed No. 65, of Notary Public Christina Dwi Utami S.H., M.Hum., M.Kn., Notary in Jakarta, dated 16 November 2020.

1. Merger plan of PT Bank BCA Syariah and PT Bank Interim Indonesia, in which PT Bank BCA Syariah will act as the beneficiary bank.
2. Compile the merger plan.
3. Approve the stock split of the Bank in accordance with the merger plan, where 1 share will be split into 1,000 shares so that the nominal value of the Bank's shares, which was originally Rp 1,000,000 (one million rupiah) for each share, becomes Rp 1,000 (one thousand rupiah) stock.
4. Approved the increase in issued and paid-up capital in relation to the merger by issuing 258,883,207 new shares so that the total number of outstanding shares was 2,255,183,207 shares. The new shares will be allocated to shareholders of PT Bank Interim Indonesia consist of of PT Bank Central Asia Tbk will get 258,883,137 shares and PT BCA Finance will get 70 shares.

The deed of amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.10-0012509 dated 10 December 2020.

1. GENERAL (continued)

d. The Subsidiaries (continued)

PT BCA Sekuritas

PT BCA Sekuritas, a company domiciled in Indonesia and located at Menara BCA, Grand Indonesia, 41st Floor, Suite 4101, Jalan M.H. Thamrin No. 1, Jakarta, is engaged as securities brokerage dealer and underwriter for issuance of securities since 1990.

On 2 October 2012, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Dinamika Usaha Jaya No. 5, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., PT Dinamika Usaha Jaya changed its name to PT BCA Sekuritas. This change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-54329.AH.01.02 dated 22 October 2012.

PT Asuransi Umum BCA

PT Asuransi Umum BCA, a company domiciled in Indonesia and located at Sahid Sudirman Center Building, 10th Floor/unit E, F, G, H Jalan Jendral Sudirman Kav. 86, Jakarta, is engaged in insurance activities, particularly in general or loss insurance activities.

PT Asuransi Umum BCA was established in 1988 under the name of PT Asuransi Ganesha Danamas. In 2006, PT Asuransi Ganesha Danamas changed its name to PT Transpacific General Insurance and later in 2011, this subsidiary's name was changed to PT Central Sejahtera Insurance.

On 5 December 2013, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Central Sejahtera Insurance No. 7, of Notary Public Veronica Sandra Irawaty Purnadi, S.H., PT Central Sejahtera Insurance changed its name to PT Asuransi Umum BCA. This change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-64973.AH.01.02 dated 11 December 2013.

PT BCA Multi Finance (previously PT Central Santosa Finance)

PT BCA Multi Finance (previously PT Central Santosa Finance), a company domiciled in Indonesia and located at WTC Mangga Dua, 6th Floor, Block CL No. 001, Jalan Mangga Dua Raya No. 8, Kelurahan Ancol, Kecamatan Pademangan, Jakarta, is engaged in investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorised agency.

PT Central Santosa Finance was incorporated in the Republic of Indonesia with Deed of Notary Public Fransiscus Xaverius Budi Santosa Isbandi, S.H., dated 29 April 2010 No. 95. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-23631.AH.01.01 dated 10 May 2010.

On 27 May 2019, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Central Santosa Finance No. 54 of Notary Public Veronica Sandra Irawaty Purnadi, S.H., PT Central Santosa Finance changed its name to PT BCA Multi Finance. This change was approved by Minister of Law and Human Rights of Republic of Indonesia in its Decision Letter No. AHU-0029530.AH.01.02 dated 29 May 2019.

1. GENERAL (continued)

d. The Subsidiaries (continued)

PT Asuransi Jiwa BCA

PT Asuransi Jiwa BCA, a company domiciled in Indonesia and located at Chase Plaza Building, 22nd floor, Jalan Jenderal Sudirman Kav 21, Jakarta 12920, is engaged in life insurance activities, including life insurance with sharia principle.

PT Asuransi Jiwa BCA was incorporated in the Republic of Indonesia with Deed of Notary Public of Dr. Irawan Soerodjo, S.H., Msi., dated 16 October 2013 No. 90. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-56809.AH.01.01 dated 7 November 2013.

The Subsidiary obtained business permit in life insurance activities from the Chairman of the Board of Commissioner of Financial Services Authority through Decision Letter No. KEP-91/D.05/2014 dated 14 July 2014.

PT Central Capital Ventura

PT Central Capital Ventura, a company domiciled in Indonesia and located at Office 8 Building, 16th floor, Unit F, SCBD Lot 28, Jalan Jenderal Sudirman Kav 52-53, Kelurahan Senayan, Kecamatan Kebayoran Baru, South Jakarta, is engaged in venture capital activities.

PT Central Capital Ventura was incorporated in the Republic of Indonesia with Deed of Notary Public Veronica Sandra Irawaty Purnadi, S.H., dated 25 January 2017 No. 15. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0004845.AH.01.01 dated 2 February 2017. The Subsidiary obtained venture capital business permit based on Copy of Decision of Board of Commissioner of Financial Services Authority number: KEP-39/D.05/2017 dated 19 June 2017.

PT Bank Digital BCA (previously PT Bank Royal Indonesia)

PT Bank Digital BCA (previously PT Bank Royal Indonesia), a company domiciled in Indonesia and located at Jalan Suryopranoto No.52, Central Jakarta, Indonesia, is engaged in banking and has been operated since 1965.

PT Bank Royal Indonesia was established under the name of PT Bank Rakjat Parahyangan based on Notarial Deed No. 35 of Notary Public R. Soerojo Wongsowidjojo, SH., dated 25 October 1965. Based on Amendments to the Articles of Association No. 19 dated 21 August 1982, of Notary Public R. Soerojo Wongsowidjojo, SH., PT Bank Rakjat Parahyangan changed its name to PT Bank Pasar Rakyat Parahyangan. The deed of establishment was approved by Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-1092-HT.01.01.TH.82 dated 3 September 1982.

In 1990, based on the Deed of Resolution of PT Bank Pasar Rakyat Parahyangan No. 68 dated 8 January 1990, of Notary Public Misahardi Wilamarta, S.H., PT Bank Pasar Rakyat Parahyangan changed its name to PT Bank Royal Indonesia, with status and activity of conventional Bank, and the location changed to Jakarta.

PT Bank Royal Indonesia obtained its conventional banking license from the Minister of Finance of the Republic of Indonesia through its letter No. 1090/KMK.013/090 dated 12 September 1990 and as foreign currency trader from Bank Indonesia through its letter No. 30/182/UOPM dated 13 November 1997 which was extended through Decree of Banking Licensing and Information of Bank Indonesia No. 5/7/KEP.Dir.PIP.2003 dated 24 December 2003, as set out in Letter of Bank Indonesia No. 10/449/DPIP/Prz dated 2 May 2008.

(Expressed in millions of Rupiah, unless otherwise stated)

1. **GENERAL** (continued)

d. **The Subsidiaries** (continued)

PT Bank Digital BCA (previously PT Bank Royal Indonesia) (continued)

Based on the deed of Minutes of Extraordinary General Meeting of Shareholders of PT Bank Central Asia No. 62 dated 20 June 2019, of Notary Public Christina Dwi Utami, S.H., M.Hum., M.Kn., the Bank has decided to acquire PT Bank Royal Indonesia.

Acquisition of PT Bank Royal Indonesia was approved by Financial Services Authority ("OJK") through its Letter No. SR-60/PB.33/2019 dated 22 October 2019.

Based on the Deed of Minutes of Extraordinary General Meeting of PT Bank Royal Indonesia No. 308 dated 31 October 2019, of Notary Public Christina Dwi Utami, S.H., M.Hum., M.Kn., the shareholders approved the transfer of all issued shares in PT Bank Royal Indonesia owned by PT Royalindo, Mr. Leslie, Mr. Ibrahim, Mr. Herman, Mr. Sugiarto, and Mr. Nevin to the Bank and PT BCA Finance (Subsidiary) amounted to 99.99% and 0.01%, respectively (Note 4). This deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0356474 dated 7 November 2019.

Based on the Deed of Resolutions of Shareholders of PT Bank Royal Indonesia No. 37, of Notary Public Sakti Lo, S.H., Notary in Jakarta, dated 2 April 2020, PT Bank Royal Indonesia changed its name to PT Bank Digital BCA. The deed of amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0027414.AH.01.02 dated 2 April 2020.

e. **Board of Commissioners and Board of Directors**

The compositions of the Bank's management as of 31 December 2020 and 2019 are as follows:

		2020	2019
Board of Commissioners			
President Commissioner	:	Djohan Emir Setijoso	Djohan Emir Setijoso
Commissioner	:	Tonny Kusnadi	Tonny Kusnadi
Independent Commissioner	:	Cyrillus Harinowo	Cyrillus Harinowo
Independent Commissioner	:	Raden Pardede	Raden Pardede
Independent Commissioner	:	Sumantri Slamet	Sumantri Slamet
Board of Directors			
President Director	:	Jahja Setiaatmadja	Jahja Setiaatmadja
Deputy President Director	:	Armand Wahyudi Hartono	Armand Wahyudi Hartono
Deputy President Director	:	Suwignyo Budiman	Suwignyo Budiman**)
Director	:	Tan Ho Hien/Subur Tan	Tan Ho Hien/Subur Tan
Director	:	Henry Koenaifi	Henry Koenaifi
Independent Director	:	Erwan Yuris Ang	Erwan Yuris Ang
Director	:	Rudy Susanto	Rudy Susanto
Director	:	Lianawaty Suwono	Lianawaty Suwono
Director	:	Santoso	Santoso
Director	:	Vera Eve Lim	Vera Eve Lim
Director *)	:	Haryanto Tiara Budiman***)	Inawaty Handojo**)
Director	:	Gregory Hendra Lembong***)	-

*) Compliance Director
**) Effective since 3 October 2019
***) Effective since 2 Juni 2020

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Board of Commissioners and Board of Directors (continued)

The composition of the Bank's management as of 31 December 2020 based on the Deed of Resolution of PT Bank Central Asia No. 162 dated 28 May 2020, of Notary Public Christina Dwi Utami, S.H., M.Hum., M.kn., a Notary of the Municipality of West Jakarta.

f. Audit Committee

The Bank's Audit Committee as of 31 December 2020 and 2019 are as follows:

Chairman	: Cyrillus Harinowo
Member	: Ilham Ikhsan
Member	: Tjen Lestari

The establishment of the Bank's Audit Committee was in line with Financial Services Authority Regulation ("POJK") No. 55/POJK.04/2015 dated 23 December 2015 regarding Establishment and Implementation Guidelines on Audit Committee Work.

g. Internal Audit Division and Corporate Secretary

The Head of the Bank's Internal Audit Division as of 31 December 2020 and 2019 is as follows:

Internal Audit Division Head : Ayna Dewi Setianingrum

The Corporate Secretary of the Bank as of 31 December 2020 and 2019 is as follows:

Corporate Secretary : Raymon Yonarto

h. Number of employees

As of 31 December 2020 and 2019, the Bank and Subsidiaries had 26,123 and 25,877 permanent employees.

Key management personnel of the Bank consists of members of Board of Commissioners and Board of Directors.

i. Changes in regulation and supervision of capital market sectors and banking sectors

Effective since 31 December 2012, functions, duties, and regulatory authorities and supervisory in capital market sectors have been transferred from Bapepam-LK Ministry of Finance to Capital Market and Financial Institutions Agency section in OJK. Effective since 31 December 2013, functions, duties, and regulatory authorities and supervisory in banking sectors shift from Bank Indonesia to OJK.

j. Completion of the consolidated financial statements

The Bank's Management is responsible for the preparation of these consolidated financial statements, which were authorised for issuance on 29 January 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Bank and its Subsidiaries ("the Group") in the preparation of its consolidated financial statements are consistent with those of the consolidated financial statements for the year ended 31 December 2019, except for the adoption of new and amended standards and interpretations effective beginning 1 January 2020 as disclosed in Note 2d as follows:

a. Statement of compliance

The consolidated financial statements of the Group have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SFAS") which include Statement and Interpretation issued by the Financial Accounting Standard Board of Indonesian Institute of Accountant and Bapepam-LK Regulation No. KEP-347/BL/2012 dated 25 June 2012, Regulation No. VIII.G.7 regarding "Presentation and Disclosure of Public Company's Financial Statements".

Financial statements of PT Bank BCA Syariah (Subsidiary) are presented in accordance with Sharia Financial Accounting Standards and other Financial Accounting Standards issued by Indonesian Institute of Accountant.

b. Basis for preparation of the consolidated financial statements

These consolidated financial statements are presented in Rupiah, which is the functional currency. Except as otherwise stated, the financial information presented has been rounded to the nearest million of Rupiah.

The consolidated financial statements have been prepared under the historical cost concept, except for fixed assets - land, financial assets at fair value through other comprehensive income, and financial assets and liabilities (including derivative instruments) at fair value through profit or loss, which are measured at fair value.

The consolidated financial statements have been prepared based on the accrual basis, except for the consolidated statements of cash flows.

The consolidated statements of cash flows present the changes in cash and cash equivalents from operating, investing and financing activities, and are prepared using the direct method. For the purpose of the presentation of the consolidated statements of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks mature within 3 (three) months or less from the date of acquisition, as long as they are not being pledged as collateral for borrowings nor restricted.

c. Use of judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards ("SFAS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from prior estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Use of judgments, estimates and assumptions (continued)

In order to provide understanding of the financial performance of the Group, due to the significance of their nature or amount, several items of income or expense have been presented separately.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognised in the consolidated financial statements are described in Note 3.

d. Changes in accounting policies

Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following amendments and interpretations which were effective on or after 1 January 2020 as follows:

- SFAS 71 “Financial Instruments";
- SFAS 72 “Revenue from Contracts with Customers”;
- SFAS 73 “Leases”;
- Amendment to SFAS 1 “Presentation of Financial Statement”;
- Amendment to SFAS 15 “Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures”;
- Amendment to SFAS 25 “Accounting Policies, Changes in Accounting Estimates and Errors”;
- Amendment to SFAS 62 “Insurance Contract";
- Amendment to SFAS 71 “Financial Instruments: Prepayment Features with Negative Compensation”;
- Amendment to SFAS 73 “Leases related to COVID-19 Rent Concessions”;
- Amendment to SFAS 102 “Accounting for Murabahah”;
- Annual improvements 2019 to SFAS 1 “Presentation of Financial Statements”;
- IFAS 35 “Presentation of Non-Profit Oriented Entities Financial Statements”;
- IFAS 36 “Interpretation of Interaction between Provisions relating with Right of Land in SFAS 16: Fixed Assets and SFAS 73: Leases”;
- IFAS 101 “Recognition of Deferred Murabahah Income without Significant Inventory Ownership Risks”;
- IFAS 102 “Impairment of Murabahah Receivables”;
- PPSAK 13 “Revocation of SFAS 45 Financial Reporting for Non-profit Organisations”.

Except for the changes as explained below, the implementation of the above standards did not result in substantial changes to the Group’s accounting policies and had no material impact to the consolidated financial statements for current period or prior financial years. Impact of the implementation of these new standards disclosed in Note 53.

SFAS 71 "Financial Instruments"

SFAS 71 replaces SFAS 55 (Revision 2014) “Financial Instruments: Recognition and Measurement” and introduces new requirements for classification and measurement for financial instruments based on business model and contractual cashflow assesstment, recognition and measurement for allowance for impairment losses of financial instruments using the expected credit loss model, which replaced the incurred credit loss model and also provides simplified approach to hedge accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Changes in accounting policies (continued)

SFAS 71 "Financial Instrument" (continued)

In accordance with the transition requirements in SFAS 71, the Group elected to apply retrospectively with the cumulative effect of initial implementation recognised at 1 January 2020 and did not restate comparative information. The Group has adjusted the beginning balance of 2020 retained earnings amounting Rp 6,830,539 net after tax (Note 53).

The hedge accounting rules in this standard also had no impact to the Group as currently the Group did not enter into transactions related to the hedge accounting.

The Bank's subsidiaries engaged in insurance have not implemented SFAS 71 in 2020 in accordance with the prevailing standard.

SFAS 73 "Leases"

In relation to the implementation of SFAS 73, the Group as lessee recognised right-of-use assets and leases liabilities related to leases which were previously classified as operating leases based on SFAS 30 "Leases", except for short-term leases or leases with low value assets, refer to Note 2ai. the Group has applied SFAS 73 using modified retrospective approach without restated comparative period. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2019.

In applying SFAS 73 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2020;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying SFAS 30 and IFAS 8 in determining whether an arrangement contains a lease.

To determine the incremental borrowing rate, the Group:

- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Group (AAA spread); and
- Makes adjustments specific to the lease, for example, lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Basis of consolidation

The consolidated financial statements consist of financial statements of the Bank and Subsidiaries (PT BCA Finance, BCA Finance Limited, PT Bank BCA Syariah, PT BCA Sekuritas, PT Asuransi Umum BCA, PT BCA Multi Finance (previously PT Central Santosa Finance), PT Asuransi Jiwa BCA, PT Central Capital Ventura and PT Bank Digital BCA (previously PT Bank Royal Indonesia) together “the Group”. Subsidiaries are all entities over which the Bank has control.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquision of a Subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination was measured initially at their fair values at the acquisition date.

All material intercompany transactions, balances, gains and losses are eliminated.

The Group recognises any non-controlling interest in the acquiree on a acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. Non-controlling interest is reported as equity in the consolidated statement of financial position, separated from the owner of the parent’s equity. Non-controlling interest is recognised at the date of business combination.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value at the acquisition date of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with SFAS 71 (2019: SFAS 55 (Revised 2014)) “Financial Instrument: Recognition and Measurement” in the consolidated statement of profit or loss. Contingent consideration that is classified as equity that is not remeasured, and its subsequent settlement is accounted for within equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Basis of consolidation (continued)

Acquisition-related costs are expensed as incurred.

Non-controlling interests are presented in equity in the consolidated statements of financial position, separated from equity, which can be attributed to the owner, and expressed as the proportion of non-controlling shareholders for current year earnings and equity that can be attributed to non-controlling interests based on ownership percentage of non-controlling shareholders in the Subsidiary.

If the Group losses control of a Subsidiary, the Group:

- Derecognises the assets and liabilities of the former Subsidiary from the consolidated statements of financial position;
- Recognises any investment retained in the former Subsidiary at fair value on the date when control is lost and subsequently accounts for it and for any amounts owed by or to the former Subsidiary in accordance with the relevant financial accounting standard. That fair value is regarded as the fair value on initial recognition of a financial asset in accordance with SFAS 71 (2019: SFAS 55 (Revised 2014), “Financial Instruments: Recognition and Measurement”;
- Recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

Changes affected the Bank’s ownership interest and equity of Subsidiary that do not result in the loss of control are accounted for as equity transactions and presented as other equity components within equity in the consolidated statements of financial position.

Business combination of entities under common control transactions, such as transfer of business in relation to reorganisation of entities within the same business group, is not a change of ownership in terms of economic substance, therefore such transaction cannot generate any gains or losses for the Group as a whole as well as the individual entity within the business group.

Business combination of entities under common control transactions, according to SFAS No. 38 (Revised 2012), “Business Combination under Common Control”, is recognised at its carrying amount based on pooling-of-interest method. Entity that receives the business as well as the entity that disposes the business recognises the difference between the proceeds transferred/received and carrying amount arising from a business combination under common control transaction as part of equity in the additional paid-in capital account and will never be recognised as realised profit or loss or reclassified into retained earnings in the future.

f. Translation of transactions in foreign currencies

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Translation of transactions in foreign currencies (continued)

The Group domiciled in Indonesia maintained its accounting record in Rupiah, which is the functional and presentation currency of the Group. Transactions denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the date of the transaction. At the reporting date, year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the date of consolidated statements of financial position.

For consolidation purposes, foreign currency financial statements of the Bank's overseas Subsidiary are translated into Rupiah based on the following basis:

(1) Assets and liabilities, commitments and contingencies are translated using the Reuters spot rates at 16:00 WIB at the statement of financial position date.
(2) Income, expenses, gains and losses represent the accumulated amount from monthly profit or loss balance during the year, are translated into Rupiah using the average Reuters middle rate for the respective month.
(3) Equity accounts are translated using historical rates.
(4) Statements of cash flows is translated using the Reuters spot rate at 16:00 WIB at the statement of financial position date, except for profit or loss accounts which are translated using the average middle rates and equity accounts which are translated using historical rates.

Differences arising from the above translation are presented as "foreign exchange differences arising from translation of financial statements in foreign currency" under the equity section of the consolidated statements of financial position.

Exchange gains or losses arising from transactions in foreign currencies and from the translation of monetary assets and liabilities in foreign currencies are recognised in the current year consolidated profit or loss.

The foreign currency gain or loss on monetary items is the difference between amortised cost at Rupiah at the beginning of the period as adjusted for effective interest and payments during the period, and the amortised cost measured in foreign currency translated into Rupiah at the exchange rate at the end of the year.

Summarised below are the major exchange rates as of 31 December 2020 and 2019, using Reuters middle rate at 16:00 WIB (full amount of Rupiah):

Foreign currencies		2020	2019
1	United States Dollar (USD)	14,050.0	13,882.5
1	Australian Dollar (AUD)	10,752.5	9,725.4
1	Singapore Dollar (SGD)	10,606.2	10,315.1
1	Hong Kong Dollar (HKD)	1,812.3	1,782.8
1	Great Britain Poundsterling (GBP)	19,012.5	18,238.1
100	Japanese Yen (JPY)	13,597.0	12,781.0
1	Euro (EUR)	17,234.4	15,570.6

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities

g.1. Financial assets

Policies applied before 1 January 2020

In accordance with SFAS 55, the Group classifies their financial assets in the following categories at initial recognition (a) at fair value through profit or loss, (b) loans and receivables, (c) held-to-maturity, and (d) available-for-sale. This classification depends on the purpose of obtaining these financial assets. Management determines the classification of financial assets at the time of initial recognition.

(a) Financial assets recognised at fair value through profit or loss

This category has 2 (two) sub-classifications, i.e. those designated as such upon initial recognition and those classified as held for trading and financial assets which at the initial recognition have been determined by the Group to be measured at fair value through profit or loss.

Held for trading are those financial assets that the Group acquired or incurred principally for the purpose of selling or repurchasing in the near term, or held as part of a certain financial instrument portfolio that is managed together for short-term profit (short term profit-taking). Derivatives are also categorised as trading groups, except derivatives that are designated and effective as hedging instruments.

(b) Loans and receivables

Loans and receivables are non-derivative assets with fixed or determinable payments and fixed maturity did not have quotation in active market, unless:

- those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss;
- those that upon initial recognition designates as available-for-sale; or
- those for which the Group may not recover substantially all of its initial investment, other than because of deterioration of loans and receivables.

Loans and receivables are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment losses. Interest income on financial assets classified as loans and receivables is included in the consolidated statements of profit or loss and reported as “Interest income”. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables and recognised in the consolidated statement of profit or loss as “Allowance for impairment losses on financial assets”.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.1. Financial assets (continued)

Policies applied before 1 January 2020 (continued)

(c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payment and fixed maturities that the Group has the positive intention and ability to held to maturity other than:

- those that upon initial recognition designated as at fair value through profit or loss;
- those that the Group designated as available-for-sale; and
- those that met the definition of loans and receivables.

(d) Financial assets available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are intended to be held for certain period of time, which may be sold in response to needs for liquidity or changes in interest rates or exchange rates or that are not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through consolidated statements of profit or loss.

Policies applied from 1 January 2020

In accordance with SFAS 71, the Group classifies its financial assets in the following categories: (a) financial assets measured at amortised cost, (b) financial assets at fair value through other comprehensive income, and (c) financial assets at fair value through profit or loss.

The Group uses 2 (two) basis to classify its financial assets which are group business model in managing financial assets and contractual cash flow characteristics solely payment of principal and interest (‘SPPI”) from its financial assets.

Business model assessment

The Group determines its business model based on the level of most reflects how groups of financial assets are managed to achieve business objective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.1. Financial assets (continued)

Policies applied from 1 January 2020 (continued)

Business model assessment (continued)

The Group business model are not assessed based on each of its instrument, but at portofolio level in higher aggregate and based on the following factors:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- Frequency, amount, and expected selling time, are also important aspects from Group assessment.

Business model assessment is based on a reasonably expected scenario without considering "worst case" or "stress case" scenario. If the subsequent cash flows are realised in a different manner than originally expected, the Group does not change the remaining classification of financial assets held in the business model, but incorporating those informations in assessing new financial assets or purchasing financial assets subsequently.

SPPI Testing

As the first step of the classification process, the Group assesses the financial contractual requirements to identify whether they meet the SPPI testing.

The principal payment for this testing purposes is defined as the fair value of the financial assets at initial recognition and may change over the lifetime of the financial assets (for example, if there are payments of principal or amortisation of premiums/discounts).

The most significant element of interest in a credit agreement is usually a consideration of the time value of money and credit risk. In exercising the assessment of SPPI, the Group applies consideration and pays attention into relevant factors such as the currency in which financial assets are denominated and the period when interest rates are determined.

Alternatively, contractual terms that provide more than de minimis exposure to risk or volatility in contractual cash flows that are not related to the basis of the loan arrangement, do not generate SPPI's contractual cash flows on the total balance. In such cases, the financial assets are required to be measured at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.1. Financial assets (continued)

Policies applied from 1 January 2020 (continued)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost only if it meets both of the following conditions:

- The financial assets are held within a business model whose objective is to hold the asset to collect contractual cash flows (held to collect); and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is initially measured at amortised cost at fair value plus transaction costs and subsequently measured at amortised cost using effective interest rate less allowance for impairment losses.

Interest income on financial assets measured at amortised cost is included in the statement of comprehensive income and recognised as "Interest income". When impairment occurs, the impairment loss is recognised as a deduction from the carrying amount of the investment and recognised in the financial statements as "Allowance for impairment losses on financial assets".

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions:

- The financial assets are held within a business model whose objective is to hold the asset to collect contractual cash flows and to sell financial asset; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, a financial asset measured at fair value through other comprehensive income recognised at fair value plus the transaction costs and are subsequently remeasured at its fair values when such gains or losses recognised in other comprehensive income except for recognition of impairment and foreign exchange gains and losses, until derecognition of financial asset. If financial asset measured at fair value through other comprehensive income is impaired, the cumulative gains or lossess previously recognised at other comprehensive gains (losses), would be recognised at profit or loss. Interest income is calculated by applying the effective interest rate and gains or lossess arising from foreign exchange from monetary assets which classified as at fair value through other comprehenisve income recognised in the consolidated statement of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.1. Financial assets (continued)

Policies applied from 1 January 2020 (continued)

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Financial instruments grouped into this category are recognised at their fair value at initial recognition; transaction costs are recognised directly in the consolidated statements of profit or loss. Gains and losses arising from changes in fair value and sale of financial instruments are recognised in the consolidated statements of profit or loss and recorded as respectively “Gains (losses) from changes in fair value of financial instruments” and “Gains (losses) from the sale of financial instruments”. Interest income from financial instruments measured at fair value through profit or loss is recorded as interest income as part of net income from transaction measured at fair value through profit or loss.

Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

g.2. Financial liabilities

There is no changes for classification and measurement of financial liabilities before and after 1 January 2020. The Group classifies its financial liabilities in the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost. Financial liabilities are derecognised when they have redeemed or otherwise extinguished or expired.

(a) Financial liabilities measured at fair value through profit or loss

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading instrument unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the consolidated statements of profit or loss and reported as “Gains (losses) from changes in fair value of financial instruments”. Interest expenses on financial liabilities held for trading are recorded as “Interest expenses”.

Fair value changes related to financial liabilities designated at fair value through profit or loss are recognised in “Gains (losses) from changes in fair value of financial instruments”.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.2. Financial liabilities (continued)

(b) Financial liabilities measured at amortised cost

Financial liabilities that are not classified as at fair value through profit and loss fall into this category and are measured as amortised cost.

Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs (if any).

After initial recognition, the Group measures all financial liabilities at amortised cost using effective interest rate method.

g.3. Recognition

The Group initially recognises loans and deposits on the date of origination.

All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on the trade date at which the Group commits to purchase or sell those assets.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and are incremental costs that would not have been incurred if the instrument had not been acquired or issued.

Financial assets measured at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Financial assets at amortised cost (2019: loans and receivables and financial asset held to maturity) initially recognised at fair value, subsequently recognised at amortised cost using the effective interest rate method.

For financial liabilities, transaction costs are deducted from the amount of debt initially recognised. Such transactions costs are amortised over the terms of the instruments based on the effective interest rate method and are recorded as part of interest expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.4. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of a financial instrument using the quoted price in an active market for that instrument.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the active market is regarded as being unavailable. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by referencing to the current market value of another instrument which substantially have the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities. For the investment in shares do not have readily determinable fair values, the estimated fair value recognised as at acquisition cost.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

g.5. Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished or expired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.6. Modification of financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate; and
- Change in the loan's currency.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occured. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in consolidated statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

g.7. Reclassification of financial assets

Policies applied before 1 January 2020

Financial assets that are no longer held for trading or repurchase of financial assets in the near future could be reclassified as loans and receivables if it met the definition of loans and receivables and entity has the intention and ability to hold the financial assets for foreseeable future or until maturity date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.7. Reclassification of financial assets (continued)

Policies applied before 1 January 2020 (continued)

The Group shall not classify any financial assets as held-to-maturity if during the current financial year or during the two preceding financial years, the Group has sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:

(a) are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
(b) occur after the Group has collected substantially all of the financial asset’s original principal through scheduled payments or prepayments; or
(c) are attributable to an isolated event that is beyond the Group control, is non-recurring and could not have been reasonably anticipated by the Group.

Reclassification of financial assets from held-to-maturity classification to available-for-sale are recorded at fair value. Unrealised gains or losses shall be recognised in other comprehensive income until the financial assets is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to statement of profit or loss as a reclassification adjustment.

Policies applied from 1 January 2020

The Group can reclassify its all of its financial assets when and only, its business model for managing those financial assets changes.

The characteristic of business model changes must significantly impact to the Group operational activities such as collecting, disposing or terminating a business line. In addition, the Group has to prove the changes to external parties.

The Group will reclassify all financial assets impacted by business model changes. Changes of the objective of the Group’s business model must be impacted before reclassification date.

The following lists are not changes in business model:

(a) changes in intention in relation with certain financial asset (even in situations of significant changes in market conditions).
(b) temporary loss of certain markets for financial assets.
(c) transfer of financial asset between Group with different business model.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.8. Classification of financial assets and liabilities

The Group classifies the financial assets and liabilities into classes that reflects the nature of information and take into account the characteristic of those financial instruments. The classification can be seen in the table below.

Policies applied before 1 January 2020

Category of financial assets and liabilities		Classes (as determined by the Group)	Subclasses
Financial assets	Financial assets at fair value through profit or loss	Financial assets held for trading	Securities
			Placement with other Banks
			Derivative assets
	Loans and receivables	Cash	
		Current accounts with Bank Indonesia	
		Current accounts with other banks	
		Placements with Bank Indonesia and other banks	
		Acceptance receivables	
		Bills receivable	
		Securities purchased under agreements to resell	
		Loans receivable	
		Consumer financing receivables	
		Finance leases receivables	
		Assets related to sharia transactions - *murabahah* receivables	
		Other assets	Accrued interest income
			Transactions related to ATM and credit card
			Unaccepted bills receivables
			Receivables from customer transactions
			Receivables from insurance transactions
	Held-to-maturity investments	Investment securities	
	Available-for-sale financial assets	Placements with Bank Indonesia and other banks	Certificates of Deposits
		Investment securities	
Financial liabilities	Financial liabilities at fair value through profit or loss	Financial liabilities held for trading	Derivative liabilities
	Financial liabilities at amortised cost	Deposits from customers	
		Sharia deposits	
		Deposits from other banks	
		Acceptance payables	
		Securities sold under agreements to repurchase	
		Debt securities issued	
		Borrowings	
		Accrued expenses and other liabilities	Other liabilities:
			- Accrued interest expenses
			- Liabilities related to ATM and credit card transactions
			- Liabilities from customer transactions
			- Liabilities from insurance transactions
		Subordinated bonds	
Commitment and contingencies	Unused credit facilities		
	Irrevocable letters of credit		
	Bank guarantee issued		

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.8. Classification of financial assets and liabilities (continued)

The Group classifies the financial assets and liabilities into classes that reflects the nature of information and take into account the characteristic of those financial instruments. The classification can be seen in the table below. (continued)

Policies applied from 1 January 2020

Category of financial assets and liabilities		Classes (as determined by the Group)	Subclasses
Financial assets	Financial assets at fair value through profit or loss (FVPL)	Financial assets measured at fair value through profit or loss	Securities
			Placement with other Banks
			Derivative assets
	Financial assets at amortised cost	Cash	
		Current accounts with Bank Indonesia	
		Current accounts with other banks	
		Placements with Bank Indonesia and other banks	
		Acceptance receivables	
		Bills receivable	
		Securities purchased under agreements to resell	
		Loans receivable	
		Consumer financing receivables	
		Finance lease receivables	
		Assets related to sharia transactions - *murabahah* receivables	
		Investment securities	
		Other assets	Accrued interest income
			Transactions related to ATM and credit card
			Unaccepted bills receivables
			Receivables from customer transactions
			Receivables from insurance transactions
	Financial assets at fair value through other comprehensive income (FVOCI)	Placements with Bank Indonesia and other banks	Certificates of Deposits
		Investment securities	
Financial liabilities	Financial liabilities at fair value through profit or loss (FVPL)	Financial liabilities measured at fair value through profit or loss	Derivative liabilities
	Financial liabilities at amortised cost	Deposits from customers	
		Sharia deposits	
		Deposits from other banks	
		Acceptance payables	
		Securities sold under agreements to repurchase	
		Debt securities issued	
		Borrowings	
		Estimated losses from commitments and contingencies	
		Accrued expenses and other liabilities	Other liabilities:
			- Accrued interest expenses
			- Liabilities related to ATM and credit card transactions
			- Liabilities from customer transactions
			- Liabilities from insurance transactions
			- Finance lease liabilities
		Subordinated bonds	
Commitment and contingencies	Unused credit facilities		
	Irrevocable letters of credit		
	Bank guarantee issued		

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.9. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. In certain situations, even though master netting agreements exist, the lack of management intention to settle on a net basis results in the financial assets and liabilities being reported gross on the consolidated statements of financial position.

g.10. Financial guarantee contracts and other commitment receivables

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities, and unused provision of funds facilities.

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms and the initial fair value is amortised over the life of the financial guarantees.

Subsequently, they are measured at the higher of amortised amount and expected credit losses amount based on SFAS 71 (before 1 January 2020, with the present value of any expected payment).

Allowance for impairment losses on financial guarantee contracts that have credit risk are calculated based on historical losses.

g.11. Allowance for impairment losses of financial assets

Policies applied before 1 January 2020

(a) <u>Financial assets carried based at amortised cost</u>

At each reporting date, the Group assess whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets and the loss event has an impact on the future cash flows on the assets that can be estimated reliably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.11. Allowance for impairment losses of financial assets (continued)

Policies applied before 1 January 2020 (continued)

(a) Financial assets carried based at amortised cost (continued)

When a loan is uncollectible, it is written off against the related allowance for impairment losses. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to financial assets category as held-to-maturity and loans and receivables are classified in “Allowance for impairment losses”.

If, in subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the consolidated statements of profit or loss.

Subsequent recoveries of loans written off are credited to the other operating income.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter into bankcruptcy, the disappearance of an active market for a security due to financial difficulties, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Group considers evidence of impairment for financial assets at both individual and collective level. All individually significant financial assets are assessed for individual impairment.

All individually significant financial assets not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping together such financial assets with similar risk characteristics. Financial assets that are individually assessed for impairment and for which an impairment loss is recognised are no longer included in a collective assessment of impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.11. Allowance for impairment losses of financial assets (continued)

Policies applied before 1 January 2020 (continued)

(a) Financial assets carried based at amortised cost (continued)

In assessing collective impairment, the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by statistical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on financial assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral. Losses are recognised in the current year consolidated profit or loss and reflected in an allowance account against financial assets in the consolidated statements of financial position. Interest on the impaired financial asset continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the current year consolidated profit or loss.

(b) Available-for-sale financial assets

Impairment losses on available-for-sale marketable securities are recognised by transferring the cumulative losses that have been recognised directly as other comprehensive income to profit or loss as a reclassification adjustment. The cumulative losses that are reclassified from other comprehensive income to profit or loss are the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised to consolidated profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.11. Allowance for impairment losses of financial assets (continued)

Policies applied before 1 January 2020 (continued)

(b) Available-for-sale financial assets (continued)

If, in a subsequent year, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss is recognised, then the amount of impairment has to be reversed and recognised in current year consolidated profit or loss.

If the terms of a loan, receivable, or investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest before the modification of terms.

Policies applied from 1 January 2020

The group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and fair value at other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk to financial asset measured at amortised cost and at fair value through other comprehensive income (FVOCI). If at the reporting date, credit risk on financial asset has not increased significantly since initial recognition, the Group shall measure the allowance for losses for that financial asset at the amount of 12 (twelve) months expected losses. If the credit risk on that financial asset has increased significantly since initial recognition, the Group shall measure the allowance for losses at the amount of expected credit losses over its lifetime.

12-month ECL and Lifetime ECL

12-month ECL is the portion of ECL that result from default events that are possible within the 12 months after reporting date (or the shorter period if expected life of financial asset is less than 12 months). 12-month ECL is weighted by probability of default.

Lifetime ECL is the ECL that result from all possible default events over the expected life of financial asset.

Staging Criteria

Financial asset must be allocated to one of three stages of impairment (stage 1, stage 2, stage 3) by determining whether there is a significant increase in credit risk on the financial asset since initial recognition or whether the facility has defaulted on each reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.11. Allowance for impairment losses of financial assets (continued)

Policies applied from 1 January 2020 (continued)

Staging Criteria (continued)

Stage 1: include financial assets that do not have a significant increase in credit risk since initial recognition or have a low credit risk at the reporting date. For these assets, a 12-month ECL will be calculated.

Stage 2: includes financial assets that experience a significant increase in credit risk since initial recognition (unless having low credit risk at the reporting date), but do not have objective evidence of impairment. For these assets, Lifetime ECL will be calculated. Lifetime ECL are the ECL that results from all possible default events over the expected life of financial asset.

Stage 3: includes financial assets that have an objective evidence of impairment at the reporting date. This stage consists of default debtors.

The main factor in determining whether the financial assets need 12-month ECL (stage 1) or Lifetime ECL (stage 2) is Significant Increase in Credit Risk criteria (SICR). Determinations of SICR criteria needs review whether significant increase in credit risk occurred at each reporting date.

SFAS 71 requires supportable information about past events, current condition and forecasts of future economic conditions. Estimated movement on expected credit losses have to be reflected and directly consistent with changes in observed related data over the period. This ECL calculation needs forward-looking estimation from Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

For loan commitments and financial guarantee contracts, the date when the Group become a party in a irrevocable commitment is the date of initial recognition for implementation of impairment purposes.

Probability of Default ("PD")

The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk. PD is estimated at a point in time that means it will fluctuate in line with the economic cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.11. Allowance for impairment losses of financial assets (continued)

Policies applied from 1 January 2020 (continued)

<u>Loss Given Default (“LGD”)</u>

The loss that is expected to arise on default, incorporating the impact of relevant forward-looking economic assumptions (if any), which represents the difference between the contractual cash flows due and those that the Group expects to receive. The Group estimates LGD based on the historical recovery rates and taking into account forward-looking economic assumptions if relevant.

<u>Exposure at Default (“EAD”)</u>

The expected balance sheet exposure at the time of default, taking into account that expected change in exposure over the lifetime of the exposure. This incorporates the impact of repayments of principal and interest, amortisation and prepayments, together with the impact of forward-looking economic assumptions where relevant.

h. Allowance for impairment losses on non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready for use - are not subject to amortisation but tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

Reversal on impairment loss for assets other than goodwill would be recognised if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognised on profit or loss, except for assets measured using the revalution model as required by other SFAS. Impairment losses relating to goodwill would not be reversed.

i. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are stated at face value or the gross value of the outstanding balance, less allowance for impairment losses, where appropriate. Current accounts with Bank Indonesia and other banks are classified as financial assets measured at amortised cost. Refer to Note 2g for accounting policy for financial assets measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks are classified as financial assets measured at amortised cost, and measured at fair value through other comprehensive income. Refer to Note 2g for accounting policy for financial assets measured at amortised cost and measured at fair value through other comprehensive income.

k. Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss consist of securities traded in the money market such as Certificates of Bank Indonesia (“SBI”), Bank Indonesia Treasury Bills (“SBBI”), Government Treasury Bills (“SPN”), Sharia Government Treasury Bills (“SPNS”), Corporate Bonds, derivative financial instruments, and securities traded on the stock exchanges.

Refer to Note 2g for the acccounting policy of financial assets and liabilities at fair value through profit or loss.

Derivative financial instruments

Derivative instruments are initially recognised at fair value on the date of which a derivative contract is entered into and are subsequently measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques, including discounted cash flow and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Investment in sukuk measured at fair value through profit or loss

The Group initially recognises the investment in sukuk measured at fair value through profit or loss at acquisition cost. Such cost does not include transaction costs. Subsequent to initial recognition, the difference between fair value and the carrying amount is recognised in the consolidated profit or loss.

The fair value of investment is determined by referencing to the following order:

- quoted price (without adjustments) in active market; or
- input other than quoted price in the observable active market.

Investment in sukuk measured at fair value through profit or loss is presented in the consolidated statement of financial position as part of financial assets at fair value through profit or loss.

l. Acceptance receivables and payables

Acceptance receivables are classified as financial assets measured at amortised cost, while acceptance payables are classified as financial liabilities measured at amortised cost. Refer to Note 2g for the accounting policy of financial assets measured at amortised cost and financial liabilities measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Loans receivable

Loans receivable are classified as financial assets measured at amortised cost. Refer to Note 2g for the accounting policy of financial assets measured at amortised cost.

Syndicated, joint financing, and channeling loans are stated at amortised cost in accordance with the portion of risks borne by the Bank.

The Group records restructure of troubled debt in accordance with the restructured type. In troubled debt restructuring which involves a modification of terms, reduction of portion of loan principal and/or combination of both, the Group records the effect of the restructuring by referring to Note 2g for the accounting policy of modification of financial assets.

n. Securities purchased under agreements to resell and securities sold under agreements to repurchase

Securities purchased under agreements to resell (reverse repo) are presented as receivables and stated at the agreed resell price less the difference between the purchase price and the agreed resale price. The difference between the purchase price and the agreed resale price is amortised using the effective interest method as interest income over the period commencing from the acquisition date to the resell date. Securities purchased under agreements to resell (reverse repo) are classified as financial asset measured at amortised cost. Refer to Note 2g for the accounting policy of financial assets measured at amortised cost.

Securities sold under agreements to repurchase (repo) are presented as liabilities and stated at the agreed repurchase price less the unamortised interest expense. Unamortised interest expense is the difference between selling price and agreed repurchase price and is recognised as interest expense during the period from the securities are sold until the securities are repurchased. Securities sold are still recorded as assets in the consolidated statements of financial position because the securities ownership remains substantially with the Bank as a seller. Securities sold under agreements to repurchase (repo) are classified as financial liabilities measured at amortised cost. Refer to Note 2g for the accounting policy of financial liabilities measured at amortised cost.

o. Consumer financing receivables

Consumer financing receivables are stated at net of joint financing, unearned consumer financing income and allowance for impairment losses. Consumer financing receivables are classified as financial assets measured at amortised cost. Refer to Note 2g for the accounting policy of financial assets measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Consumer financing receivables (continued)

Unearned consumer financing income represents the difference between total installments to be received from the consumer and the principal amount financed, plus or deducted with the unamortised transaction cost (income), which will be recognised as income over the term of the contract using effective interest rate method of the related consumer financing receivables.

Unamortised transaction cost (income) are financing administration income and transaction expense which are incurred at the first time and directly attributable to consumer financing.

Early termination of a contract is treated as a cancellation of an existing contract and the resulting gain is recognised in the current year consolidated profit or loss.

Consumer financing receivables will be written-off when they are overdue for more than 150 (one hundred and fifty) days for four-wheeled motor vehicles and 180 (one hundred and eighty) days for two-wheeled motor vehicles, and based on management of case by case basis.

Joint financing

All joint financing agreements entered by the Subsidiary are joint financing without recourse in which only the Subsidiary's financing portion of the total installments are recorded as consumer financing receivables in the consolidated statements of financial position (net approach). Consumer financing income is presented in the consolidated statements of profit or loss after deducting the portions belong to other parties participated to these joint financing transactions.

Receivables from collateral vehicles reinforced

Receivables from collateral vehicles reinforced represent receivables derived from motor vehicle collaterals owned by customers for settlement of their consumer financing receivables, which is presented as part of consumer financing receivables.

In case of default, the customer gives the right to the Group to sell the motor vehicle collaterals or take any other actions to settle the outstanding receivables.

Consumers are entitled to the positive differences between the proceeds from sales of foreclosed collaterals and the outstanding consumer financing receivables. If the differences are negative, the resulting losses are charged to the current year consolidated profit or loss.

Expenses in relation with the acquisition and maintenance of receivables from collateral vehicles reinforced are charged to the current year consolidated profit or loss when incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Finance lease receivables

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Lease are classified as finance leases if such leases transfer substantially all the risks and rewards related to the ownership of the lease assets. Leases are classified as operating leases if the leases do not transfer substantially all the risks and rewards related to the ownership of the leased assets.

Assets held under finance lease receivables are recognised in the statement of financial position at an amount equal to the net investment in the leases. Receipts from lease receivables are treated as repayments of principal and financing lease income. The recognition of financing lease income is based on a pattern reflecting constant periodic rate of return on the Group’s net investment as lessor in the finance leases.

Finance leases receivables will be written off when they are overdue for more than 150 (one hundred fifty) days and based on management review of individual case. Recoveries from receivables previously written-off are recognised as other income upon receipt.

q. Assets related to sharia transactions

Assets related to sharia transactions is financing activities carried out by PT Bank BCA Syariah, a Subsidiary, in the form of *murabahah* receivables, funds of *qardh*, *mudharabah* financing, *musyarakah* financing and assets acquired for *ijarah*.

Brief explanation for each type of sharia financing is as follows:

Murabahah is a financing agreement to sell or purchase of goods, in which the selling price equals to the cost of goods plus a pre-agreed profit margin and the seller should disclose its cost to the buyer. *Murabahah* receivables is stated at balance of receivables less deferred margin and allowance for impairment losses.

Ijarah is a lease agreement for goods and/or services, including the right to use, between the owner of a leased object (lessor) and lessee, to generate income from the leased object. *Ijarah muntahiyah bittamlik* is a lease agreement between lessor and lessee to obtain income from the leased object with an option to transfer the ownership title of leased object through purchase/sale or as a gift (*hibah*) at certain period as agreed in the lease agreement (*akad*). *Ijarah muntahiyah bittamlik* assets are stated at the acquisition costs less accumulated depreciation. *Ijarah* receivable is recognised at maturity date based on unearned lease income and presented at net realisable value, i.e. balance of the receivables less allowance for impairment losses.

Mudharabah is an investment of funds from the owner of fund (*malik*, *shahibul maal*, or sharia bank) to a fund manager (*amil*, *mudharib*, or customer) for a specific business activity, under a profit or revenue sharing agreement between the two parties at a pre-agreed ratio (*nisbah*). *Mudharabah* financing is stated at financing balance less allowance for impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Assets related to sharia transactions (continued)

Musyarakah is an investment of funds from the owners of funds to combine their funds for a specific business activity, for which the profits are shared based on a pre-agreed *nisbah*, while losses are borne proportionally by the fund owners.

Permanent *musyarakah* is a *musyarakah* for which the amount of funds contributed by each party is fixed until the end of the agreement. Declining *musyarakah* (*musyarakah mutanaqisha*) is *musyarakah* with a condition that the amount contributed by a party will be declining from time to time as it is transferred to another party, such that at the end of the agreement, the other party will fully own the business. *Musyarakah* financing is stated at financing balance less allowance for impairment losses.

The Subsidiary determines the allowance for impairment losses of sharia financing receivables in accordance with the quality of each financing receivable by referring to the requirements of Financial Services Authority, except for *murabahah* receivables for which the identification and measurement of impairment losses follows SFAS 55.

r. Investment securities

Investment securities consist of traded securities in the money market and stock exchange such as Government Bonds, Sukuk, Corporate Bonds, Certificates of Bank Indonesia, mutual funds, medium term notes and shares. Investment securities are classified as financial assets measured at amortised cost and measured at fair value through other comprehensive income. Refer to Note 2g for the accounting policy for financial assets measured at amortised cost and at fair value through other comprehensive income.

Investments in sukuk measured at cost and measured at fair value through other comprehensive income

The Group determines the classification of their investment in sukuk based on business model in accordance with SFAS 110 “Accounting for Sukuk” as follows:

- **Measured at amortised cost**

  If the investment is held within a business model that aims to acquire assets in order to collect contractual cash flows and there is a contractual requirement to determine the specific date of principal payments and/or the result.

  At the initial measurement, the investment is recorded at acquisition cost which includes the transaction cost. After the initial recognition, the investment in sukuk is measured at amortised cost. The difference between acquisition cost and nominal value is amortised using straight-line method during the period of the sukuk instrument.

- **Measured at fair value through other comprehensive income**

  At the initial recognition, the investment in sukuk is presented at acquisition cost which includes transaction cost.

  After initial recognition, the investment in sukuk is recognised at-fair-value. The difference between fair value and recorded amount is recognised in other comprehensive income. The difference between acquisition cost and nominal value is amortised using straight-line method during the period of the sukuk instrument and recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Fixed assets

Fixed assets are initially recognised at acquisition cost. Acquisition cost includes expenditures directly attributable to bring the assets for their intended use. Except for land, subsequent to initial measurement, all fixed assets are measured using cost model, which is cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

In 2016, the Bank changed its accounting policy related to subsequent measurement of land from cost model to revaluation model. The change of accounting policy is implemented prospectively.

Land is presented at fair value, based on valuation performed by external independent valuers which are registered with OJK. Valuation of land is carried out by appraisers who have professional qualifications. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of revalued assets does not differ materially from their fair values at the reporting date.

Increases arising on the revaluation are credited to “revaluation surplus of fixed assets” as part of other comprehensive income. However, the increase is recognised in profit or loss up to the amount of the same asset impairment from revaluation previously recognised in the consolidated statements of profit or loss. Decreases that offset previous increases of the same asset are debited against ”revaluation surplus of fixed assets” as part of other comprehensive income, all other decreases are charged to the consolidated statements of profit or loss.

Costs relating to the acquisition of legal titles on the land rights are recognised as part of acquisition cost of land, except there is evidence which indicates that the extension or renewal of land rights is probable or certainly not be obtained. The costs of extension or renewal of legal titles on the land rights are charged to consolidated profit or loss as incurred because the amount is not significant.

Buildings are depreciated using the straight-line method over their estimated useful lives of 20 (twenty) years. Other fixed assets are depreciated over their estimated useful lives ranging from 2 (two) to 8 (eight) years using the double-declining balance method for the Bank and PT BCA Finance, and straight-line method for other Subsidiaries. The effect of such different depreciation method is not material to the consolidated financial statements. For all fixed assets, the Group has determined residual values to be “nil” for the calculation of depreciation.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Buildings under construction are stated at acquisition cost. The accumulated costs will be transferred to the buildings account when construction is completed and the buildings are ready for their intended use.

When assets are disposed, their acquisition cost and the related accumulated depreciation are eliminated from the consolidated statements of financial position, and the resulting gain or loss on the disposal of fixed assets is recognised in the current year consolidated statements of profit or loss. When revalued assets are sold, the amounts included in equity are transferred to retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Fixed assets (continued)

At each reporting date, residual value, useful life and depreciation method are reviewed, and if required, will be adjusted and applied in accordance with the requirement of prevailing Financial Accounting Standards.

When the carrying amount of fixed assets measured using cost model is greater than its estimated recoverable amount, it is written down to its recoverable amount and the impairment loss is recognised in the current year consolidated statements of profit or loss.

t. Other assets

Other assets include accrued interest income, receivables, foreclosed assets, abandoned properties, interoffice accounts and others.

Foreclosed assets represent assets acquired by the Group, both from auction and non-auction based on voluntary transfer by the debtor or based on debtor’s approval to sell the collateral when the debtor could not fulfill their obligations to the Group. Foreclosed assets represent loan collateral that were taken over as part of loans settlement and presented in “Other Assets”.

Abandoned properties represent the Group is fixed assets in the form of properties which were not used for the Group business operational activity.

Foreclosed assets are presented at their net realisable values. Net realisable value is the fair value of the repossessed assets less estimated costs to sale the foreclosed assets. Differences between the net realisable value and the proceeds from disposal of the foreclosed assets are recognised as current year gain or loss at the year of disposal.

Expenses for maintaining repossessed assets and abandoned properties are recognised in the current year consolidated statements of profit or loss and other comprehensive income as incurred. Any permanent impairment loss that occurred will be charged to the current year consolidated statements of profit or loss and other comprehensive income. Refer to Note 2h for changes in accounting policy to determine impairment losses on repossessed assets and abandoned properties.

u. Intangible assets

Intangible assets consist of software and goodwill.

Software

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as software. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Amortisation is recognised in consolidated statements of profit or loss using a double-declining balance method over the estimated useful economic life of 4 (four) years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Intangible assets (continued)

Intangible assets consist of software and goodwill. (continued)

Goodwill

Goodwill represents the excess of the aggregate amount of the consideration transferred and the amounts of non-controlling interest and the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition. Goodwill is not amortised but tested for impairment at each reporting date and carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each cash-generating unit (CGU), or group of CGUs, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. For Group accounting policy of impairment losses refer to Note 2h.

v. Deposits from customers and other banks

Deposits from customers are the fund trusted by customers (exclude banks) to the Bank based on fund deposits agreements. Included in this accounts are current accounts, saving accounts, time deposits and certificates of deposits.

Deposits from other banks represent liabilities to other banks, both domestic and overseas banks, in the form of current accounts, saving accounts, time deposits, and interbank call money.

Deposits from customers and deposits from other banks are classified as financial liabilities at amotised cost. Incremental costs directly attributable to acquisition of deposits from customers and deposits from other banks are deducted from the amount of deposits from customers and deposits from other banks. Refer to Note 2g for the accounting policy of financial liabilities at amortised cost.

w. Sharia deposits

Sharia deposits are deposits from third parties in form of *wadiah* demand deposits and *wadiah* savings. *Wadiah* demand deposits can be used as payment instrument, and can be withdrawn using cheque and payment slip. *Wadiah* demand deposits and *wadiah* savings are entitled to receive bonus in accordance with Subsidiary’s policy. *Wadiah* demand deposits and *wadiah* savings are stated at nominal amount of deposits from customers. Sharia deposits are classified as financial liabilities measured at amortised cost. Refer to Note 2g for accounting policy on financial liabilities measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Temporary *syirkah* deposits

Temporary *syirkah* deposit is an investment with *mudharabah muthlaqah* agreement, where the owner of funds (*shahibul maal*) gives flexibility to fund manager (*mudharib*/Subsidiary) in managing the investment with the purpose that the returns are to be shared based on a pre-agreed basis.

Temporary *syirkah* deposits consist of *mudharabah* saving deposit, *mudharabah* time deposits and *Sertifikat Investasi Mudharabah Antarbank* ("SIMA"). These funds obtained by Subsidiary which has the right to manage and invest fund, according to Subsidiary's policy or limitation from fund holders, whereby gains are to be shared based on the agreement. In case that the decrease of temporary *syirkah* deposits was caused by normal losses, and not caused by willful default, negligence or breach of the agreement, the Subsidiary has no obligation to return or cover the fund losses or deficit.

Mudharabah saving deposits are deposits from third parties which are entitled to receive sharing revenue from Subsidiary for the utilisation of the funds with a pre-agreed and approved *nisbah*. *Mudharabah* saving deposits are stated at the liabilities to customers.

Mudharabah time deposits are deposits from third parties which can only be withdrawn at a specific time based on the agreement between holder of *mudharabah* time deposits and the Subsidiary. *Mudharabah* time deposits are stated at nominal amount based on the agreement between holder of *mudharabah* time deposits and the Subsidiary.

Temporary *syirkah* deposits can not be classified as liability. When the Subsidiary incurs losses, the Subsidiary does not possess any liability to return the initial fund amount from the fund owners except from negligence or default of the Subsidiary. Temporary *syirkah* deposits can not be classified as equity because it has maturity date and owners and it does not possess any ownership rights equal to shareholders as voting rights and rights of gain realisation from current assets and non-investment assets.

Temporary *syirkah* deposits is one of the elements of consolidated financial statements, it in accordance with sharia principle which give rights to Subsidiary to manage the fund, including blending the funds with other funds.

Owners of temporary *syirkah* deposits obtain part of gain as agreed and incur losses based on the amount from each parties. Revenue sharing of temporary *syirkah* deposits can be done by revenue sharing concept or profit sharing concept.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

y. Debt securities issued

Debt securities issued by Subsidiary which consists of bonds payable, are classified as other financial liabilities measured at amortised cost. Issuance costs in connection with the issuance of debt securities are recognised as discounts and directly deducted from the proceeds of debt securities issued and amortised over the period of debt securities using the effective interest method. Debt securities issued is classified as financial liabilities at amortised cost. Refer to Note 2g for the accounting policy of financial liabilities measured at amortised cost.

z. Subordinated bonds

Subordinated bonds are classified as financial liabilities measured at amortised cost. Incremental costs directly attributable to the issuance of subordinated bonds are deducted from the amount of subordinated bonds received. Refer to Note 2g for the accounting policy for financial liabilities at amortised cost.

aa. Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are determined by discounting the estimated future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

ab. Accrued expenses and other liabilities

Accrued expenses and other liabilities consist of accrued interest expense, liabilities related to customer and insurance transactions, security deposits, unearned revenue, finance lease liabilities and others.

ac. Earnings per share

Basic earnings per share is computed based on net income for the current year attributable to equity holders of parent entity divided by the weighted average number of outstanding issued and fully paid-up common shares during the year after considering the treasury stocks.

As of 31 December 2020 and 2019, there were no instruments which could potentially result in the issuance of common shares. Therefore, diluted earnings per share is equivalent to basic earnings per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Interest income and expenses & sharia income and expenses

Interest income and expenses

Interest income and expenses are recognised in the consolidated statements of profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes transaction costs (Note 2g) and all fees and points paid or received that are an integral part of the effective interest rate.

Interest income and expenses presented in the consolidated statements of profit or loss and other comprehensive income include:

- Interest on financial assets and liabilities at amortised cost calculated using the effective interest rate method;
- Interest on investment securities at fair value through other comprehensive income calculated using the effective interest rate method;
- Interest income on all financial assets at fair value through profit or loss are considered to be incidental to the Bank's trading operations and are presented as part of net trading income; and
- Interest income on the impaired financial assets continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment losses.

Sharia income and expenses

Sharia income consists of *murabahah* profit, *ijarah* revenue (leases), and profit sharing from *mudharabah* and *musyarakah* financing.

Recognition of *murabahah* transaction profit with deferred payment or installments is carried out during the contractual period in accordance with effective (annuity) method.

Ijarah revenue is recognised proportionally during the contractual period.

Musyarakah revenue sharing which is entitled to passive partner is recognised during the period in which the revenue occurs according to agreed *nisbah*.

Mudharabah revenue sharing is recognised during the period in which revenue sharing in accordance to agreed *nisbah* occurs, and not allowed to recognise revenue from projected business result.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Interest income and expenses & sharia income and expenses (continued)

<u>Sharia income and expenses</u> (continued)

Sharia expenses consist of *mudharabah* expense and *wadiah* bonus expense. Sharia expenses consist of expense for profit distribution on third party funds which are calculated using profit distribution principle in accordance with agreed sharing ratio (*nisbah*) based on *wadiah*, *mudharabah muthlaqah* and *mudharabah muqayyadah* principles.

ae. Fees and commission income and expenses

Significant fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including bancassurance activity related fees, export-import related fees, cash management fees, service fees and/or related to a specific period and the amount is significant, are recognised as unearned income/prepaid expenses and amortised based on the straight-line method over the terms of the related transactions; otherwise, they are directly recognised as the related services are performed. Loan commitment fees are recognised on a straight-line method over the commitment period.

Other fees and commission expenses which are mainly related to interbank transaction fees are expensed as the services are received.

af. Net income from transactions at fair value through profit or loss

Net income from transactions at fair value through profit or loss comprises of net gains or losses related to financial assets and liabilities at fair value through profit or loss, including interest income and expenses from all financial instruments at fair value through profit or loss and all realised and unrealised fair value changes and foreign exchange differences.

ag. Post-employment benefits obligation

ag.1. Short-term liability

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Post-employment benefits obligation (continued)

ag.2. Pension obligation

Entities in the Group operate various pension schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and compensation.

The liability recognised in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statements of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the consolidated statements of changes in equity and in the consolidated statements of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailment programs are recognised immediately in the consolidated statements of profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to pension plans on a mandatory, contractual or voluntary basis. However, since Labour Law No. 13 of 2003 requires an entity to pay to a worker entering into pension age a certain amount based on, the worker’s length of service, the Group is exposed to the possibility of having to make further payments to reach that certain amount in particular when the cumulative contributions are less than that amount. Consequently for financial reporting purposes, defined contribution plans are effectively treated as if they were defined benefit plans.

ag.3. Other post-employment obligations

The Bank provides post-retirement healthcare benefits to their employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using projected unit credit method. These obligations are valued annually by independent qualified actuaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Post-employment benefits obligation (continued)

ag.4. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the Group recognises costs for a restructuring that is within the scope of SFAS 57 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

ah. Current and deferred income tax

Income tax expense comprises of current and deferred taxes. Income tax expense is recognised in the consolidated statements of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the entities in the Group operate and generate taxable income. Management periodically evaluates positions taken in annual tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences which arise from the difference between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ah. Current and deferred income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ai. Leases transaction

Policies applied before 1 January 2020

In accordance with SFAS 30, the Group determines arrangement is, or contains, a lease based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The leases transaction entered into by the Group was classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payment is recognised as an expense on a straight-line basis over the leases term. All incentives for the agreement of a new or renewal operating leases are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments. The Group recognises the aggregate benefit of incentives as a reduction of rental expense over the leases term, on a straight-line basis.

Policies applied from 1 January 2020

At the inception of a contract, the Group assesses whether the contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. The Group can choose not to recognise the right-of-use asset and lease liabilities for:

- Short-term leases; and
- Low value underlying assets.

To assess whether a contract conveys the right to control the use of an identified asset, the Group shall assess whether:

- The Group has the right to obtain substantially all the economic benefit from use of the identified asset; and
- The Group has the right to direct the use of the identified asset. The Group has described when it has a decision-making rights that are the most relevant to changing how and for what purpose the asset is used are predetermined:
  1. The Group has the right to operate the asset;
  2. The Group has designed the asset in a way that predetermine how and for what purposes it will be used throughout the period of use.

The Group recognises a right-of-use asset and a leases liability at the leases commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ai. Lease Transaction (continued)

Policies applied from 1 January 2020 (continued)

The right-of-use asset is amortised over the straight-line method throughout the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that right cannot be readily determined, using incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as a discount rate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents right-of-use assets as part of “Fixed assets” and lease liabilities as part of ‘Other liabilities” in the consolidated statement of financial position.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the leases term.

The Group analyses the facts and circumstances for each type of landrights in determining the accounting for each of these land rights so that it can accurately represent an underlying economic event or transaction. If the landrights do not transfer control of the underlying assets to the Group, but gives the rights to use the underlying assets, the Group applies the accounting treatment of these transactions as leases under SFAS 73, “Lease”, except if landrights substantially similar to land purchases, the Group applies SFAS 16, “Fixed Assets”.

aj. Operating segment

An operating segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the entity’s other components, whose operating results are reviewed regularly by the chief operating decision-maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision-maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise of head office expenses, fixed assets, income tax assets/liabilities, including current and deferred taxes.

The Group manages its businesses and identify reporting segment based on geographic region and product. Several regions have similar characteristics, have been aggregated and evaluated regularly by management. Gains/losses from each segment is used to assess the performance of each segment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ak. Related parties transactions

The Group has transactions with related parties. In accordance with SFAS 7 (Revised 2015) - Related Party Disclosure, the meaning of a related party is a person or entity that is related to a reporting entity as follow:

a. A person or a close member of that person's family is related to a reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is member of the key management personnel of the reporting entity or a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:
   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a company of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
   vi. the entity controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personel of the entity (or of a parent of the entity).

The nature of transactions and balances of accounts with related parties are disclosed in the Note 49.

3. USE OF ESTIMATES AND JUDGMENT

This disclosure supplements the commentary on financial risk management (Note 44).

a. Key sources of estimation uncertainty

a.1. Allowance for impairment losses of financial assets

According to SFAS 71, the measurement of the expected credit loss allowance for financial assets measured at amortised cost and at fair value through other comprehensive income is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

Significant estimates are required in applying the SFAS 71 requirements for measuring allowance for impairment losses, such as:

- Determining criteria for Significant Increase in Credit Risk;
- Choosing appropriate models and assumptions for the measurement of allowance for impairment losses;
- Establishing the number and relative weightings of forward-looking scenarios for each type of segment/product;
- Establishing groups of similar financial assets for the purposes of measuring allowance for impairment losses;
- Estimate debtor's cash flow in the calculation of individual impairment.

3. USE OF ESTIMATES AND JUDGMENT (continued)

This disclosure supplements the commentary on financial risk management (Note 44). (continued)

a. Key sources of estimation uncertainty (continued)

a.1. Allowance for impairment losses of financial assets (continued)

Detailed information about the judgements and estimates made by the Group is set out in Note 44.

a.2. Determining fair values of financial instruments

In determining the fair value of financial assets and liabilities for which there is no observable market price, the Group must use the valuation techniques as described in Note 2g for financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks.

a.3. Post-employment benefits obligations

Present value of retirement obligations depends on several factors which determined by actuarial basis using several assumptions. Assumptions used to determine expenses (revenues) of net pension including discount rate and future salary growth. Any changes on these assumptions will affect the recorded amount of pension obligations.

a.4. Taxation

The Group requires significant judgment in determining tax provisions. Group determines tax provisions based on estimates of the possible additional tax expense. If the final outcome is different from the amount originally recorded, the difference will have an impact in the profit or loss.

b. Critical accounting judgments in applying the Group accounting policy

Critical accounting judgments in applying the Group accounting policies include:

b.1. Valuation of financial instruments

The Group accounting policies on fair value measurements are discussed in Note 2g.

Information regarding the fair value of financial instruments is disclosed in Note 39.

b.2. Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated at the inception into different accounting categories in accordance with the prevailing accounting standards and based on certain circumstances:

- In classifying financial assets as "measured at fair value through profit or loss", the Group has determined that the financial assets meet the description of assets measured at fair value through profit or loss as set out in Note 2g;

(Expressed in millions of Rupiah, unless otherwise stated)

3. USE OF ESTIMATES AND JUDGMENT (continued)

This disclosure supplements the commentary on financial risk management (Note 44). (continued)

b. Critical accounting judgments in applying the Group accounting policy (continued)

Critical accounting judgments in applying the Group accounting policies include: (continued)

b.2. Financial asset and liability classification (continued)

- In classifying financial assets as “measured at amortised cost”, the Group has determined that the financial assets meet the description of assets measured at amortised cost as set out in Note 2g;
- In classifying investment in sukuk as “measured at cost” and “measured at fair value through other comprehensive income”, the Group has determined that the investment meets the classification requirements as set out in Note 2r.

4. BUSINESS COMBINATIONS

Acquisition of PT Bank Royal Indonesia

On 31 October 2019, the Group acquired 100% of the shares of PT Bank Royal Indonesia ("Bank Royal") with the Bank's ownership of 99.99% and through PT BCA Finance (Subsidiary) 0.01% with a total cost of Rp 988,047. PT Bank Royal Indonesia is commercial banking and the Bank plans to develop Bank Royal's business in digital banking, and conduct alliances and business synergies with the Group's business activities.

The following table is the reconciliation of cash flow payment and received from the acquisition of Bank Royal.

	31 October 2019
Cash consideration paid	988,047
Less balance of cash and cash equivalents acquired:	
Cash and cash equivalents	(64,045)
Cash and cash equivalents outflow - investing activities	924,002

The fair value of the net identifiable assets acquired and goodwill arising from the acquisition at the date of acquisition are as follows:

	31 October 2019
Purchase price	988,047
Fair value of the net indentifiable assets acquired	(299,842)
Goodwill	688,205

(Expressed in millions of Rupiah, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)

Acquisition of PT Bank Royal Indonesia (continued)

Acquisition-related cost of Rp 6,270 are charged to administrative expenses in the consolidated statements of profit or loss for the year ended 31 December 2019.

The acquisition of PT Bank Royal Indonesia has been conducted in accordance with Bapepam-LK Regulation No. KEP-347/BL/2012 dated 25 June 2012, Regulation No. VIII.G.7 regarding "Presentation and Disclosure of Public Company's Financial Statements".

On 31 December 2020, the Group has assessed the impairment of goodwill from the acquisition transaction of PT Bank Royal Indonesia. Based on this assessment, there is no indication of impairment.

Acquisition of PT Bank Interim Indonesia

As at 25 September 2020, the Group acquired 100% of the shares of PT Bank Interim Indonesia (formerly PT Rabobank International Indonesia) with the Bank's ownership of 99.99% and through PT BCA Finance (Subsidiary) 0.01% with a total cost of Rp 643,648. PT Bank Interim Indonesia is a company engaged in banking industry, and PT Bank Interim Indonesia will provide added value to the BCA Group through its merger with PT Bank BCA Syariah (Subsidiary). The merger of PT Bank Interim Indonesia and PT Bank BCA Syariah is a strategic initiative to strengthen PT Bank BCA Syariah.

The following table is the reconciliation of cash flow payment and received from the acquisition of PT Bank Interim Indonesia.

	25 September 2020
Cash consideration paid	643,648
Less balance of cash and cash equivalents acquired:	
Cash and cash equivalents	(339,922)
Cash and cash equivalents outflow - investing activities	303,726

The fair value of the net identifiable assets acquired and goodwill arising from the acquisition at the date of acquisition are as follows:

	25 September 2020
Purchase price	643,648
Fair value of the net indentifiable assets acquired	(341,277)
Goodwill	302,371

Acquisition-related cost of Rp 16,346 are charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2020.

The acquisition of PT Bank Interim Indonesia has been conducted in accordance with Bapepam-LK Regulation No. KEP-347/BL/2012 dated 25 June 2012, Regulation No. VIII.G.7 regarding "Presentation and Disclosure of Public Company's Financial Statements".

(Expressed in millions of Rupiah, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)

Acquistion of PT Bank Interim Indonesia (continued)

PT Bank BCA Syariah entered into a business merger with PT Bank Interim Indonesia which is domiciled in Jakarta. The decision on the merger is stated in Deed No. 65 dated 16 November 2020 made before Notary Christina Dwi Utami S.H., M.Hum., M.Kn., in Jakarta. This amendment deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with Decree No. AHU-AH.01.10-0012509 on 10 December 2020.

As at 31 December 2020, the Group has assessed the impairment of goodwill from the acquisition transaction of PT Bank Interim Indonesia. Based on this assessment, there is no indication of impairment

5. CASH

	2020	2019
Rupiah	23,564,935	23,928,010
Foreign currencies	757,400	1,493,396
	24,322,335	**25,421,406**

The balance of cash in Rupiah includes cash in Automatic Teller Machines ("ATM") amounting to Rp 10,334,399 and Rp 9,644,181 as of 31 December 2020 and 2019, respectively.

6. CURRENT ACCOUNTS WITH BANK INDONESIA

	2020	2019
Rupiah	24,669,882	43,257,848
Foreign currencies	2,812,296	4,646,826
	27,482,178	**47,904,674**

Weighted average effective interest rates per annum of current accounts with Bank Indonesia denominated in Rupiah as of 31 December 2020 and 2019 were 0.63% and nil, respectively.

Current accounts with Bank Indonesia are provided to comply with the Minimum Statutory Reserve ("GWM") of Bank Indonesia. On 31 December 2020 and 2019, the Ratio of Rupiah and Foreign Exchange Statutory Reserves as well as the Macro-prudential Liquidity Buffer ("PLM") that must be met by the Bank are as follows:

	2020	2019
Rupiah		
- Primary GWM	3.00%	6.00%
(i) GWM on daily basis	0.00%	3.00%
(ii) GWM on average basis	3.00%	3.00%
- GWM PLM (previously Secondary GWM)	6.00%	4.00%
Foreign Currencies		
- Primary GWM	4.00%	8.00%
(i) GWM on daily basis	2.00%	6.00%
(ii) GWM on average basis	2.00%	2.00%

(Expressed in millions of Rupiah, unless otherwise stated)

6. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

Primary GWM is a minimum reserve that should be maintained by the Bank in the form of current accounts with Bank Indonesia. PLM is a minimum liquidity reserves that should be maintained by Bank, in form of Bank Indonesia Certificates ("SBI"), Bank Indonesia Deposit Certificates ("SDBI"), Treasury Bills ("SBN") which is determined by Bank Indonesia at certain percentage of the Bank's Third Party Fund.

As of 31 December 2020 and 2019, the Bank has fulfilled the GWM ratios in Rupiah and foreign currency as follows:

	2020	2019
Rupiah		
- Primary GWM	3.17%	6.05%
(i) GWM on daily basis	0.00%	3.00%
(ii) GWM on average basis	3.17%	3.05%
- GWM PLM (previously Secondary GWM)	35.63%	13.51%
Foreign Currencies		
- Primary GWM	4.20%	8.52%
(i) GWM on daily basis	2.00%	6.00%
(ii) GWM on average basis	2.20%	2.52%

As of 31 December 2020 and 2019, the GWM Macro-prudential Intermediation Ratio ("RIM") (formerly GWM LFR) that must be met by the Bank was nil and 0.43%, respectively.

Information on the classification and fair value of current account with Bank Indonesia is disclosed in Note 39. Information on the maturity of current account with Bank Indonesia is disclosed in Note 45

7. CURRENT ACCOUNTS WITH OTHER BANKS

	2020	2019
Rupiah	311,552	2,888
Foreign Currencies	11,661,784	10,518,799
Total current accounts with other banks Before deducting allowance for impairment losses	11,973,336	10,521,687
Less:		
Allowance for impairment losses		
Rupiah	(376)	-
Foreign Currencies	(551)	-
	(927)	-
Total current accounts with other banks - net	**11,972,409**	**10,521,687**

(Expressed in millions of Rupiah, unless otherwise stated)

7. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

Details of current accounts with other banks by counterparty as of 31 December 2020 and 2019 were as follows:

	2020	2019
JPMorgan Chase Bank, N.A.	4,031,919	3,649,852
The Bank of New York Mellon Corporation	2,010,227	542,958
United Overseas Bank Limited, Co.	1,138,575	1,066,227
DBS Bank Ltd.	1,101,320	327,277
Oversea-Chinese Banking Corporation Limited	699,199	288,321
Bank of China Limited	522,303	128,244
Wells Fargo Bank, N.A.	469,174	2,607,679
National Australia Bank Limited	295,445	109,772
GBC International Bank	280,895	277,444
Australia and New Zealand Banking Group Limited	238,211	22,676
PT Bank ICBC Indonesia	209,337	155,497
Standard Chartered Bank	146,564	76,242
ING Bank NV	138,604	46,635
Barclays Bank PLC	104,847	17,100
PT Bank Mandiri (Persero) Tbk	96,141	290,726
Sumitomo Mitsui Banking Corporation	70,509	284,528
Societe Generale S.A.	63,901	-
Commonwealth Bank of Australia	51,341	13,317
PT Bank Mizuho Indonesia	44,765	48,497
MUFG Bank, Ltd.	42,315	45,263
The Hongkong and Shanghai Banking Corporation Limited	38,016	27,179
Euroclear Bank	29,156	145,906
KB Kookmin Bank	21,819	43,186
Citibank, N.A.	-	76,770
Westpac Banking Corporation	-	39,173
Royal Bank of Scotland PLC	-	49,352
Others	128,753	141,866
	11,973,336	10,521,687
Less:		
Allowance for impairment losses	(927)	-
Total current accounts with other banks - net	**11,972,409**	**10,521,687**

(Expressed in millions of Rupiah, unless otherwise stated)

7. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

As of 31 December 2020 and 2019, the Group did not have balances of current accounts with other banks from related party.

Weighted average effective interest rates per annum of current accounts with other banks were as follows:

	2020	2019
Rupiah	1.87%	5.15%
Foreign currencies	0.54%	1.93%

During 2020, all current accounts with other banks were categorised as stage 1, had not experienced a significant increase in credit risk since initial recognition and had no objective evidence of impairment. The changes in the allowance for impairment losses on current accounts with other banks are as follows:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				-
Impact on initial implementation of SFAS 71 (Note 53)				(1,999)
Balance, after impact on initial implementation of SFAS 71	(1,999)	-	-	(1,999)
Net changes in exposure	1,262	-	-	1,262
Exchange rate differences	(190)	-	-	(190)
Balance, end of year	**(927)**	**-**	**-**	**(927)**

	2020		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	-	-	-
Impact on initial implementation SFAS 71 (Note 53)	(114)	(1,885)	(1,999)
(Additions) reversal of allowance for impairment losses during the year	(262)	1,524	1,262
Exchange rate differences arise from impairment losses in foreign currencies	-	(190)	(190)
Balance, end of year	**(376)**	**(551)**	**(927)**

As of 31 December 2020, management believes that the allowance for impairment losses is adequate to cover possible losses arising from uncollectible current accounts with other banks.

Information on the classification and fair value of current accounts with other banks is disclosed in Note 39. Information on the maturity of current accounts with other banks is disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

Details of placements with Bank Indonesia and other banks by type and contractual period at initial placement were as follows:

	2020					
	Up to 1 month	**> 1 - 3 months**	**> 3 - 6 months**	**> 6 - 12 months**	**More than 12 months**	**Total**
Bank Indonesia:						
Rupiah	6,091,459	-	-	-	-	6,091,459
Foreign currencies	15,455,000	16,157,500	702,500	-	-	32,315,000
Call money:						
Rupiah	3,400,000	-	-	-	-	3,400,000
Foreign currencies	843,000	-	3,020,750	-	-	3,863,750
Time deposits:						
Rupiah	348,987	191,000	234,849	133,358	-	908,194
Foreign currencies	1,372	4,965	4,983	-	-	11,320
Certificates of deposits:						
Rupiah	-	-	-	271,642	594,120	865,762
Others:						
Foreign currencies	105	-	-	-	-	105
	26,139,923	16,353,465	3,963,082	405,000	594,120	47,455,590
Less:						
Allowance for impairment losses						
Rupiah						(4,433)
Foreign currencies						(267)
						(4,700)
Total placements with Bank Indonesia and other banks - net						**47,450,890**

	2019					
	Up to 1 month	**> 1 - 3 months**	**> 3 - 6 months**	**> 6 - 12 months**	**More than 12 months**	**Total**
Bank Indonesia:						
Rupiah	2,019,439	-	-	-	-	2,019,439
Foreign currencies	6,247,125	18,047,250	-	-	-	24,294,375
Call money:						
Rupiah	100,000	1,425,000	-	-	-	1,525,000
Foreign currencies	948,276	-	-	-	-	948,276
Time deposits:						
Rupiah	214,445	211,990	192,749	57,100	-	676,284
Foreign currencies	1,344	4,813	4,820	-	-	10,977
Certificates of deposits:						
Rupiah	-	-	49,655	336,860	1,087,312	1,473,827
Others:						
Foreign currencies	96	-	-	-	-	96
	9,530,725	**19,689,053**	**247,224**	**393,960**	**1,087,312**	**30,948,274**

(Expressed in millions of Rupiah, unless otherwise stated)

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

Details of placements with Bank Indonesia and other banks by counterparty as of 31 December 2020 and 2019 were as follows:

	2020	2019
Bank Indonesia	38,406,459	26,313,814
PT Bank Rakyat Indonesia (Persero) Tbk	2,691,887	150,815
Mizuho Bank, Ltd. - Hongkong Branch	2,177,750	-
PT Bank Negara Indonesia (Persero) Tbk	702,500	196,592
PT Bank Maybank Indonesia Tbk	600,000	98,550
MUFG Bank, Ltd. - Indonesia Branch	594,120	606,905
PT Bank BTPN Tbk	454,500	1,280,000
MUFG Bank, Ltd. - Singapore Branch	281,000	498,063
Deutsche Bank AG - Jakarta Branch	200,000	-
PT Bank Mega Syariah	195,000	-
PT Shinhan Bank Indonesia	183,358	81,749
PT Bank Pembangunan Daerah Nusa Tenggara Timur	142,045	-
PT Bank QNB Indonesia Tbk	137,849	25,000
PT Bank Commonwealth	129,597	259,100
PT Bank ANZ Indonesia	100,000	-
PT Bank Bukopin Tbk	100,000	-
PT Bank Mega Tbk	80,000	30,000
PT Bank Syariah Bukopin	75,000	-
PT Bank CTBC Indonesia	51,100	34,800
PT Bank BRIsyariah Tbk	40,000	-
PT Bank KEB Hana Indonesia	34,948	40,633
PT Bank Mandiri Taspen	25,000	273,830
PT Bank Pan Indonesia Tbk	25,000	208,238
PT Bank Pembangunan Daerah Jawa Tengah Tbk	-	237,550
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	-	124,090
Landesbank Baden-Württemberg	-	103,150
PT Bank Panin Dubai Syariah Tbk	-	100,000
PT Bank ICBC Indonesia	-	100,000
PT Bank Mizuho Indonesia	-	99,310
PT Bank DKI	-	66,710
Others	28,477	19,375
	47,455,590	**30,948,274**

As of 31 December 2020 and 2019, the Group did not have balances of placements with other banks from related party.

(Expressed in millions of Rupiah, unless otherwise stated)

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

Changes in unrealised gain (loss) from placements with other banks measured at fair value through other comprehensive income are as follows:

	2020	2019
Balance, beginning of year - before deferred income tax	15,853	(3,869)
Addition of unrealised (losses) gains during the year - net	(33,209)	20,124
Realised gains (losses) during the year - net	22,000	(402)
Total before deferred income tax	4,644	15,853
Deferred income tax (Note 21)	(882)	(3,171)
Balance, end of year - net	**3,762**	**12,682**

During 2020, all placements with other banks were categorised as stage 1, had not experienced a significant increase in credit risk since initial recognition and had no objective evidence of impairment. The changes in the allowance for impairment losses on placements with other banks are as follows:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				-
Impact on initial implementation of SFAS 71 (Note 53)				(3,972)
Balance, after impact on initial implementation of SFAS 71	(3,972)	-	-	(3,972)
Net changes in exposure	(697)	-	-	(697)
Exchange rate differences	(31)	-	-	(31)
Balance, end of year	**(4,700)**	**-**	**-**	**(4,700)**

	2020		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	-	-	-
Impact on initial implementation of SFAS 71 (Note 53)	(3,827)	(145)	(3,972)
Reversal of allowance for impairment losses during the year	(606)	(91)	(697)
Exchange rate differences arise from impairment losses in foreign currencies	-	(31)	(31)
Balance, end of year	**(4,433)**	**(267)**	**(4,700)**

Weighted average effective interest rates per annum of placements with Bank Indonesia and other banks were as follows:

	2020	2019
Bank Indonesia and call money:		
Rupiah	3.95%	5.77%
Foreign currencies	0.62%	2.24%
Time deposits:		
Rupiah	5.09%	6.37%
Foreign currencies	1.79%	3.01%
Certificates of deposits:		
Rupiah	7.10%	7.56%

(Expressed in millions of Rupiah, unless otherwise stated)

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

The range of contractual interest rates of time deposits owned by the Group in Rupiah currency during the years ended 31 December 2020 and 2019 were 2.25% - 8.75% and 4.00% - 9.00%, respectively, and for certificates of deposit in Rupiah are 5.94% - 8.20%, while the range of contractual interest rates of time deposits owned by the Group in foreign currencies were 0.25% - 2.50% and 1.00% - 3.25%, respectively, during the years ended 31 December 2020 and 2019.

As of 31 December 2020 and 2019, there were no placements with Bank Indonesia and other banks which were used as collateral for securities trading transaction.

As of 31 December 2020 and 2019, all placements with Bank Indonesia and other banks are classified as current and management believes that the allowance for impairment losses is sufficient to cover losses that may arise from uncollectible placements with Bank Indonesia and other banks.

Information on the classification and fair value of placements with Bank Indonesia and other banks is disclosed in Note 39. Information on the maturity of placements with Bank Indonesia and other banks is disclosed in Note 45.

9. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities at fair value through profit or loss consist of:

	2020		2019	
	Nominal value	Fair value	Nominal value	Fair value
Financial assets:				
Securities				
Government bonds	1,306,650	1,416,462	256,747	265,868
Certificates of Bank Indonesia	-	-	798,516	783,393
Bank Indonesia Treasury Bills	-	-	2,012,963	1,996,290
Government Treasury Bills	-	-	222,308	221,323
Sukuk	172,443	177,715	108,507	111,347
Corporate bonds	138,000	139,307	132,000	132,990
Mutual Funds	21,057	22,288	-	-
Shares	-	100,430	-	68,619
	1,638,150	1,856,202	3,531,041	3,579,830
Placements with other banks				
Certificates of Deposits	-	-	400,000	394,720
Derivative assets				
Forward		53,823		60,958
Currency swap		1,024,639		1,871,037
Spot		1,581		3,601
		1,080,043		1,935,596
		2,936,245		5,910,146
Financial liabilities:				
Derivative liabilities				
Forward		121,224		75,092
Currency swap		14,012		27,622
Spot		3,521		3,546
		138,757		106,260

As of 31 December 2020 and 2019, the Group did not have balances of financial assets and liabilities at fair value through profit or loss (2019: held for trading) from and to related party.

(Expressed in millions of Rupiah, unless otherwise stated)

9. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

During the years ended 31 December 2020 and 2019, the Bank reclassified the investment securities at fair value through other comprehensive income (2019: available for sale) to financial assets at fair value through profit or loss (2019: held for trading) amounting to Rp nil and Rp 132,000 (fair value of Rp 133,003), respectively.

Information on the classification and fair value of financial assets and liabilities held for trading is disclosed in Note 39. Information on the maturity of financial assets and liabilities held for trading is disclosed in Note 45.

10. ACCEPTANCE RECEIVABLES AND PAYABLES

a. The details of acceptance receivables

	2020	2019
Rupiah		
Non-bank debtors	2,942,310	2,275,034
Other banks	238,716	217,999
	3,181,026	2,493,033
Less:		
Allowance for impairment losses	(140,042)	(33,086)
	3,040,984	2,459,947
Foreign currencies		
Non-bank debtors	5,106,667	6,918,002
Other banks	266,282	258,342
	5,372,949	7,176,344
Less:		
Allowance for impairment losses	(269,090)	(143,536)
	5,103,859	7,032,808
Total acceptance receivables - net	**8,144,843**	**9,492,755**

b. The details of acceptance payables

	2020	2019
Rupiah		
Non-bank debtors	327,095	280,956
Other banks	453,588	570,549
	780,683	851,505
Foreign currencies		
Non-bank debtors	266,282	258,343
Other banks	3,353,080	4,211,401
	3,619,362	4,469,744
Total acceptance payables	**4,400,045**	**5,321,249**

(Expressed in millions of Rupiah, unless otherwise stated)

10. ACCEPTANCE RECEIVABLES AND PAYABLES (continued)

c. The movement of allowance for impairment losses of acceptance receivables

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				(176,622)
Impact on initial implementation of SFAS 71 (Note 53)				(14,336)
Balance, after impact on initial implementation of SFAS 71	(190,958)	-	-	(190,958)
Transfer to lifetime expected credit losses (Stage 2)	6,461	(78,615)	-	(72,154)
Transfer to credit impaired (Stage 3)	3	41,849	(23,986)	17,866
Transfer to 12 months expected credit losses (Stage 1)	(2,684)	2,808	-	124
Net changes in exposure	(221,183)	33,261	23,978	(163,944)
Exchange rate differences	(756)	682	8	(66)
Balance, end of year	**(409,117)**	**(15)**	**-**	**(409,132)**

	2020		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(33,086)	(143,536)	(176,622)
Impact on initial implementation of SFAS 71 (Note 53)	(103,427)	89,091	(14,336)
Addition of allowance during the year	(3,529)	(214,579)	(218,108)
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(66)	(66)
Balance, end of year	**(140,042)**	**(269,090)**	**(409,132)**

	2019		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(120,959)	(214,891)	(335,850)
Reversal of allowance during the year	87,873	68,689	156,562
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	2,666	2,666
Balance, end of year	**(33,086)**	**(143,536)**	**(176,622)**

Management believes that the allowance for impairment losses provided was adequate to cover possible losses on uncollectible acceptance receivables.

As of 31 December 2020 and 2019, the Bank did not have balances of acceptance receivables and payables from and to related party.

Information on the classification and fair value of acceptance receivables and payables is disclosed in Note 39. Information on the maturity of acceptance receivables and payables is disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

11. BILLS RECEIVABLE

a. The details of bills receivable

	2020	2019
Rupiah		
Non-bank debtors	62,643	90,508
Other banks	6,056,177	5,660,501
	6,118,820	5,751,009
Less:		
Allowance for impairment losses	(6,377)	(127)
	6,112,443	5,750,882
Foreign currencies		
Non-bank debtors	932,983	620,714
Other banks	1,047,222	1,540,031
	1,980,205	2,160,745
Less:		
Allowance for impairment losses	(1,635)	(2,607)
	1,978,570	2,158,138
Total bills receivables - net	**8,091,013**	**7,909,020**

b. The movement of allowance for impairment losses of bills receivables

During 2020, all bills receivables that were categorised as stage 1, had not experienced a significant increase in credit risk since initial recognition and had no objective evidence of impairment. The movement in allowance for impairment losses on bills receivable were as follows:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				(2,734)
Impact on initial implementation of SFAS 71 (Note 53)				(2,156)
Balance, after impact on initial implementation of SFAS 71	(4,890)	-	-	(4,890)
Net changes in exposure	(3,069)	-	-	(3,069)
Exchange rate difference	(53)	-	-	(53)
Balance, end of year	**(8,012)**	**-**	**-**	**(8,012)**

	2020		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(127)	(2,607)	(2,734)
Impact on initial implementation of SFAS 71 (Note 53)	(3,586)	1,430	(2,156)
Addition of allowance during the year	(2,664)	(405)	(3,069)
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(53)	(53)
Balance, end of year	**(6,377)**	**(1,635)**	**(8,012)**

(Expressed in millions of Rupiah, unless otherwise stated)

11. BILLS RECEIVABLE (continued)

b. The movement of allowance for impairment losses of bills receivables (continued)

	2019		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(60)	(5,614)	(5,674)
(Addition) reversal of allowance during the year	(67)	2,207	2,140
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	800	800
Balance, end of year	**(127)**	**(2,607)**	**(2,734)**

Management believes that the allowance for impairment losses provided was adequate to cover possible losses on uncollectible bills receivables.

As of 31 December 2020 and 2019, the Bank did not have balances of bills receivables from and to related party.

Weighted average effective interest rates per annum of bills receivable were as follows:

	2020	2019
Rupiah	9.22%	7.20%
Foreign currencies	2.60%	3.29%

Information on the classification and fair value of bills receivables is disclosed in Note 39. Information on the maturity of bills receivables is disclosed in Note 45.

12. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

This account represents receivables to Bank Indonesia, other banks and third party for securities purchased with agreements to resell with details as follows:

	2020					
	Range of purchase date	Range of sale date	Resell price	Deferred interest income	Allowance for impairment losses	Carrying value
Transactions with Bank Indonesia:						
Underlying instruments:						
Government bonds	10 Jan - 30 Dec 20	4 Jan - 5 Nov 21	142,211,337	(735,940)	-	141,475,397
Government Treasury Bills	30 Sep - 30 Dec 20	4 - 27 Jan 21	174,126	(193)	-	173,933
			142,385,463	(736,133)	-	141,649,330
Transactions with other banks:						
Underlying instruments:						
Government bonds	7 - 28 Dec 20	4 - 18 Jan 21	5,048,871	(6,219)	-	5,042,652
			5,048,871	(6,219)	-	5,042,652
Transactions with third parties:						
Underlying instruments:						
Shares	30 Sep - 8 Dec 20	8 Jun - 30 Dec 21	138,320	(9,905)	(1,148)	127,267
			138,320	(9,905)	(1,148)	127,267
			147,572,654	**(752,257)**	**(1,148)**	**146,819,249**

(Expressed in millions of Rupiah, unless otherwise stated)

12. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

This account represents receivables to Bank Indonesia, other banks and third party for securities purchased with agreements to resell with details as follows: (continued)

	2019					
	Range of purchase date	Range of sale date	Resell price	Deferred interest income	Allowance for impairment losses	Carrying value
Transactions with Bank Indonesia:						
Underlying instruments:						
Government bonds	2 - 18 Oct 19	2 Jan - 16 Oct 20	9,137,326	(158,871)	-	8,978,455
Government Treasury Bills	26 - 31 Dec 19	2 - 7 Jan 20	168,759	(86)	-	168,673
			9,306,085	(158,957)	-	9,147,128
Transactions with other banks:						
Underlying instruments:						
Government bonds	12 Nov 19	6 Nov 20	305,329	(14,882)	-	290,447
			305,329	(14,882)	-	290,447
Transactions with third parties:						
Underlying instruments:						
Shares	4 - 30 Dec 19	4 Mar - 17 Dec 20	147,965	(8,242)	(1,733)	137,990
			147,965	(8,242)	(1,733)	137,990
			9,759,379	**(182,081)**	**(1,733)**	**9,575,565**

The movement of allowance for impairment losses on securities purchased under agreements to resell was as follows:

	2020	2019
Balance, beginning of year	(1,733)	-
Reversal (addition) of allowance during the year	585	(1,733)
Balance, end of year	**(1,148)**	**(1,733)**

Management believes that the allowance for impairment losses provided was adequate to cover possible losses on uncollectible securities purchased under agreements to resell.

All securities purchased under agreements to resell as of 31 December 2020 and 2019 were denominated in Rupiah currency.

As of 31 December 2020 and 2019, the Group did not have balances of securities purchased under agreements to resell with related party.

Weighted average effective interest rates per annum of securities purchased under agreements to resell for the years ended 31 December 2020 and 2019 were 4.22% and 6.08%, respectively.

Information on the classification and fair value of securities purchased under agreements to resell is disclosed in Note 39. Information on the maturity of securities purchased under agreements to resell is disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE

Loans receivable consisted of:

a. By type and currency

	2020	2019
Rupiah		
Related parties:		
Working capital	1,511,386	2,177,595
Investment	3,731,914	2,040,865
Consumer	20,356	14,662
	5,263,656	4,233,122
Third parties:		
Working capital	256,491,269	256,839,251
Investment	160,592,842	158,899,381
Consumer	106,906,552	118,501,479
Credit card	11,204,230	14,105,502
Employee loans	2,948,981	2,945,929
	538,143,874	551,291,542
	543,407,530	555,524,664
Foreign currencies		
Third parties:		
Working capital	18,385,222	19,360,794
Investment	12,796,856	12,054,125
	31,182,078	31,414,919
Total loans receivable	574,589,608	586,939,583
Less: Allowance for impairment losses		
Rupiah	(24,198,731)	(13,826,649)
Foreign currencies	(2,747,211)	(1,078,935)
	(26,945,942)	(14,905,584)
Total loans receivable - net	**547,643,666**	**572,033,999**

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

b. By economic sector and Bank Indonesia's collectability

	2020						
	Current	**Special mention**	**Sub-standard**	**Doubtful**	**Loss**	**Allowance for impairment losses**	**Total**
Rupiah							
Manufacturing	105,810,363	2,124,341	990,255	373,239	832,333	(6,039,498)	104,091,033
Business services	71,482,556	1,849,030	31,276	6,571	150,212	(2,584,474)	70,935,171
Trading, restaurants and hotels	126,916,201	1,820,637	347,170	242,323	4,271,561	(8,829,399)	124,768,493
Agriculture and agricultural facilities	26,582,460	35,923	23,742	1,612	114,471	(1,202,567)	25,555,641
Construction	20,425,455	300,238	937	3,138	63,968	(644,997)	20,148,739
Transportation, warehousing and communications	30,894,576	186,750	15,783	9,641	131,090	(799,278)	30,438,562
Social/public services	10,906,141	185,632	4,246	6,681	37,210	(381,652)	10,758,258
Mining	1,999,284	1,141	-	-	3,376	(82,904)	1,920,897
Electricity, gas, and water	13,113,396	3,658	11	14,991	4,288	(143,511)	12,992,833
Others	115,746,809	3,232,651	264,943	432,215	1,413,005	(3,490,451)	117,599,172
	523,877,241	9,740,001	1,678,363	1,090,411	7,021,514	(24,198,731)	519,208,799
Foreign currencies							
Manufacturing	11,838,064	378,222	-	-	-	(1,512,978)	10,703,308
Business services	2,164,220	-	-	-	-	(56,347)	2,107,873
Trading, restaurants and hotels	3,919,288	16,147	369,386	-	17,564	(818,584)	3,503,801
Agriculture and agricultural facilities	7,758,679	-	-	-	-	(98,403)	7,660,276
Construction	1,042	-	-	-	-	-	1,042
Transportation, warehousing and communications	1,984,190	-	-	-	149,474	(203,102)	1,930,562
Social/public services	19,579	-	-	-	-	(113)	19,466
Mining	247,463	-	-	-	-	(6,555)	240,908
Electricity, gas, and water	2,318,760	-	-	-	-	(51,129)	2,267,631
	30,251,285	394,369	369,386	-	167,038	(2,747,211)	28,434,867
Total	**554,128,526**	**10,134,370**	**2,047,749**	**1,090,411**	**7,188,552**	**(26,945,942)**	**547,643,666**

	2019						
	Current	**Special mention**	**Sub-standard**	**Doubtful**	**Loss**	**Allowance for impairment losses**	**Total**
Rupiah							
Manufacturing	105,931,000	2,303,019	397,208	30,423	779,168	(3,369,108)	106,071,710
Business services	67,728,211	1,259,279	2,155	27,935	65,766	(881,011)	68,202,335
Trading, restaurants and hotels	134,515,965	2,116,305	149,308	172,597	3,581,860	(6,010,033)	134,526,002
Agriculture and agricultural facilities	26,096,930	64,795	107,327	14,026	7,894	(366,871)	25,924,101
Construction	17,579,351	54,815	5,766	22,141	259,002	(597,880)	17,323,195
Transportation, warehousing and communications	25,810,896	226,072	67,487	3,526	144,782	(527,516)	25,725,247
Social/public services	9,865,729	57,202	1,178	2,051	31,414	(141,118)	9,816,456
Mining	2,477,142	10,825	70	-	448	(23,390)	2,465,095
Electricity, gas, and water	17,941,989	19,747	-	4,179	-	(49,203)	17,916,712
Others	129,129,377	4,962,714	248,341	258,004	989,245	(1,860,519)	133,727,162
	537,076,590	11,074,773	978,840	534,882	5,859,579	(13,826,649)	541,698,015
Foreign currencies							
Manufacturing	11,993,341	221,278	328,555	-	5,421	(565,328)	11,983,267
Business services	2,675,902	-	-	-	-	(2,985)	2,672,917
Trading, restaurants and hotels	4,267,154	289,745	-	-	17,534	(290,048)	4,284,385
Agriculture and agricultural facilities	7,931,423	-	-	-	-	(36,771)	7,894,652
Construction	19,552	-	-	-	-	-	19,552
Transportation, warehousing and communications	761,759	-	-	152,115	-	(156,300)	757,574
Social/public services	12,633	-	-	-	-	(58)	12,575
Mining	580,610	-	-	-	-	(4,091)	576,519
Electricity, gas, and water	2,157,897	-	-	-	-	(23,354)	2,134,543
	30,400,271	511,023	328,555	152,115	22,955	(1,078,935)	30,335,984
Total	**567,476,861**	**11,585,796**	**1,307,395**	**686,997**	**5,882,534**	**(14,905,584)**	**572,033,999**

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

c. By maturity

Loans receivable by maturity period based on loan agreements:

	2020	2019
Rupiah		
Up to 1 year	197,103,730	81,946,749
> 1 - 5 years	100,693,346	236,052,755
> 5 years	246,357,415	238,319,036
	544,154,491	556,318,540
Foreign currencies		
Up to 1 year	9,142,899	7,098,437
> 1 - 5 years	10,649,549	13,233,986
> 5 years	11,390,423	11,083,868
	31,182,871	31,416,291
Total loans receivable	575,337,362	587,734,831
Less:		
Deferred provision and commission income*)	(747,754)	(795,248)
Allowance for impairment losses	(26,945,942)	(14,905,584)
Total loans receivable - net	**547,643,666**	**572,033,999**

*) Deferred provision and commission income represent all provisions, commissions and other fees received by the Bank on loan agreements, which are integral part of effective interest rate.

d. By staging

Below is movement of loans based on stages during the period ended 31 December 2020:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				586,939,583
Impact on initial implementation of SFAS 71 (Note 53)				(246,982)
Balance, after impact on implementation of SFAS 71	575,321,742	3,239,137	8,131,722	586,692,601
Net changes in exposure	(13,017,901)	(443,814)	5,208,374	(8,253,341)
Written-off	-	-	(3,186,527)	(3,186,527)
Exchange rate difference	(567,322)	(139,953)	44,150	(663,125)
Balance, end of year	**561,736,519**	**2,655,370**	**10,197,719**	**574,589,608**

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

e. Syndicated loans

Syndicated loans represent loans provided to debtors under syndication agreements with other banks. Syndicated loans with risk sharing participation to the Bank's financing were as follows:

	2020	2019
Bank's participation as participant, ranged between 4.17% - 50.00% and 2.78% - 50.00% respectively, for the years ended 31 December 2020 and 2019, with outstanding balance of Rp 20,945,955 and USD 155,905,844 (full amount) as of 31 December 2020 (2019: Rp 21,216,619 and USD 174,835,195 (full amount))	23,136,432	23,643,769
Bank's participation as arranger, ranged between 14.67% - 85.14% and 15.10% - 64.28% respectively, for the years ended 31 December 2020 and 2019, with outstanding balance of Rp 18,430,632 and USD 56,833,672 (full amount) as of 31 December 2020 (2019: Rp 17,065,452 and USD 84,896,704 (full amount))	19,229,145	18,244,030
	42,365,577	**41,887,799**

f. Restructured loans

In accordance with POJK No. 11/POJK.03/2020 dated 16 March 2020 due to the impact of the COVID-19 pandemic (Note 54), the Bank has restructured loans for debtors affected by COVID-19, and reported the balance of the restructured loans to the current collectability.

The amount of restructured loans by the Bank as of 31 December 2020 and 2019 amounting to Rp 97,487,028 and Rp 9,148,143, respectively. Credit restructuring carried out by modifying credit terms, deduction, or amnesty of part of outstanding credit balance and/or both. For the restructured credit, Bank is not committed to provide additional credit facilities.

Below are the amount of restructured loans based on Bank Indonesia's collectibility:

	2020	2019
Current	88,005,299	3,145,217
Special mention	5,253,453	3,360,446
Sub-standard	1,620,326	895,114
Doubtful	592,123	208,402
Loss	2,015,827	1,538,964
	97,487,028	**9,148,143**

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

f. Restructured loans (continued)

Total restructured loans and under non-performing loans (NPL) category as of December 2020 and 2019 are amounting to Rp 4,228,276 and Rp 2,642,480, respectively.

In relation with the COVID-19 pandemic which has created global and domestic economic uncertainty, the Bank continues to identify and monitor debtor conditions on an ongoing basis. As well as taking precautions to keep making allowance for impairment losses if the debtors who have obtained the restructuring facility perform well initially, are expected to decline due to the impact of COVID-19 and cannot recover after the restructuring/impact of COVID-19 ends (Note 44c.iii).

g. The movement of allowance for impairment losses on loans receivable

	2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance, beginning of year				(14,905,584)
Impact on initial implementation of SFAS 71 (Note 53)				(5,528,081)
Balance, after impact on initial implementation of SFAS 71	(14,268,019)	(967,471)	(5,198,175)	(20,433,665)
Transfer to lifetime expected credit losses (Stage 2)	5,020,856	(8,117,725)	627,155	(2,469,714)
Transfer to credit impaired (Stage 3)	1,077,006	4,348,300	(6,959,273)	(1,533,967)
Transfer to 12 months expected credit losses (Stage 1)	(4,365,932)	3,767,570	2,229,077	1,630,715
Net changes in exposure	(7,641,309)	136,197	165,449	(7,339,663)
Written-off	-	-	3,186,527	3,186,527
Foreign exchange difference	42,795	44,318	(73,288)	13,825
Balance, end of year	**(20,134,603)**	**(788,811)**	**(6,022,528)**	**(26,945,942)**

	2020		
	Rupiah	**Foreign currencies**	**Total**
Balance, beginning of year	(13,826,649)	(1,078,935)	(14,905,584)
Impact on initial implementation of SFAS 71 (Note 53)	(5,054,162)	(473,919)	(5,528,081)
Addition of allowance during the year	(8,498,673)	(1,213,956)	(9,712,629)
Written-off during the year	3,180,753	5,774	3,186,527
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	13,825	13,825
Balance, end of year	**(24,198,731)**	**(2,747,211)**	**(26,945,942)**

	2019						
	Collective impairment losses			**Individual impairment losses**			
	Rupiah	**Foreign currencies**	**Sub-total**	**Rupiah**	**Foreign currencies**	**Sub-total**	**Total**
Balance, beginning of year	(9,459,984)	(324,180)	(9,784,164)	(3,451,477)	(333,345)	(3,784,822)	(13,568,986)
Beginning balance of new acquired Subsidiary	(5,027)	-	(5,027)	-	-	-	(5,027)
Addition of allowance during the year	(2,690,969)	(335,964)	(3,026,933)	(1,122,408)	(119,449)	(1,241,857)	(4,268,790)
Loans written-off during the year	1,674,277	10,676	1,684,953	1,259,952	7,415	1,267,367	2,952,320
Recoveries on loans previously written-off	(29,597)	-	(29,597)	(1,416)	-	(1,416)	(31,013)
Exchange rate difference	-	11,521	11,521	-	4,391	4,391	15,912
Balance, end of year	**(10,511,300)**	**(637,947)**	**(11,149,247)**	**(3,315,349)**	**(440,988)**	**(3,756,337)**	**(14,905,584)**

Management believes that allowance for impairment losses provided was adequate to cover possible losses on uncollectible loans receivable.

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

g. The movement of allowance for impairment losses on loans receivable (continued)

As of 31 December 2020 and 2019, allowance for impairment losses on loans receivable to related parties amounting to Rp 59,956 and Rp 5,736, respectively.

h. Joint financing

The Bank entered into joint financing agreements with PT BCA Finance and PT BCA Multi Finance (previously PT Central Santosa Finance), the Subsidiaries, for financing the purchase of vehicles. All risks from the loss arising from these joint financing facilities will be borne proportionally by both parties based on respective financing participation (without recourse). The Bank's portion of outstanding balance of joint financing receivable facilities as of 31 December 2020 and 2019 were Rp 32,682,538 and Rp 42,551,484, respectively.

i. The carrying amount of loans receivable at amortised cost are as follows:

	2020	2019
Loans receivable (Note 13c)	575,337,362	587,734,831
Accrued interest income	2,041,236	2,349,170
Deferred provision and commission income	(747,754)	(795,248)
Allowance for impairment losses (Note 13f)	(26,945,942)	(14,905,584)
	549,684,902	**574,383,169**

j. Other significant information relating to loans receivable

As of 31 December 2020 and 2019, the Bank had no loans receivable which were pledged as collaterals.

Demand deposits, saving and time deposits pledged as collateral for loans receivable amounting to Rp 13,367,389 and Rp 13,295,914, respectively, as of 31 December 2020 and 2019 (Note 20).

As of 31 December 2020 and 2019, the Bank at individual level and at consolidated level, complied with Legal Lending Limit ("LLL") requirements for both related parties and third parties.

Employee loans are loans given to Bank's employees with interest rate at 4% per annum for housing loans, motor vehicle loans, and loans for other purposes and the terms between 8 years to 20 years. Repayment of principal and interest which will be effected through monthly salary deductions. The difference between the rate and market rate will be recognised as subsidy and recorded as other assets, also amortised over the life of the loans.

(Expressed in millions of Rupiah, unless otherwise stated)

13. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

j. Other significant information relating to loans receivable (continued)

Weighted average effective interest rates per annum of loans receivable were as follows:

	2020	2019
Rupiah	8.36%	9.24%
Foreign currencies	3.62%	4.67%

Ratio of small enterprises loans to loans receivable provided by Bank as of 31 December 2020 and 2019 was 1.83% and 1.95%, respectively.

The Bank's non-performing loans (classified as sub-standard, doubtful and loss) as of 31 December 2020 and 2019 amounting to Rp 10,326,712 and Rp 7,876,926, respectively.

As of 31 December 2020, the ratio of gross non-performing loan ("NPL") and net NPL was 1.79% and 0.74% (2019: 1.34% and 0.47%), which was calculated based on prevailing POJK.

Information on the classification and fair value of loans receivable is disclosed in Note 39. Information on the details of loans receivable by geographic region is disclosed in Note 43. Information on the maturity of loan receivables is disclosed in Note 45.

14. CONSUMER FINANCING RECEIVABLES

The Subsidiaries' consumer financing receivables at amortised cost were as follows:

	2020	2019
Consumer financing receivables		
- Self-financing by Subsidiaries	7,958,484	10,361,580
- Share in joint financing with related party without recourse	5,536,425	6,462,450
Unamortised transaction cost - net	(385,212)	(602,360)
Unearned consumer financing income	(4,697,457)	(5,216,149)
Consumer financing receivables, before allowance for impairment losses	8,412,240	11,005,521
Less:		
Allowance for impairment losses	(806,306)	(473,097)
Total consumer financing receivables - net	**7,605,934**	**10,532,424**

(Expressed in millions of Rupiah, unless otherwise stated)

14. CONSUMER FINANCING RECEIVABLES (continued)

Contractual interest rates per annum for consumer financing during 2020 and 2019 were 6.48% - 29.20% and 6.50% - 31.99%, respectively.

The Subsidiaries extend consumer financing contracts for 4 (four) wheel vehicles with terms ranging from 3 (three) months to 6 (six) years, while consumer financing contracts for 2 (two) wheel vehicles ranging from 1 (one) year to 4 (four) years.

The movement in the allowance for impairment losses on consumer financing receivables was as follows:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				(473,097)
Impact on initial implementation of SFAS 71 (Note 53)				(17,180)
Balance, after initial impact on implementation of SFAS 71	(328,431)	(44,601)	(117,245)	(490,277)
Net changes in exposure	(249,319)	(6,415)	(326,169)	(581,903)
Writen-off	-	-	265,874	265,874
Balance, end of year	**(577,750)**	**(51,016)**	**(177,540)**	**(806,306)**

	2020	2019
Balance, beginning of year	(473,097)	(364,028)
Impact on initial implementation of SFAS 71 (Note 53)	(17,180)	-
Addition of allowance during the year	(581,903)	(398,196)
Written-off during the year	265,874	289,127
Balance, end of year	**(806,306)**	**(473,097)**

The collection of consumer financing receivables previously written-off amounting to Rp 17,112 and Rp 17,799 for the years ended 31 December 2020 and 2019, respectively.

Writen-off consumer financing receivables were receivables which overdue for more than 150 (one hundred and fifty) days for 4 (four) wheels vehicles and more than 180 (one hundred and eighty) days for 2 (two) wheels vehicles. The write-offs are execute based on management case by case assessment.

As of 31 December 2020 and 2019 consumer financing receivables, before deduction of unearned income, amounting to Rp 222,555 and Rp 1,178,714, respectively, were pledged as collateral to borrowings and overdraft, and debt securities issued.

The consumer financing receivables are secured by the related certificates of ownership (“BPKB”) of the vehicles financed by the Subsidiaries.

Management believes that the allowance for impairment losses is adequate to cover possible losses arising from uncollectible consumer financing receivables.

(Expressed in millions of Rupiah, unless otherwise stated)

14. CONSUMER FINANCING RECEIVABLES (continued)

Information on the classification and fair value of consumer financing receivables is disclosed in Note 39. Information on the maturity of consumer financing receivables is disclosed in Note 45.

15. INVESTMENT SECURITIES

The details of investment securities by type and currency as of 31 December 2020 and 2019 were as follows:

	2020				
Description	**Nominal amount**	**Unamortised premium (discount)**	**Unrealised gain (loss)**	**Allowance for impairment losses**	**Carrying value**
Rupiah					
Measured at amortised cost:					
Government bonds, non-recapitalisation	12,680,245	814,846	-	-	13,495,091
Sharia Certificates of Bank Indonesia	67,037	-	-	-	67,037
Sukuk	7,108,428	20,616	-	-	7,129,044
Mutual fund units	50,000	-	-	(500)	49,500
Corporate bonds	1,361,000	(100,000)	-	(704)	1,260,296
Medium-term notes	15,000	-	-	-	15,000
Others	17,979	-	-	-	17,979
Measured at fair value through other comprehensive income:					
Government bonds, non-recapitalisation	55,044,359	1,622,155	3,945,131	-	60,611,645
Sukuk of Bank Indonesia	596,727	845,129	2,730	-	1,444,586
Sukuk	59,549,006	(726,332)	3,414,794	(4,086)	62,233,382
Mutual fund units	8,680,676	43,781	728,588	(4,311)	9,448,734
Corporate bonds	18,754,000	(30,000)	213,955	(111,821)	18,826,134
Investment in shares	757,945	-	-	(75,217)	682,728
Others	49,492	-	312	(12)	49,792
	164,731,894	2,490,195	8,305,510	(196,651)	175,330,948
Foreign currencies					
Measured at amortised cost:					
Government bonds, non-recapitalisation	295,040	21,276	-	(132)	316,184
Corporate bonds	28,212	762	-	(12)	28,962
Sukuk	42,150	(313)	-	-	41,837
Measured at fair value through other comprehensive income:					
Bank Indonesia Treasury Bills	11,942,500	(11,848)	257	-	11,930,909
Government bonds, non-recapitalisation	1,545,500	15,583	127,400	-	1,688,483
Sukuk	2,838,241	(13,915)	291,299	-	3,115,625
Corporate bonds	98,350	(117)	1,946	(26)	100,153
Investment in shares	2,816	-	-	(2,816)	-
	16,792,809	11,428	420,902	(2,986)	17,222,153
Total investment securities	**181,524,703**	**2,501,623**	**8,726,412**	**(199,637)**	**192,553,101**

(Expressed in millions of Rupiah, unless otherwise stated)

15. INVESTMENT SECURITIES (continued)

The details of investment securities by type and currency as of 31 December 2020 and 2019 were as follows: (continued)

	2019				
Description	**Nominal amount**	**Unamortised premium (discount)**	**Unrealised gain (loss)**	**Allowance for impairment losses**	**Carrying value**
Rupiah					
Held-to-maturity:					
Government bonds, non-recapitalisation	3,461,041	87,061	-	-	3,548,102
Certificates of Bank Indonesia	34,111	(76)	-	-	34,035
Sharia Certificates of Bank Indonesia	310,000	-	-	-	310,000
Sukuk	10,937,381	(19,415)	-	-	10,917,966
Mutual fund units	50,000	-	-	(500)	49,500
Corporate bonds	1,007,000	(260,000)	-	-	747,000
Medium-term notes	15,000	-	-	-	15,000
Money market securities	100,000	-	-	(1,000)	99,000
Others	19,738	-	-	-	19,738
Available-for-sale:					
Government bonds, non-recapitalisation	15,769,089	255,484	408,173	-	16,432,746
Certificates of Bank Indonesia	4,055,181	(26,682)	4,453	-	4,032,952
Sharia Government Treasury Bills	80,357	(747)	(65)	-	79,545
Sukuk of Bank Indonesia	294,132	-	205	-	294,337
Sukuk	45,794,534	351,170	714,726	(2,763)	46,857,667
Mutual fund units	14,271,353	30,566	1,234,189	(4,558)	15,531,550
Corporate bonds	15,081,944	(50,268)	(21,442)	-	15,010,234
Medium-term notes	150,000	-	1,275	-	151,275
Investment in shares	702,174	-	-	(58,646)	643,528
Others	74,833	-	(149)	-	74,684
	112,207,868	367,093	2,341,365	(67,467)	114,848,859
Foreign currencies					
Held-to-maturity:					
Government bonds, non-recapitalisation	319,235	5,082	-	(132)	324,185
Sukuk	41,647	(393)	-	-	41,254
Available-for-sale:					
Government bonds, non-recapitalisation	1,513,193	(2,220)	62,211	-	1,573,184
Bank Indonesia Treasury Bills	26,099,100	(189,995)	416	-	25,909,521
Sukuk	180,611	(11,512)	15,558	-	184,657
Corporate bonds	97,178	(384)	4,251	-	101,045
Investment in shares	2,821	-	-	(2,821)	-
	28,253,785	(199,422)	82,436	(2,953)	28,133,846
Total investment securities	**140,461,653**	**167,671**	**2,423,801**	**(70,420)**	**142,982,705**

As of 31 December 2019, investment securities include government bonds with carrying value amounting to Rp 120,173 (nominal amount of Rp 117,978), which according to the agreements on 17 October 2023, the Bank is required to repurchase the respective government bonds. Total liabilities at carrying value ("securities sold under agreements to repurchase") in the consolidated statements of financial position as of 31 December 2019 amounting to Rp 113,249.

(Expressed in millions of Rupiah, unless otherwise stated)

15. INVESTMENT SECURITIES (continued)

As of 31 December 2020 and 2019, the Bank did not have investment securities pledged as collateral.

During the years ended 31 December 2020 and 2019, the Bank did not reclassify investment securities.

The detail of investment in mutual funds owned by the Group by name and total units owned as of 31 December 2020 and 2019 are as follows:

Investment in mutual funds	2020 Total units	2020 Carrying amount	2019 Total units	2019 Carrying amount
Reksa Dana Terproteksi Schroders IDR Income Plan V	1,000	1,073,165	1,000	1,081,485
Reksa Dana Terproteksi Trimegah Terproteksi Dana Berkala 5	950	1,031,408	950	992,919
Reksa Dana Terproteksi Bahana Centrum Protected Fund 192	500	533,785	500	505,887
Reksa Dana Terproteksi Mandiri Seri 173	490	530,151	490	505,262
Reksa Dana Terproteksi Batavia Proteksi Maxima 8	500	528,064	500	505,664
Reksa Dana Terproteksi Danareksa Proteksi 64	500	525,707	500	502,133
Reksa Dana Terproteksi Syailendra Capital Protected Fund 30	451	509,899	451	478,730
Reksa Dana Terproteksi Panin Proteksi 2022	462	462,559	462	464,645
Reksa Dana Terproteksi Panin Terproteksi 2024	445	457,641	445	449,662
Reksa Dana Terproteksi Mandiri Seri 199	421	442,625	420	427,890
Reksa Dana Terproteksi Trimegah Terproteksi Dana Berkala 3	372	399,773	373	388,909
Reksa Dana Terproteksi Bahana Centrum Protected Fund 156	297	306,109	297	299,128
Reksa Dana Terproteksi Aberdeen Standard Proteksi 1	300	300,219	300	298,731
Reksa Dana Terproteksi Danareksa Proteksi 56	259	267,981	259	261,607
Reksa Dana BNP Paribas Obligasi Berlian	227	248,549	200	211,210
Reksa Dana Terproteksi Bahana Centrum Protected Fund 158	237	246,033	432	441,918
Reksa Dana Terproteksi BNP Paribas Gemilang 2	200	206,128	200	204,937
Reksa Dana Terproteksi Mandiri Seri 157	169	180,440	217	222,286
Reksa Dana Syariah Trimegah Kas Syariah	125	151,132	130	150,215
Reksa Dana Terproteksi Batavia Proteksi Ultima 2	143	146,016	293	295,853
Reksa Dana Schroder Prestasi Gebyar Indonesia II	38	111,486	38	100,403
Reksa Dana Terproteksi Samuel Aset Manajemen Dana Obligasi Terproteksi 7	100	107,048	200	211,043
Reksa Dana Terproteksi BNP Paribas Gemilang	87	101,328	85	92,875
Reksa Dana Panin Gebyar Indonesia II	37	93,849	37	82,465
Reksa Dana Danareksa Gebyar Indonesia II	36	90,905	36	80,313
Reksa Dana Nikko Gebyar Indonesia Dua	34	80,121	34	76,113
Reksa Dana Syariah Mandiri Pasar Uang Syariah	64	75,576	67	75,143
Reksa Dana Syariah Pasar Uang PNM Falah 2	47	50,486	49	50,157

(Expressed in millions of Rupiah, unless otherwise stated)

15. INVESTMENT SECURITIES (continued)

The detail of investment in mutual funds which owned by the Group by name and total units owned as of 31 December 2020 and 2019 are as follows: (continued)

	2020		2019	
Investment in mutual funds (continued)	**Total units**	**Carrying amount**	**Total units**	**Carrying amount**
Reksa Dana Syariah Panin Dana Likuid Syariah	44	50,329	46	50,088
Reksa Dana Syariah Trimegah Kas Syariah 2	50	50,370	50	50,043
Reksadana Syariah Penyertaan Terbatas PNM Pembiayaan Mikro BUMN Seri III	50	50,000	50	50,000
Reksa Dana Syariah Lautandhana Pasar Uang Syariah	24	25,291	25	25,014
Reksa Dana Syariah Majoris Pasar Uang Syariah Indonesia	22	25,168	22	25,053
Reksa Dana Sucorinvest Money Market Fund	7	10,745	7	10,081
Reksa Dana Syailendra Dana Kas	7	10,667	7	10,068
Reksadana BNP Paribas Pasar Uang Syariah	10	10,602	10	10,199
Reksa Dana Bahana Dana Likuid	6	10,582	6	10,068
Reksa Dana Syariah Majoris Sukuk Negara Indonesia	1	1,108	1	1,001
Reksa Dana Tram Pundi Kas 2	-	-	733	979,184
Reksa Dana Danareksa Gebyar Dana Likuid II	-	-	503	716,364
Reksa Dana Batavia Dana Kas Gebyar	-	-	493	613,946
Reksa Dana Bahana Revolving Fund	-	-	424	603,456
Reksa Dana Schroder Money Market Fund	-	-	423	583,524
Reksa Dana Terproteksi Emco XVII	-	-	405	422,650
Reksa Dana Mandiri Dana Optima	-	-	382	553,977
Reksa Dana Terproteksi Batavia Proteksi Cemerlang 60	-	-	303	313,254
Reksa Dana Terproteksi Danareksa Proteksi 44	-	-	222	228,491
Reksa Dana Terproteksi Schroder IDR Income Plan IV	-	-	218	216,294
Reksa Dana Terproteksi Trimegah Terproteksi Dana Berkala 2	-	-	191	198,289
Reksa Dana Terproteksi Bahana E Optima Protected Fund 122	-	-	178	182,230
Reksa Dana Terproteksi Mandiri Seri 82	-	-	111	112,364
Reksa Dana Terproteksi Emco XV	-	-	104	107,010
Reksa Dana Syariah Pool Advista Pasar Uang Syariah	-	-	30	30,094
Reksa Dana Ashmore Dana Obligasi Nusantara	-	-	17	25,783
		9,503,045		15,586,108
Less:				
Allowance for impairment losses		(4,811)		(5,058)
Total Investment in mutual funds - net		**9,498,234**		**15,581,050**

(Expressed in millions of Rupiah, unless otherwise stated)

15. INVESTMENT SECURITIES (continued)

The detail of investment in shares owned by the Bank as of 31 December 2020 and 2019 are as follows:

a. Based on counterparties:

	2020	2019
Related party	32,717	29,117
Third party	728,044	675,878
Total investment in shares	760,761	704,995
Less: Allowance for impairment losses	(78,033)	(61,467)
Total investment in shares - net	**682,728**	**643,528**

b. Based on nature of business and percentage of ownership:

Company Name	Nature of business	2020 Percentage of ownership	2020 Carrying amount	2019 Percentage of ownership	2019 Carrying amount
- PT Bank BTPN Tbk	Banking	1.02%	297,085	1.02%	297,085
- PT Bank HSBC Indonesia	Banking	1.06%	184,025	1.06%	184,025
- PT Bank DBS Indonesia	Banking	1.00%	56,400	1.00%	42,600
- PT Akselerasi Usaha Indonesia	P2P Lending	3.30%	29,620	3.30%	10,676
- Finch Capital Fund II Cooperatief U.A.	Fund Management	4.00%	29,248	4.00%	29,248
- Airwallex (Cayman) Limited	Crossborder Payments	0.43%	28,850	0.43%	28,850
- PT Digital Otomotif Indonesia	Marketplace	20.00%	17,600	20.00%	14,000
- Element Ventures Inc.	Biometrix	3.00%	13,760	3.00%	13,760
- PT Archor Teknologi Digital	Insure-tech	7.40%	13,005	7.40%	6,749
- Wavemaker Pacific 1 Pte., Ltd.	Fund Management	2.00%	12,797	2.00%	12,438
- PT Sentral Investama Andalan	Holding Company	2.00%	10,000	2.00%	10,000
- CeeSuite Pte., Ltd.	Analytics for Stock	5.00%	7,075	5.00%	7,075
- Silot (Cayman) Limited	AI	0.44%	7,014	0.44%	7,014
- 6ESTATES Pte., Ltd.	AI	2.16%	6,987	2.16%	6,987
- Mangosteen BCC Pte., Ltd.	Robo Advisory	1.06%	6,952	-	-
- Julo Holdings Pte., Ltd.	P2P Lending	1.30%	6,311	1.30%	6,311
- Pomona Technologies Pte., Ltd.	Customer Behavior Analytics	12.58%	5,187	12.58%	4,289
- PT ALTO Network	Switching	2.00%	5,117	2.00%	5,117
- Others (respectively under Rp 5,000)	Various	0.06% - 17.50%	23,728	0.06% - 17.50%	18,771
Total investment in shares			760,761		704,995
Less: Allowance for impairment losses			(78,033)		(61,467)
Total investment in shares - net			**682,728**		**643,528**

(Expressed in millions of Rupiah, unless otherwise stated)

15. INVESTMENT SECURITIES (continued)

The detail of investment in shares owned by the Bank as of 31 December 2020 and 2019 are as follows: (continued)

c. Based on collectibility of Bank Indonesia:

	2020	2019
Current	757,535	701,764
Loss	3,226	3,231
Total investment in shares	760,761	704,995
Less: Allowance for impairment losses	(78,033)	(61,467)
Total investment in shares - net	**682,728**	**643,528**

The weighted average effective interest rates per annum for investment securities were as follows:

	2020		2019	
	Rupiah (%)	Foreign currencies (%)	Rupiah (%)	Foreign currencies (%)
Measured at amortised cost:				
Government bonds	6.80	3.71	6.91	4.81
Sharia Certificates of Bank Indonesia	5.17	-	6.61	-
Sukuk	7.00	4.62	7.50	4.50
Corporate bonds	8.07	2.87	8.32	-
Medium-term notes	7.65	-	7.65	2.68
Others	9.08	-	6.38	-
Measured at fair value through other comprehensive income:				
Government bonds	6.93	4.47	7.18	5.14
Certificates of Bank Indonesia	6.35	-	6.73	-
Bank Indonesia Treasury Bills	-	1.58	-	2.47
Sharia Government Treasury Bills	-	-	6.02	-
Sukuk Bank Indonesia	4.01	-	5.14	-
Sukuk	7.00	3.73	7.22	5.39
Corporate bonds	8.03	5.36	8.14	4.59
Medium-term notes	-	-	8.74	-
Others	8.01	-	9.08	-

The movement of allowance for impairment losses of investment securities for the years ended 31 December 2020 and 2019 was as follows:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				(70,420)
Impact on initial implementation of SFAS 71 (Note 53)				(125,823)
Balance, after impact on initial implementation of SFAS 71	(192,964)	-	(3,279)	(196,243)
Transfer to lifetime expected credit losses (Stage 2)	95,364	(96,275)	-	(911)
Transfer to credit impaired (Stage 3)	-	92,760	(100,000)	(7,240)
Net changes in exposure	1,191	3,515	53	4,759
Foreign exchange difference	(2)	-	-	(2)
Balance, end of year	**(96,411)**	**-**	**(103,226)**	**(199,637)**

(Expressed in millions of Rupiah, unless otherwise stated)

15. INVESTMENT SECURITIES (continued)

The movement of allowance for impairment losses of investment securities for the years ended 31 December 2020 and 2019 was as follows: (continued)

	2020		
	Rupiah	**Foreign currencies**	**Total**
Balance, beginning of year	(67,467)	(2,953)	(70,420)
Impact on initial implementation of SFAS 71 (Note 53)	(125,779)	(44)	(125,823)
(Addition) reversal of allowance during the year	(3,405)	13	(3,392)
Exchange rate differene arising from allowance for impairment losses denominated in foreign currencies	-	(2)	(2)
Balance, end of year	**(196,651)**	**(2,986)**	**(199,637)**

	2019						
	Collective impairment losses			Individual impairment losses			
	Rupiah	**Foreign currencies**	**Sub-total**	**Rupiah**	**Foreign currencies**	**Sub-total**	**Total**
Balance, beginning of year	(45,315)	(181)	(45,496)	-	(45,962)	(45,962)	(91,458)
(Addition) reversal of allowance during the year	(22,152)	48	(22,104)	-	2,116	2,116	(19,988)
Write-offs during the year	-	-	-	-	40,220	40,220	40,220
Exchange rate difference	-	1	1	-	805	805	806
Balance, end of year	**(67,467)**	**(132)**	**(67,599)**	**-**	**(2,821)**	**(2,821)**	**(70,420)**

Management believes that the balance of allowance for impairment losses provided was adequate to cover possible losses on uncollectible investment securities.

The movement of unrealised gains (losses) from the change in fair value of investment securities at fair value through other comprehensive income was as follows:

	2020		
	Rupiah	**Foreign currencies**	**Total**
Balance, beginning of year - before deferred income tax	2,340,037	82,437	2,422,474
Addition of unrealised gains during the year - net	5,936,085	352,483	6,288,568
Realised gains during the year - net	25,339	(1,882)	23,457
Exchange rate difference	-	(12,136)	(12,136)
Total before deferred income tax	8,301,461	420,902	8,722,363
Deferred income tax (Note 21)			(1,655,300)
Balance, end of year - net			**7,067,063**

	2019		
	Rupiah	**Foreign currencies**	**Total**
Balance, beginning of year - before deferred income tax	(216,788)	56,078	(160,710)
Addition of unrealised gains during the year - net	2,686,431	32,864	2,719,295
Realised losses during the year - net	(129,606)	(3,979)	(133,585)
Exchange rate difference	-	(2,526)	(2,526)
Total before deferred income tax	2,340,037	82,437	2,422,474
Deferred income tax (Note 21)			(483,602)
Balance, end of year - net			**1,938,872**

15. INVESTMENT SECURITIES (continued)

The following table represents the summary of ratings and credit rating companies of Bank's investment securities as of 31 December 2020 and 2019:

	2020		2019	
	Rating	Rating Agency	Rating	Rating Agency
Indonesian Government	BBB	Fitch	BBB	Fitch
United States of America Government	AAA	Fitch	AAA	Fitch
Lembaga Pembiayaan Ekspor Indonesia/Indonesia Eximbank	AAA	Pefindo	AAA	Pefindo
PT Adira Dinamika Multi Finance Tbk	AAA	Pefindo	AAA	Pefindo
PT Angkasa Pura I (Persero)	AAA	Pefindo	AAA	Pefindo
PT Astra Sedaya Finance	AAA	Pefindo	AAA	Pefindo
PT Bank CIMB Niaga Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Commonwealth	AA-	Fitch	-	-
PT Bank DKI	AA-	Pefindo	AA-	Pefindo
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	AA-	Pefindo	AA-	Pefindo
PT Bank Mandiri (Persero) Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Mandiri Taspen (previously PT Bank Mandiri Taspen Pos)	AAA	Fitch	AA	Fitch
PT Bank Negara Indonesia (Persero) Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank OCBC NISP Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Pan Indonesia Tbk	AA	Pefindo	AA	Pefindo
PT QNB Indonesia Tbk	AAA	Fitch	-	-
PT Bank Rakyat Indonesia (Persero) Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank BTPN Tbk	-	-	AAA	Pefindo
PT Bank Tabungan Negara (Persero) Tbk	AA+	Pefindo	AA+	Pefindo
PT Bank UOB Indonesia	-	-	AAA	Fitch
PT Barito Pacific Tbk	A	Pefindo	-	-
PT BFI Finance Indonesia Tbk	A+	Fitch	-	-
PT Bussan Auto Finance	AA	Pefindo	AA	Pefindo
PT Chandra Asri Petrochemical Tbk	AA-	Pefindo	-	-
PT Dharma Satya Nusantara Tbk	A-	Pefindo	-	-
PT Fast food Indonesia Tbk	AA	Pefindo	AA	Pefindo
PT Federal International Finance	AAA	Pefindo	AAA	Pefindo
PT Hutama Karya (Persero)	AAA	Pefindo	AAA	Pefindo
PT Indah Kiat Pulp & Paper Tbk	A+	Pefindo	-	-
PT Indonesia Power	AAA	Pefindo	AAA	Pefindo
PT Indosat Tbk	AAA	Pefindo	AAA	Pefindo
PT Jakarta Lingkar Baratsatu	A+	Pefindo	A+	Pefindo
PT Jasa Marga (Persero) Tbk	AA	Pefindo	AA	Pefindo
PT Kereta Api Indonesia (Persero)	AAA	Pefindo	AAA	Pefindo
PT Lautan Luas Tbk	A-	Pefindo	A-	Pefindo
PT Mayora Indah Tbk	AA	Pefindo	-	-
PT JACCS Mitra Pinasthika Mustika Finance Indonesia	AA	Fitch	AA	Fitch
PT Oto Multiartha	AA+	Pefindo	AA+	Pefindo
PT Pegadaian (Persero)	AAA	Pefindo	AAA	Pefindo
PT Pertamina (Persero)	BBB	S&P	BBB	S&P
PT Pupuk Indonesia (Persero)	AAA	Pefindo	AAA	Fitch
PT Sarana Multi Infrastruktur (Persero)	AAA	Pefindo	AAA	Pefindo
PT Sarana Multigriya Finansial (Persero)	AAA	Pefindo	AAA	Pefindo
PT Semen Indonesia Tbk	AA	Pefindo	AA	Pefindo
PT Sinar Mas Agro Resources and Technology Tbk	A+	Pefindo	-	-
PT Sumber Alfaria Trijaya Tbk	AA-	Fitch	AA-	Fitch
PT Tiphone Mobile Indonesia Tbk	D	Pefindo	BBB+	Pefindo
PT Toyota Astra Financial Services	AAA	Fitch	-	-
PT Wahana Ottomotra Multiartha Tbk	AA-	Pefindo	-	-

Information on the classification and fair value of investment securities is disclosed in Note 39. Information on the maturity of investment securities is disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

16. PREPAID EXPENSES

	2020	2019
Prepaid rent	261,156	856,582
Prepaid insurance	9,234	10,735
Others	518,193	669,163
	788,583	**1,536,480**

As of 31 December 2019, prepaid expenses for related parties is amounting to Rp 211,012 (Note 49).

17. FIXED ASSETS

Fixed assets consisted of:

	2020					
	Beginning balance	Additions*)**)	Deductions	Reclassifications	Revaluations	Ending balance
Acquisition cost/revaluation amount						
Direct ownership						
Land	13,545,892	52,502	(16,836)	86,027	469	13,668,054
Buildings	5,298,136	131,257	(2,480)	173,401	-	5,600,314
Office furnitures, fixtures, and equipments	11,665,563	1,720,323	(1,554,642)	611	-	11,831,855
Motor vehicles	63,210	2,905	(7,407)	-	-	58,708
Construction in progress	1,300,827	536,102	(131,113)	(260,039)	-	1,445,777
Right of use assets						
Land	-	2,730	-	-	-	2,730
Buildings	-	1,292,805	(2,739)	-	-	1,290,066
Office furnitures, fixtures, and equipments	-	2,476	-	-	-	2,476
Motor vehicles	-	9,776	-	-	-	9,776
	31,873,628	3,750,876	(1,715,217)	-	469	33,909,756
Accumulated depreciation						
Direct ownership						
Buildings	(1,988,348)	(230,273)	(1,456)	-	-	(2,220,077)
Office furnitures, fixtures, and equipments	(9,000,206)	(1,561,521)	1,137,235	-	-	(9,424,492)
Motor vehicles	(32,773)	(8,673)	5,762	-	-	(35,684)
Right of use assets						
Land	-	(854)	-	-	-	(854)
Buildings	-	(309,225)	-	-	-	(309,225)
Office furnitures, fixtures,	-	(1,304)	-	-	-	(1,304)
and equipments	-	(3,066)	-	-	-	(3,066)
Motor vehicles						
	(11,021,327)	(2,114,916)	1,141,541	-	-	(11,994,702)
Net book value	**20,852,301**					**21,915,054**

*) Included in additions of fixed assets is beginning balance of new acquired Subsidiary amounting to Rp 877.
**) Included in the additions of right of use assets is the impact on initial implementation of SFAS 73 (land amounting to Rp 3,072, buildings amounting to Rp 875,407, office furnitures, fixtures, and equipment amounting to Rp 2,476 and motor vehicles amounting to Rp 9,776)

	2019					
	Beginning balance	Additions*)	Deductions	Reclassifications	Revaluations	Ending balance
Acquisition cost/revaluation amount						
Direct ownership						
Land	12,482,110	128,167	(12,670)	177,916	770,369	13,545,892
Buildings	4,948,467	34,941	(4,409)	319,137	-	5,298,136
Office furnitures, fixtures, and equipments	10,635,392	2,261,746	(1,232,619)	1,044	-	11,665,563
Motor vehicles	58,446	16,604	(11,840)	-	-	63,210
Construction in progress	1,328,213	584,551	(113,840)	(498,097)	-	1,300,827
Leased assets	162	-	(162)	-	-	-
	29,452,790	3,026,009	(1,375,540)	-	770,369	31,873,628
Accumulated depreciation						
Direct ownership						
Buildings	(1,774,145)	(215,371)	1,168	-	-	(1,988,348)
Office furnitures, fixtures, and equipments	(8,311,909)	(1,366,143)	677,846	-	-	(9,000,206)
Motor vehicles	(29,673)	(10,692)	7,592	-	-	(32,773)
Leased assets	(162)	-	162	-	-	-
	(10,115,889)	(1,592,206)	686,768	-	-	(11,021,327)
Net book value	**19,336,901**					**20,852,301**

*) Included in additions of fixed assets is beginning balance of new acquired Subsidiary amounting to Rp 32,827.

As of 31 December 2020, there are right of use assets - net for related parties amounting to Rp 278,025 (Note 49).

(Expressed in millions of Rupiah, unless otherwise stated)

17. FIXED ASSETS (continued)

Fixed asset on construction process as of 31 December 2020 and 2019 were as follows:

	2020	2019
Land	488,068	575,412
Buildings	583,245	581,923
Others	374,464	143,492
	1,445,777	**1,300,827**

Estimated percentage of the asset completion as of 31 December 2020 and 2019 were at 1% - 100% and 2% - 100%, respectively.

Revaluation of fixed assets

In 2019, the Group revalued its fixed assets in land classification using external independent appraisal, which was performed in accordance with Indonesian Valuation Standards (SPI 2013), Indonesian Appraisal Code of Conduct ("KEPI"), Bapepam-LK Regulation No. VIII.C4 regarding "Guidelines for Appraisal and Presentation of Property Appraisal Reports in the Capital Market" and prevailing rules and regulations.

In 2019, the revaluation was performed by Kantor Jasa Penilai Publik ("KJPP") Antonius Setiady & Rekan based on the appraisal report dated 30 October 2019.

The differences arising on land of revaluation for the year 2019 were recorded as "revaluation surplus of fixed assets" and presented in other comprehensive income amounting to Rp 765,076. The increase (decrease) of carrying value arising from revaluation for the years 2019 amounting to Rp 5,293 as other operating income as other operating expenses, respectively, were recorded in the consolidated profit or loss.

The fair value of land is determined based on market approach by comparing several comparable land transactions that either have occurred or still in sales offering stage and adjusting the differences between fair value of land appraised and the comparable data and list of land price that has been obtained. The value is also affected by the location, property rights, physical characteristic, utilisation and other comparative elements.

The fair value measurement of the land is categorised as level 2 fair value based on the inputs to the valuation technique used.

As of 31 December 2020 and 2019, the carrying value of land if the land was recorded using cost model amounting to Rp 3,956,906 and Rp 3,827,328, respectively.

As of 31 December 2020 and 2019, there were no significant difference between the fair value and carrying value of buildings or other fixed assets group.

Other informations

As of 31 December 2020 and 2019, the Bank did not have any fixed assets pledged as collateral.

(Expressed in millions of Rupiah, unless otherwise stated)

17. FIXED ASSETS (continued)

Other informations (continued)

Fixed assets disposal includes sales of assets are as follows:

	2020	2019
Proceeds from sale	9,755	36,960
Net book value	(8,138)	(28,844)
Gain on sale	**1,617**	**8,116**

Depreciation charged to general and administrative expenses for the years ended 31 December 2020 and 2019 amounting to Rp 2,101,403 and Rp 1,581,811, respectively.

Gain on sale of fixed assets recognised as part of other operating income for the years ended 31 December 2020 and 2019 amounting to Rp 7,601 and Rp 21,668, respectively.

Loss on sale of fixed assets recognised as part of other operating expenses for the years ended 31 December 2020 and 2019 amounting to Rp 5,984 and Rp 13,552, respectively.

The Bank has insured its fixed assets (excluding land rights) to cover the possible losses from fire, theft and natural disaster with a total coverage of Rp 13,800,212 as of 31 December 2020, and Rp 13,193,888 as of 31 December 2019. Management believes that the insurance coverage is adequate to cover possible losses from such risks.

As of 31 December 2020 and 2019, the cost of fully depreciated fixed assets that were still in use amounting to Rp 7,364,023 and Rp 6,925,863, respectively.

As of 31 December 2020 and 2019, the Bank has no fixed assets, which were no temporer and no longer used but classified as available-for-sale.

No impairment losses on fixed assets during 2020 and 2019.

Right of Use

The finance lease liability in the Group's financial position amounting to Rp 320,472 was recorded as accrued expense and other liabilities (Note 25). Interest expense on the finance lease liabilities as of 31 December 2020 amounting to Rp 17,205 recorded as part of interest and sharia expense (Note 31).

18. INTANGIBLE ASSETS

	2020	2019
Software	2,197,454	1,945,951
Goodwill (Note 4)	1,158,201	855,830
Total intangible assets	3,355,655	2,801,781
Less: Amortisation of software	(1,726,035)	(1,424,329)
Total intangible assets - net	**1,629,620**	**1,377,452**

(Expressed in millions of Rupiah, unless otherwise stated)

19. OTHER ASSETS

	2020	2019
Rupiah:		
Accrued interest income	5,031,466	4,304,511
Transactions related to ATM and credit card	4,314,577	3,824,093
Foreclosed assets - net	1,528,414	1,036,258
Receivables from customer transactions	466,288	166,736
Receivables from insurance transactions	401,030	287,556
Abandoned properties	44,835	26,020
Unaccepted bills receivable	17,059	2,193
Others	3,636,285	3,180,764
	15,439,954	12,828,131
Foreign currencies:		
Accrued interest income	124,025	182,985
Unaccepted bills receivable	60,679	38,403
Transactions related to ATM and credit card	9,019	2,443
Receivables from insurance transactions	6,145	9,153
Others	179,670	90,161
	379,538	323,145
Total other assets	15,819,492	13,151,276
Less: Allowance for impairment losses	(24,622)	(902)
Total other assets - net	**15,794,870**	**13,150,374**

Accrued interest income consists of interest income from the placement, marketable securities, government bonds, loans, and assets from sharia transactions.

Receivables related to ATM and credit card transactions consist of receivables arising from ATM transactions within ATM Bersama, Prima and Link network as well as receivables from Visa and Master Card for credit card transactions.

Accrued interest income consists of interest income from the placement, marketable securities, government bonds, loans, and assets from sharia transactions.

Receivables from insurance transactions represent the Subsidiary’s premium receivables from policyholders and broker, premium receivables and claim from others insurance companies and broker of closed policies, also reinsurance assets.

Receivables from customer transactions represent receivables arising from the Subsidiaries’ securities trading transactions.

Unaccepted bills receivable represent unaccepted export bills receivables from customer due to export import transactions.

Others mainly consist of interoffice accounts, various form of receivables from transaction with third parties, including clearing transactions and others.

(Expressed in millions of Rupiah, unless otherwise stated)

19. OTHER ASSETS (continued)

Movement of allowance for impairment losses on other assets are as follows:

	2020			
	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of year				(902)
Impact on initial implementation of SFAS 71 (Note 53)				634
Balance, after impact on initial implementation of SFAS 71	(268)	-	-	(268)
Net changes in exposure	(24,322)	-	-	(24,322)
Exchange rates difference	(32)	-	-	(32)
Balance, end of year	**(24,622)**	**-**	**-**	**(24,622)**

	2020	2019
Beginning balance	(902)	(10,401)
Impact of initial implementation of SFAS 71 (Note 53)	634	-
(Addition) reversal of allowance during the year	(24,322)	9,478
Exchange rate difference	(32)	21
Ending balance	**(24,622)**	**(902)**

Management believes that the allowance for impairment losses is adequate to cover any loss possibility due to uncollectible other assets.

20. DEPOSITS FROM CUSTOMERS AND OTHER BANKS

a. Deposits from customers

	2020			2019		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Demand deposits:						
Related parties	1,017,226	116,412	1,133,638	717,985	125,743	843,728
Third parties	199,199,579	28,651,447	227,851,026	162,600,583	21,473,702	184,074,285
	200,216,805	28,767,859	228,984,664	163,318,568	21,599,445	184,918,013
Savings:						
Related parties	90,459	64,326	154,785	71,299	44,528	115,827
Third parties:						
Tahapan	365,168,263	-	365,168,263	312,099,890	-	312,099,890
Tapres	14,669,156	-	14,669,156	8,646,250	-	8,646,250
Tabunganku	5,696,044	-	5,696,044	4,157,508	-	4,157,508
Tahapan Xpresi	10,018,200	-	10,018,200	5,873,736	-	5,873,736
Tahapan Berjangka	1,439,384	-	1,439,384	1,556,601	-	1,556,601
Simpanan Pelajar	1,109	-	1,109	1,152	-	1,152
BCA Dollar	-	16,014,347	16,014,347	-	13,183,258	13,183,258
	397,082,615	16,078,673	413,161,288	332,406,436	13,227,786	345,634,222
Time deposits:						
Related parties	330,932	9,371	340,303	349,363	17,985	367,348
Third parties	177,739,096	14,058,492	191,797,588	153,765,993	14,294,492	168,060,485
	178,070,028	14,067,863	192,137,891	154,115,356	14,312,477	168,427,833
Total deposits from customers	**775,369,448**	**58,914,395**	**834,283,843**	**649,840,360**	**49,139,708**	**698,980,068**

(Expressed in millions of Rupiah, unless otherwise stated)

20. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

b. Deposits from other banks

	2019			2018		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Demand deposits	6,763,322	3,314,750	10,078,072	4,757,368	1,840,568	6,597,936
Time deposits	85,091	-	85,091	119,538	-	119,538
Total deposits from other banks	**6,848,413**	**3,314,750**	**10,163,163**	**4,876,906**	**1,840,568**	**6,717,474**

As of 31 December 2020 and 2019, the Bank did not have balances of deposits from other banks from related parties.

c. The weighted average effective interest rates per annum for deposits from customers and other banks were as follows:

	2020		2019	
	Rupiah (%)	Foreign currencies (%)	Rupiah (%)	Foreign currencies (%)
Deposits from customers:				
Demand deposits	0.92	0.13	0.95	0.14
Savings	0.26	0.18	0.59	0.21
Time deposits	3.95	0.59	5.51	1.38
Deposits from other banks:				
Demand deposits	0.51	0.01	0.54	0.01
Time deposits	3.53	-	4.60	-

d. Time deposits based on maturity period:

	2020			2019		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
1 month	120,674,237	10,726,321	131,400,558	85,478,890	11,566,241	97,045,131
3 months	36,860,999	1,039,589	37,900,588	43,263,455	1,063,354	44,326,809
6 months	10,581,159	1,824,449	12,405,608	15,446,808	1,247,582	16,694,390
12 months	10,038,724	477,504	10,516,228	10,045,741	435,300	10,481,041
	178,155,119	**14,067,863**	**192,222,982**	**154,234,894**	**14,312,477**	**168,547,371**

e. Time deposits based on remaining period until maturity date:

	2019			2018		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Up to 1 month	133,103,758	11,234,749	144,338,507	104,221,104	12,029,297	116,250,401
> 1 - 3 months	32,110,207	1,248,703	33,358,910	33,884,550	950,181	34,834,731
> 3 - 6 months	6,149,343	1,332,326	7,481,669	8,130,600	1,120,450	9,251,050
> 6 - 12 months	6,791,811	252,085	7,043,896	7,998,640	212,549	8,211,189
	178,155,119	**14,067,863**	**192,222,982**	**154,234,894**	**14,312,477**	**168,547,371**

f. Deposits pledged as collateral to loans granted by the Bank as of 31 December 2020 and 2019 (Note 13) were as follows:

	2020	2019
Demand deposits	2,827,520	3,364,491
Savings	1,731,532	1,582,018
Time deposits	8,808,337	8,349,405
	13,367,389	**13,295,914**

Information on the classification and fair value of deposits from customers and other banks is disclosed in Note 39. Information on the maturity of deposits from customers and other banks is disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

21. INCOME TAX

a. Prepaid tax

	2020	2019
Bank	22,914	5,637
Subsidiaries	8,301	1,408
	31,215	**7,045**

b. Tax payable

	2020	2019
Current tax payable		
Bank:		
Company tax payable - Article 25/29	1,419,618	1,001,518
Subsidiaries:		
Company tax payable - Article 25/29	201,261	33,532
Total current tax payable	1,620,879	1,035,050
Other tax payable		
Bank:		
Income tax		
Article 21	146,441	139,837
Article 23	236,704	230,187
Article 26	143,505	122,300
Others	71,956	60,385
Total Bank	598,606	552,709
Subsidiaries	52,704	47,710
Total other tax payable	651,310	600,419
	2,272,189	**1,635,469**

c. Tax expenses

	2020	2019
Current tax:		
Current year		
Bank	7,034,750	7,562,007
Subsidiaries	452,850	641,179
	7,487,600	8,203,186
Deferred tax:		
Origination of temporary differences		
Bank	(1,051,658)	(471,106)
Subsidiaries	(14,544)	(13,056)
	(1,066,202)	(484,162)
	6,421,398	**7,719,024**

21. INCOME TAX (continued)

d. For the fiscal year 2020, based on article 5 paragraph 2 of Government Regulation In lieu of the Law of the Republic of Indonesia No. 1 of 2020 regarding Government Financial Policy and Financial System Stability for Handling the Coronavirus Disease 2019 (COVID-19) Pandemic and/or in Terms of Facing Threats that Endangering the National Economy and/or Financial System Stability as stipulated by Law number 2 year 2020 dated 16 May 2020, Tax Payers can obtain a reduction on income tax rate of 3% (three percent) lower than the corporate income tax rate in country as is regulated in article 5 paragraph 1 of Government Regulation in Lieu of Law Republic of Indonesia No. 1 year 2020 (the rate will be 19% for 2020 and 2021, and 17% as of 2022), if the following criteria are met:

1. In the form of a public company.
2. With the total of paid-up shares traded on the stock exchange in Indonesia at least 40% (forty percent).
3. Fulfill certain requirements which are further regulated by or based on Government Regulations.

For the fiscal year 2020, based on Article 3 of Government Regulation No. 30 year 2020 regarding the Decrease in Income Tax Rates ("PPh") for Domestic Corporate Tax Payers in the Form of Public Companies, tax payers can obtain a reduction in the PPh rate of 3% (three percent) lower than the rate of domestic corporate tax payers as regulated in the Taxation Law, if it meets the following additional criteria:

1. The public owned 40% (forty percent) or more of the total paid up shares and those shares are owned by at least 300 (three hundred) parties.
2. Each party can only own less than 5% (five percent) of total paid-up shares.
3. The tax payer should fulfill the above mentioned criteria at least within 6 (six) months (183 (one hundred and eighty three) calendar days) in 1 (one) fiscal year.
4. Parties that meet the requirements of 300 (three hundred) parties and 5% (five percent) as stated above, do not include:
   a. Public Company Tax Payers who buy back their shares; and/or
   b. Those who have a special relationship as stipulated in the Income Tax Law with Public Company Tax Payers (reflected in: share ownership by the controlling party and/or major shareholder).

Fulfillment of these requirements is carried out by Public Company Tax Payers by submitting reports to the Directorate General of Taxes, including: monthly reports of share ownership of issuers or public companies and recapitulation that has been reported from the Securities Administration Bureau.

On 6 January 2021 and 6 January 2020, the Bank received a declaration letter from the Securities Administration Bureau for the fulfillment of the above criteria for fiscal year 2020 and 2019, respectively.

Management believes that it is possible that the deferred tax assets arising from temporary differences will be realised in future years.

(Expressed in millions of Rupiah, unless otherwise stated)

21. INCOME TAX (continued)

e. The reconciliation of consolidated accounting income before tax and taxable income of the Bank was as follows:

	2020	2019
Consolidated accounting income before tax	33,568,507	36,288,998
Elimination	815,677	685,893
Before elimination	34,384,184	36,974,891
Subsidiary's accounting income before tax	(2,121,941)	(2,620,078)
Accounting income before tax - Bank only	32,262,243	34,354,813
Permanent differences:		
Employees' welfare	245,794	197,652
Rent income	(41,459)	(40,439)
Dividends from Subsidiaries	(766,735)	(637,286)
Interest income from off-shore government bonds	(79,743)	(84,666)
Other expense (income) which cannot be deducted for tax calculation purposes - net	(842,170)	102,236
	(1,484,313)	(462,503)
Temporary differences:		
Post-employment benefits obligation	181,688	1,202,812
Impairment losses on financial assets	4,691,382	1,643,900
Impairment losses on non-financial assets	196,032	62,977
Accrued employees' benefits	1,004,728	848,372
Unrealised losses of trading and available-for-sale investment securities and placements with other banks	15,600	29,929
Others	157,640	129,731
	6,247,070	3,917,721
Taxable income	**37,025,000**	**37,810,031**

f. The reconciliation between consolidated accounting income before tax multiplied by the maximum tax rate and income tax expense was as follows:

	2020	2019
Consolidated accounting income before tax	33,568,507	36,288,998
Maximum tax rate	22%	25%
	7,385,072	9,072,250
Permanent differences at 22% (2019: 25%) - Bank	(326,548)	(115,626)
Permanent differences at 22% (2019: 25%) - Subsidiaries	150,927	144,576
	7,209,451	9,101,200
Adjustment of corporate income tax rate - Bank (Note 21d)	(920,514)	(1,694,615)
Adjustment of deferred tax rate	132,461	312,439
Income tax expense - consolidated	**6,421,398**	**7,719,024**

(Expressed in millions of Rupiah, unless otherwise stated)

21. INCOME TAX (continued)

g. The calculation of current tax and income tax payable were as follows:

	2020	2019
Taxable income:		
Bank	37,025,000	37,810,031
Subsidiaries	2,058,409	2,564,716
	39,083,409	40,374,747
Current tax:		
Bank	7,034,750	7,562,007
Subsidiaries	452,850	641,179
	7,487,600	8,203,186
Prepaid taxes:		
Bank	(5,615,132)	(6,560,489)
Subsidiaries	(251,589)	(607,647)
	(5,866,721)	(7,168,136)
Income tax payable:		
Bank	1,419,618	1,001,518
Subsidiaries	201,261	33,532
	1,620,879	**1,035,050**

Annual corporate income tax return for fiscal year 2020 has yet been submitted. Taxable income results from above reconciliation is the basis in filling the Bank's Annual Tax Return ("SPT") of Corporate Income Tax for the year ended 31 December 2020.

The calculations of income tax for the year ended 31 December 2019 conform to the Bank's Annual Tax Returns ("SPT").

h. The significant items of deferred tax assets and liabilities as of 31 December 2020 and 2019 were as follows:

	2019	Recognised in current year profit or loss*)	Recognised in current year other comprehensive income	Impact on initial implementation of SFAS 71	2020
Parent entity - Bank:					
Post-employment benefits obligations	785,477	(4,753)	-	-	780,724
Allowance for impairment losses of financial assets	1,427,018	820,011	-	1,553,661	3,800,690
Allowance for impairment losses of non-financial assets	12,596	36,616	-	-	49,212
Accrued employees' benefits	350,041	173,397	-	-	523,438
Depreciation on fixed assets	-	5,232	-	-	5,232
Unrealised loss on investment securities and placement with other banks at fair value through other comprehensive income	(480,798)	-	(1,157,441)	-	(1,638,239)
Remeasurements of defined benefit liability	785,809	-	241,627	-	1,027,436
Unrealised gain on investment securities and placement with ther banks at fair value through profit or loss	(4,759)	3,202	-	-	(1,557)
Fiscal correction regarding SFAS 73	-	3,444	-	-	3,444
Others	78,852	14,509	-	-	93,361
Deferred tax assets - net	2,954,236	1,051,658	(915,814)	1,553,661	4,643,741

*) Included in current year profit or loss balance is the balance of tax rate adjustment from changes in the tax regulations amounting to Rp 132,461.

(Expressed in millions of Rupiah, unless otherwise stated)

21. INCOME TAX (continued)

h. The significant items of deferred tax assets and liabilities as of 31 December 2020 and 2019 were as follows: (continued)

	2019	Recognised in current year profit or loss*)	Recognised in current year other comprehensive income	Impact on initial implementation of SFAS 71	2020
Defered tax assets - net (brought forward)	2,954,236	1,051,658	(915,814)	1,553,661	4,643,741
Subsidiary:					
PT BCA Finance	34,243	24,217	1,342	-	59,802
PT BCA Sekuritas	3,604	143	113	-	3,860
PT BCA Syariah	18,369	2,822	(5,714)	-	15,477
PT Asuransi Umum BCA	55,908	5,803	(266)	-	61,445
PT BCA Multi Finance (previously PT Central Santosa Finance)	115,569	(19,673)	(918)	(2,691)	92,287
PT Central Capital Ventura	3,045	720	21	-	3,786
PT Asuransi Jiwa BCA	-	-	-	-	-
PT Bank Digital BCA	-	324	-	-	324
Deferred tax assets - net	230,738	14,356	(5,422)	(2,691)	236,981
Total deferred tax assets - net	**3,184,974**	**1,066,014**	**(921,236)**	**1,550,970**	**4,880,722**
Deferred tax liabilities					
Subsidiary:					
PT Asuransi Jiwa BCA	684	(188)	5,461	-	5,957
Total Deferred tax liabilities - net	**684**	**(188)**	**5,461**	**-**	**5,957**

	2018	Recognised in current year profit or loss**)	Recognised in current year other comprehensive income	2019
Parent entitiy - Bank:				
Post-employment benefits obligations	623,858	161,619	-	785,477
Allowance for impairment losses of financial assets	1,323,220	103,798	-	1,427,018
Allowance for impairment losses of non-financial assets	6	12,590	-	12,596
Accrued employees' benefits	190,647	159,394	-	350,041
Unrealised loss on available-for-sale investment securities and placements with other banks	32,588	-	(513,386)	(480,798)
Remeasurements of defined benefit liability	714,391	-	71,418	785,809
Unrealised gain from financial assets held for trading	(12,518)	7,759	-	(4,759)
Others	52,906	25,946	-	78,852
Deferred tax assets - net	2,925,098	471,106	(441,968)	2,954,236
Subsidiary:				
PT BCA Finance	34,263	5,101	(5,121)	34,243
PT BCA Sekuritas	2,783	775	46	3,604
PT BCA Syariah	13,316	4,974	79	18,369
PT Asuransi Umum BCA	44,917	11,029	(38)	55,908
PT BCA Multi Finance (previously PT Central Santosa Finance)	120,566	(8,105)	3,108	115,569
PT Central Capital Ventura	2,413	624	8	3,045
PT Asuransi Jiwa BCA	4,310	258	(5,252)	(684)
Deferred tax assets - net	222,568	14,656	(7,170)	230,054
Total deferred tax assets - net	**3,147,666**	**485,762**	**(449,138)**	**3,184,290**

*) Included in current year profit or loss balance is the balance of tax rate adjustment from changes in the tax regulations amounting to Rp 132,461.
**) Included in current year profit or loss balance is the beginning balance of new acquired Subsidiary amounting to Rp 1,600,

21. INCOME TAX (continued)

h. The significant items of deferred tax assets and liabilities as of 31 December 2020 and 2019 were as follows: (continued)

Included in total deferred tax asset and liability of the Group were deferred tax asset and liability arising from unrealised (loss) gain from changes in fair value of investment securities at fair value through other comprehensive income (2019: available-for-sale) (Note 15) amounting to Rp (1,637,357) and Rp (18,833) as of 31 December 2020, and Rp (477,627) and Rp (5,975) as of 31 December 2019. Moreover, included in total deferred tax asset of the Bank was deferred tax asset arising from unrealised (loss) gain from changes in fair value of placements with Bank Indonesia and other banks at fair value through other comprehensive income (2019: available-for-sale) (Note 8) amounting to Rp (882) and Rp (3,171) as of 31 December 2020 and 2019, respectively.

Management believes that total deferred tax assets arising from temporary differences are probable to be realised in the future years.

i. Under the taxation laws of Indonesia, the Group in Indonesia calculate, pay and report individual company tax return (submission of consolidated income tax computation is not allowed) on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

j. The Group tax positions may be challenged by the tax authorities. Management vigorously defends the Group tax positions which are believed to be grounded on sound technical basis, in compliance with the tax regulations. Accordingly, management believes that the accruals for tax liabilities are adequate for all open tax years based on the assessment of various factors, including interpretations of tax law, other tax provisions and prior experience. This assessment relies on estimates and assumptions and may involve judgement about future events. New information may become available that causes management to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period in which such determination is made.

k. Other Information

Fiscal Year 2016

On 18 July 2017, the Bank received tax audit result notice for fiscal year 2016. For the tax examination for fiscal year 2016, Directorate General of Taxation (DGT) through Tax Assessment Letter ("SKP") and Tax Collection Letter ("STP") dated 11 July 2019, has determined shortfall of tax payment with detail as follows:

a. Income tax (including Corporate Income Tax) amounting to Rp 1,590,596.
b. Value Added Tax (VAT) amounting to Rp 63,686.

The Bank has made partial payments for the SKP and STP amounting to Rp 190,311 on 9 August 2019, this amount includes taxes that the Bank has not objected to amounting to Rp 184,754 which was charged during the year. On 9 October 2019, the Bank has made partial payments of SKP and STP of Rp 546,104. Amounts that have been paid by the Bank, but which were objected to, are recorded as other assets (Note 19).

(Expressed in millions of Rupiah, unless otherwise stated)

21. INCOME TAX (continued)

k. Other Information (continued)

Fiscal Year 2016 (continued)

Of the tax objected by the Bank on 10 October 2019 amounting to Rp 1,469,528, a portion of Rp 724,935 was approved by the Directorate General of Taxes on 9 September 2020 and 29 September 2020.

The Bank has filed an appeal of the tax objections which the Directorate General of Taxes did not approve on 7 December 2020 amounting to Rp 735,407. Up to the date of these consolidated financial, the results of the appeal is not yet known.

Fiscal Year 2017

On 27 November 2018, the Bank received a tax audit notification letter for the 2017 fiscal year. Upon the tax audit for 2017 fiscal year, the Directorate General of Taxes based on the Tax Assessment Letter (SKP) and Tax Collection Letter (STP), dated 9 September 2020 and 10 September 2020, stipulates the underpayment of taxes with details:

a. Income Tax (including Corporate Income Tax) of a total of Rp 883,411.
b. Value Added Tax (VAT) of a total of Rp 51,060.

The Bank has made partial payments of the SKP and STP amounting to Rp 700,000 on 8 October 2020, this amount includes tax that the Bank has not objected amounting to Rp 157,603 which was charged in current year profit or loss. Amounts that have been paid by the Bank, but which were objected to, are recorded as other assets (Note 19).

The Bank has submitted an objection regarding the SKP to the Directorate General of Taxes, on 8 December 2020 amounting to Rp 776,869.

Management believes that objection filed by the Bank has been in accordance with applicable tax regulations. Up to the date of these consolidated financial, the results of the appeal is not yet known.

22. DEBT SECURITIES ISSUED

As of 31 December 2020 and 2019, the outstanding balance of bonds payable related to bonds issued were as follows:

By type and currency:

	2020	2019
Rupiah		
BCA Finance Continuous Bonds III Phase I	593,000	1,355,000
Less:		
Deferred bonds issuance costs - net	(2,179)	(7,477)
Total - net	**590,821**	**1,347,523**
Amortisation of bonds issuance costs charged to profit or loss	5,298	1,224

(Expressed in millions of Rupiah, unless otherwise stated)

22. DEBT SECURITIES ISSUED (continued)

As at 31 December 2020, the Subsidiary has bonds payable that will be matured within 12 (twelve) months amounting to Rp 160,000 (2019: Rp 842,000).

BCA Finance Continuous Bonds III - Phase I Year 2019

BCA Finance Continuous Bonds III - Phase I were offered at nominal value. Interest will be paid on a quarterly basis based on interest payment due date. The first interest payment was made on 5 February 2020 and the final interest payment will be with the repayment of the principal of each series of bonds. Following are the nominal value, interest rate and maturity date of BCA Finance Continuous Bonds III - Phase I

Bonds name	Year issued	Nominal value	Fixed interest rate per annum	Maturity date	Interest payment schedule
BCA Finance Continuous Bonds III Phase I					
- Series A	2019	842,000	6.75%	12 November 2020	Quarterly
- Series B	2019	160,000	7.10%	5 November 2021	Quarterly
- Series C	2019	498,000	7.80%	5 November 2022	Quarterly

The Subsidiary entered into a Trusteeship Agreement with PT Bank Rakyat Indonesia (Persero) Tbk (acts as the Bond’s Trustee) for BCA Finance Continuous Bonds III - Phase I Year 2019 based on the Trusteeship Agreement No. 14 dated 12 August 2019 which was made before Fathiah Helmi, SH., Notary in Jakarta.

As of 31 December 2020, BCA Finance Continuous Bonds III - Phase I were rated at idAAA by Pefindo and AA+(idn) by Fitch (2019: rated idAAA by Pefindo and AAA(idn) by Fitch).

The Trusteeship Agreement provides several negative covenants that should be complied by the Subsidiary that, among others, prior to the repayment of the bonds payable, the Subsidiary, without the written consent from the Trustee, is not allowed to transfer, pledge and/or mortgage over all or any of the present or future assets of the Subsidiary, merge and/or amalgamate, take over business, make changes in the articles of association regarding the changes of the purpose and objective in the Subsidiary’s business, and grant any credit or make investment in other parties other than in the ordinary course of the business.

Total principal and interest of bonds have been paid in accordance with the respective bonds’ maturity date.

As of 31 December 2020 and 2019, the Subsidiary was in compliance with covenants in relation to the bonds payable agreements and complied with all the requirements mentioned in Trusteeship Agreement.

All of the Subsidiary’s continuous bonds III - Phase I year 2019 are not be guaranteed with specific collateral, but rather with all the Subsidiary’s assets.

Information on the classification and fair value of debt securities issued is disclosed in Note 39. Information on the maturity of debt securities issued is disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

23. BORROWINGS

Borrowings received by the Group were as follows:

By type and currency:

	2020	2019
(1) Liquidity loans from Bank Indonesia, Rupiah: Agriculture loans (*Kredit Usaha Tani*/"KUT"), due date between 13 March 2000 up to 22 September 2000, in the process of closing the agreement	577	577
(2) Borrowings from other banks:		
Rupiah:		
PT Bank DKI	150,000	250,000
PT Bank Mandiri (Persero) Tbk	100,000	775,000
PT Bank Pan Indonesia Tbk	60,467	71,268
PT Bank Mizuho Indonesia	50,000	325,000
PT Bank Ina Perdana Tbk	25,000	225,000
PT Bank Index Selindo	17,941	15,000
PT Bank Danamon Indonesia Tbk	-	250,000
PT Bank Victoria International Tbk	-	200,000
PT Bank Nationalnobu Tbk	-	140,000
PT Bank KEB Hana Indonesia (previously PT Bank Hana)	-	11,228
Foreign currencies:		
Sumitomo Mitsui Banking Corporation - Hongkong	112,396	-
Malayan Banking Berhad Co. - Singapore	70,247	69,399
The Shanghai Commercial & Savings Bank - Taiwan	52,686	-
PT Bank Danamon Indonesia Tbk	49,596	-
	688,333	2,331,895
(3) Others:		
Foreign currencies	618,388	398
	618,388	398
Total borrowings	**1,307,298**	**2,332,870**

The weighted average effective interest rates per annum for borrowings were as follows:

	2020	2019
Rupiah	7.27%	6.57%
Foreign currencies	1.40%	2.88%

As of 31 December 2020 and 2019, the Group does not have any borrowing balance from other banks from related parties.

(Expressed in millions of Rupiah, unless otherwise stated)

23. BORROWINGS (continued)

(1) Rupiah liquidity loans from Bank Indonesia

Rupiah liquidity loans from Bank Indonesia represent credit facility obtained by the Bank as a national private bank in Indonesia, to be distributed to qualified Indonesian debtors under the loan facility program.

(2) Borrowings from other banks

Represent working capital loans of Subsidiaries. The details of borrowing facilities received as of 31 December 2020 and 2019 were as follows:

Bank	Total facility		Maturity date of facility	
	2020	2019	2020	2019
Rupiah:				
PT Bank Mandiri (Persero) Tbk	1,000,000	1,000,000	24-May-2021	24-May-2020
PT Bank BTPN Tbk**)	800,000	800,000	31-May-2021	29-May-2020
PT Bank Danamon Indonesia Tbk**)	600,000	300,000	12-Sep-2021	24-Sep-2020
PT Bank UOB Indonesia**)	550,000	550,000	21-Sep-2021	21-Jul-2020
PT Bank DKI	500,000	500,000	24-Sep-2021	24-Sep-2020
PT Bank Mizuho Indonesia**)	500,000	500,000	22-Nov-2021	22-Nov-2020
PT Bank Victoria International Tbk	400,000	400,000	14-Jan-2021	14-Jan-2021
	-	100,000	-	27-Jun-2020
PT Bank Pan Indonesia Tbk	300,000	300,000	11-May-2023	11-May-2023
	-	300,000	-	28-Feb-2020
	-	400,000	-	26-Oct-2020
PT Bank Ina Perdana Tbk	225,000	225,000	21-Dec-2021	21-Dec-2020
PT Bank Nationalnobu Tbk	140,000	140,000	24-Feb-2021	24-Feb-2020
	-	40,000	-	31-Mar-2020
PT Bank Index Selindo	50,000	50,000	20-Jan-2023	26-Dec-2022
PT Bank KEB Hana Indonesia (previously PT Bank Hana)	-	200,000	-	30-Apr-2021
PT Bank DBS Indonesia**)	-	100,000	-	31-May-2020
PT Bank Oke Indonesia Tbk (previously PT Bank Dinar Indonesia Tbk)	-	72,500	-	29-Mar-2020
Foreign currencies (full amount):				
Citibank, N.A. - Indonesia Branch**)	USD 60,000,000	USD 60,000,000	20-Mar-2021	20-Mar-2020
Malayan Banking Berhad Co. - Singapore	USD 5,000,000	USD 5,000,000	21-Jan-2021	03-Jan-2020
The Shanghai Commercial & Savings Bank, Ltd. - Taiwan	USD 3,749,999	-	10-Jan-2023	-
Sumitomo Mitsui Banking Corporation - Hongkong	USD 2,000,000	-	11-Jan-2021*)	-
	USD 4,200,000	-	19-Jan-2021*)	-
	USD 1,800,000	-	22-Jan-2021*)	-
MUFG Bank, Ltd. - Indonesia Branch **)	-	USD 60,000,000	-	14-Sep-2019*)

*) In extension process
**) Available to be withdrawn in US Dollar/Rupiah

(Expressed in millions of Rupiah, unless otherwise stated)

23. BORROWINGS (continued)

(2) Borrowings from other banks (continued)

As of 31 December 2020 and 2019, these bank loans were secured by consumer financing receivables amounting to Rp 222,555 and Rp 1,178,714 (Note 14).

All loan agreements above are include certain convenants which are normally required for such credit facilities, such as limitations to initiate merger or consolidation with other parties, obtain loans from other parties except loans obtained in the normal course of business, or changes its capital structure and/or Articles of Association without notification to/prior written approval from the creditors and maintenance of certain agreed financial ratios.

The required financial ratios was as follows:

	2020		2019	
	Requirement	Fulfillment	Requirement	Fulfillment
1. Debt to Equity	Maximum 10 times	< 1 time	Maximum 10 times	< 1 time
2. Receivable to Total Assets	Minimum 40%	81.65%	Minimum 40%	88.49%
3. Current ratio	Minimum 1.1 times	5 times	Minimum 1.1 times	1.75 times
4. Non performing loans (NPL)	Maximum 5% of total receivables	2.43%	Maximum 5% of total receivables	2.79%

The range of contractual interest rates for borrowings from other banks was as follows:

	2020	2019
Rupiah	4.00% - 9.00%	5.45% - 9.60%
Foreign currencies	0.85% - 2.40%	1.99% - 3.25%

Information on the classification and fair value of borrowings is disclosed in Note 39. Information on the maturity of borrowings is disclosed in Note 45.

24. ESTIMATED LOSSES FROM COMMITMENTS AND CONTINGENCIES

Estimated losses from commitments and contingencies consist of:

a. By type and currencies

	2020
Rupiah	
Related parties:	
Unused borrowing facilities	5,851
Bank guarantees issued	182
	6,033
Third parties:	
Unused borrowing facilities	3,307,499
Outstanding irrevocable letters of credit	6,586
Bank guarantees issued	1,963
	3,316,048
	3,322,081

(Expressed in millions of Rupiah, unless otherwise stated)

24. ESTIMATED LOSSES FROM COMMITMENTS AND CONTINGENCIES (continued)

Estimated losses from commitments and contingencies consist of: (continued)

a. By type and currencies (continued)

	2020
Foreign currencies	
Related parties:	
Extended irrevocable letters of credit	1
Third parties:	
Unused borrowing facilities	193,994
Oustanding irrevocable letters of credit	14,333
Bank guarantees issued	7,332
	215,659
	215,660
Total estimated losses from commitments and contingencies	**3,537,741**

b. Changes in estimated losses from commitments and contingencies

	2020			
	Stage 1	*Stage* 2	*Stage* 3	Total
Balance, beginning of year				(12)
Impact on initial implementation of SFAS 71 (Note 53)				(2,502,541)
Balance, after impact on initial implementation of SFAS 71	(2,483,648)	(18,905)	-	(2,502,553)
Transfer to lifetime expected credit losses (Stage 2)	181,948	(209,688)	-	(27,740)
Transfer to credit impaired (Stage 3)	2,521	73,997	(309)	76,209
Transfer to 12 months expected credit losses (Stage 1)	(70,913)	90,624	304	20,015
Net changes in exposure	(1,140,936)	39,245	-	(1,101,691)
Foreign exchange difference	(2,480)	494	5	(1,981)
Balance, end of year	**(3,513,508)**	**(24,233)**	**-**	**(3,537,741)**

	2020
Balance, beginning of year	(12)
Impact on initial implementation of SFAS 71 (Note 53)	(2,502,541)
Additions on estimated losses from commitments and contingencies	(1,033,207)
Foreign exchange difference	(1,981)
Balance, end of year	**(3,537,741)**

Management believes that the outstanding balance of estimated losses on commitments and contingencies is adequate to cover possible losses from off-balance sheet transactions.

Information regarding the classification and estimated losses from commitments and contingencies value are disclosed in Note 39. Information regarding the estimated maturity of commitments and contingencies losses are disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

25. ACCRUALS AND OTHER LIABILITIES

	2020	2019
Rupiah:		
Liabilities related to ATM and credit card transactions	3,620,523	2,697,038
Unearned revenue	1,899,382	2,007,510
Liabilities to policyholders	1,714,821	1,420,687
Electronic money	825,293	800,108
Customers transfer transactions	783,185	772,759
Liabilities from customer transactions	387,833	115,636
Accrued interest expenses	324,228	434,749
Finance lease liabilities	315,268	-
Security deposits	131,464	119,182
Liabilities from insurance transactions	42,217	38,746
Others	6,157,294	4,839,973
	16,201,508	13,246,388
Foreign currencies:		
Customers transfer transactions	1,155,283	530,475
Unearned revenue	72,959	88,896
Security deposits	52,490	69,515
Finance lease liabilities	5,204	-
Accrued interest expenses	4,300	35,156
Liabilities from insurance transactions	-	4,826
Others	48,482	47,101
	1,338,718	775,969
Total accruals and other liabilities	**17,540,226**	**14,022,357**

Liabilities related to ATM and credit card transactions consist of liabilities on ATM transactions within ATM Bersama, Prima and Link, and liabilities to Visa and Master Card for credit card transactions.

Unearned revenue consists of income from loan commission.

Liabilities to policyholders represent liabilities of subsidiary for long-term insurance contract, liability for future policy benefits, unearned premium reserves and estimated claim.

Electronic money represent liabilities of the Bank from cash deposited by customers electronically and not considered as deposits as stipulated in banking laws.

(Expressed in millions of Rupiah, unless otherwise stated)

25. ACCRUALS AND OTHER LIABILITIES (continued)

Accrued interest expenses consist of accrued interest from deposits from customers and other banks, derivatives, borrowings, debt securities issued, securities sold under repurchase agreement and subordinated obligation.

Liabilities from customer transactions represent liabilities of subsidiary for trading securities transactions, which consist of liabilities to PT Kliring Penjaminan Efek Indonesia (KPEI) related to purchase of securities transactions and deposits rendered by Subsidiary, and liabilities from customer transactions related to selling of securities transactions that will be matured in a short period, usually in 2 (two) days from date of trading.

The guarantee deposit is a guarantee of cash deposited by customers from export-import transaction and issuance of bank guarantees.

Liabilities from insurance transactions was liabilities of subsdiary for reinsurance payables, coinsurance payable and claim in process.

Finance lease liabilities represent lease liabilities related to the implementation of SFAS 73.

Others mainly consist of interoffice accounts, deposit and unsettled transactions.

26. SUBORDINATED BONDS

	2020	**2019**
Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018	500,000	500,000
Total subordinated bonds	**500,000**	**500,000**

The details of subordinated bonds were as follows:

Instruments	Effective and issued date	Approval	Principal amount	Terms	Maturity date	Interest rate
Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 - Series A	Effective date 26 June 2018 Issued date 5 July 2018	No.: S-03825/ BEI.PP2/07-2018	Rp 435,000	7 Years	5 July 2025	7.75%
Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 - Series B	Effective date 26 June 2018 Issued date 5 July 2018	No.: S-03825/ BEI.PP2/07-2018	Rp 65,000	12 Years	5 July 2030	8.00%

(Expressed in millions of Rupiah, unless otherwise stated)

26. SUBORDINATED BONDS (continued)

Interest of Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 - Series A and B are paid quarterly since the issuance date, with no option of accelerating the Subordinated Bonds interest payment. The first payment of interest was due on 5 October 2018. Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 - Series A and B can be calculated as supplementary capital (Tier 2) based on OJK Regulation No. 11/POJK.03/2016 and to increase collection structure of long term funding. The proceeds from issuance of Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018 - Series A and B will be used to grow the Bank's business, especially for credit expansion.

The trustee of the above subordinated bonds is PT Bank Rakyat Indonesia (Persero) Tbk, a third party.

The rating of this bonds based on PT Pemeringkat Efek Indonesia (PT Pefindo) rating is as follows:

	2020		2019	
Description	**Rating**	**Rating Period**	**Rating**	**Rating Period**
Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018	idAA	10 March 2020 - 1 March 2021	idAA	6 March 2019 - 1 March 2020

The Trusteeship Agreement provides several negative covenants that should be complied by the Bank among others, prior to the repayment of the bonds payable, without the written consent from the Trustee, the Bank is not allowed to:

a. Pledge majority or all of the Bank's present or future income or assets outside Bank's main business, except if the actions are performed to meet regulatory requirements or related with short term liquidity borrowing or related with the Bank's option for recovery plan;
b. Change the Bank main business;
c. Reduce authorised capital and paid-up capital unless if it is performed based on Government of Indonesia or authority order (include but not limited to BI, OJK, the Indonesia Finance Ministry and/or other authorities in Indonesian Banking Restructuring Agency ("IBRA") in accordance with the prevailing laws in Indonesia);
d. Merger or consolidation with other companies which cause dilution of the Bank.

As of 31 December 2020 and 2019, the Bank was in compliance with the aforementioned covenants in relation to the issued subordinated debts agreements. Payments of interest had been done on a timely basis.

(Expressed in millions of Rupiah, unless otherwise stated)

27. SHARE CAPITAL

The composition of the Bank's share capital as of 31 December 2020 and 2019 (after stock split, see Note 1c) were as follows:

	2020		2019	
	Number of shares	Total par value	Number of shares	Total par value
Authorised capital at par value Rp 62.50 (full amount) per share	88,000,000,000	5,500,000	88,000,000,000	5,500,000
Unissued	(63,344,990,000)	(3,959,062)	(63,344,990,000)	(3,959,062)
Outstanding shares (issued and fully paid)	**24,655,010,000**	**1,540,938**	**24,655,010,000**	**1,540,938**

The composition of shareholders as of 31 December 2020 and 2019 were as follows:

	2020		
	Number of shares	Total par value	%
PT Dwimuria Investama Andalan*)	13,545,990,000	846,624	54.94
Commissioners			
Djohan Emir Setijoso	21,200,121	1,325	0.09
Tonny Kusnadi	1,217,653	77	0.01
Directors			
Jahja Setiaatmadja	7,905,463	494	0.03
Armand W. Hartono	851,213	53	0.00
Suwignyo Budiman	7,556,800	472	0.03
Subur Tan	2,849,792	178	0.01
Henry Koenaifi	908,098	57	0.01
Erwan Yuris Ang	1,269,131	79	0.01
Rudy Susanto	360,411	23	0.00
Lianawaty Suwono	174,186	11	0.00
Santoso	264,593	17	0.00
Vera Eve Lim	115,201	7	0.00
Gregory Hendra Lembong	1,800	-	0.00
Public shareholders **)	11,064,345,538	691,521	44.87
	24,655,010,000	**1,540,938**	**100.00**

*) The shareholders of PT Dwimuria Investama Andalan are Mr. Robert Budi Hartono and Mr. Bambang Hartono, therefore the ultimate shareholders of the Bank are Mr. Robert Budi Hartono and Mr. Bambang Hartono.

**) In the composition of shares held by the public, there was 2.49% shares owned by parties affiliated with PT Dwimuria Investama Andalan.

	2019		
	Number of shares	Total par value	%
PT Dwimuria Investama Andalan*)	13,545,990,000	846,624	54.94
Anthoni Salim	434,079,976	27,130	1.76
Commissioners			
Djohan Emir Setijoso	22,147,163	1,384	0.09
Tonny Kusnadi	1,175,285	74	0.01
Directors			
Jahja Setiaatmadja	8,007,628	501	0.03
Armand W. Hartono	851,213	53	0.00
Suwignyo Budiman	7,475,051	467	0.03
Subur Tan	2,773,326	173	0.01
Henry Koenaifi	1,041,883	65	0.01
Erwan Yuris Ang	1,251,720	78	0.01
Rudy Susanto	480,926	30	0.00
Lianawaty Suwono	183,694	12	0.00
Santoso	237,324	15	0.00
Inawaty Handojo	163,374	10	0.00
Vera Eve Lim	57,348	4	0.00
Public shareholders **)	10,629,094,089	664,318	43.11
	24,655,010,000	**1,540,938**	**100.00**

*) The shareholders of PT Dwimuria Investama Andalan are Mr. Robert Budi Hartono and Mr. Bambang Hartono, therefore the ultimate shareholders of the Bank are Mr. Robert Budi Hartono and Mr. Bambang Hartono.

**) In the composition of shares held by the public, there was 2.49% shares owned by parties affiliated with PT Dwimuria Investama Andalan.

(Expressed in millions of Rupiah, unless otherwise stated)

28. ADDITIONAL PAID-IN CAPITAL

	2020	2019
Additional paid-in capital from share capital payments	29,453,007	29,453,007
Elimination of accumulated loss through quasi-reorganisation on 31 October 2000*)	(25,853,162)	(25,853,162)
Additional paid-in capital from the exercise of stock options	296,088	296,088
Additional paid-in capital from treasury stock transactions (Note 1c)	1,815,435	1,815,435
Difference in values from business combination transaction of entities under common control (Note 2e)	(162,391)	(162,391)
	5,548,977	**5,548,977**

*) On 31 October 2000, the Bank adopted SFAS No. 51, "Accounting for Quasi-Reorganisation" to achieve a "fresh start" reporting. Fresh start reporting requires the revaluation of all its assets and liabilities recorded by using the fair value and elimination of its accumulated deficit. Pursuant to the implementation of quasi-reorganisation, the Bank's accumulated losses as of 31 October 2000 amounted to Rp 25,853,162 had been eliminated against the additional paid-in capital. The implementation of quasi-reorganisation had been approved by Bank Indonesia through its Letter No. 3/165/DPwB2/IDWB2 dated 21 February 2001 and by the shareholders in their Extraordinary General Meeting of Shareholders on 12 April 2001 (the minutes of meeting prepared by Notary Public Hendra Karyadi, S.H., in Notary Deed No. 25).

29. COMMITMENTS AND CONTINGENCIES

As of 31 December 2020 and 2019, the Group commitments and contingencies were as follows:

		2020		2019	
	Type of Currencies	Amount in foreign currencies*)	Rupiah equivalent	Amount in foreign currencies*)	Rupiah equivalent
Commitments					
Committed receivables:					
Borrowing facilities received and unused	Rupiah		4,705,404		3,023,194
	USD	60,000,000	843,000	120,000,000	1,665,900
	Others, USD equivalent	-	-	399,922	5,552
			5,548,404		**4,694,646**
Committed liabilities:					
Unused credit facilities to customers - committed	Rupiah		174,992,855		144,251,023
	USD	571,809,961	8,033,930	585,683,844	8,130,756
	Others, USD equivalent	19,405,174	282,287	16,019,074	222,385
			183,309,072		152,604,164
Unused credit facilities to other banks - committed	Rupiah		2,209,700		2,455,331

*) Total in full amount.

(Expressed in millions of Rupiah, unless otherwise stated)

29. COMMITMENTS AND CONTINGENCIES (continued)

As of 31 December 2020 and 2019, the Group commitments and contingencies were as follows: (continued)

		2020		2019	
	Type of Currencies	Amount in foreign currencies*)	Rupiah equivalent	Amount in foreign currencies*)	Rupiah equivalent
Commitments (continued)					
Committed liabilities: (continued)					
Irrevocable Letters of Credit facilities to customers	Rupiah		2,610,335		1,939,571
	USD	408,602,561	5,740,866	346,560,926	4,811,132
	Others, USD equivalent	78,117,259	1,097,547	132,556,292	1,840,213
			9,448,748		8,590,916
			194,967,520		**163,650,411**
Contingencies					
Contingent receivables:					
Bank guarantees received	Rupiah		718,023		623,876
			718,023		**623,876**
Contingent liabilities:					
Bank guarantee issued to customers	Rupiah		13,297,835		13,715,024
	USD	169,941,520	2,387,678	139,732,825	1,939,841
	Others, USD equivalent	4,509,522	63,359	5,938,961	82,447
			15,748,872		15,737,312
Others	Rupiah		78		78
			15,748,950		**15,737,390**

*) Total in full amount.

Additional information

As of 31 December 2020 and 2019, the Group had unused credit facilities to customers - uncommitted amounting to Rp 68,608,465 and Rp 63,355,677, respectively.

As of 31 December 2020 and 2019, the Group had unused credit facilities to other Banks - uncommitted amounting to Rp 2,621 and Rp 1,861, respectively.

The Bank is a party to various unresolved legal actions, administrative proceedings, and claims in the ordinary course of its business. It is not possible to predict with certainty whether or not the Bank will be successful in any of these legal matters or, if not, what the impact might be. However, the Bank's management does not expect that the results in any of these proceedings will have a material adverse effect on the Bank's results of operations, financial position or liquidity.

Commitments and contingencies from related parties are disclosed in Note 49.

(Expressed in millions of Rupiah, unless otherwise stated)

30. INTEREST AND SHARIA INCOME

Interest and sharia income consist of:

	2020	2019
Interest income		
Loan receivable	46,596,091	49,583,414
Investment securities	10,859,037	7,116,277
Securities purchased under agreements to resell	2,986,119	1,255,466
Consumer financing and investment in finance leases	2,749,734	2,953,510
Placements with Bank Indonesia and other banks	669,235	1,321,761
Bills receivable	573,700	433,535
Others	294,156	551,390
	64,728,072	63,215,353
Sharia income		
Sharia profit sharing	675,089	622,442
	675,089	622,442
Total interest and sharia income	**65,403,161**	**63,837,795**

Included in interest income from loans receivable and investment securities were interest from the effect of discounting (unwinding interest) of impaired financial assets for the year ended 31 December 2020 and 2019 amounting to Rp 25,575 and Rp 72,189, respectively.

Interest income from loans receivable to related parties is disclosed in Note 49.

31. INTEREST AND SHARIA EXPENSES

Interest and sharia expenses consist of:

	2020	2019
Interest expenses		
Deposits from customers	9,157,514	11,405,559
Guarantee premium	1,544,538	1,365,777
Debt securities issued	129,704	63,578
Borrowings	41,903	121,761
Deposits from other banks	39,826	68,708
Securities sold under agreements to repurchase	28,514	37,893
Others	17,205	-
	10,959,204	13,063,276
Sharia expense		
Sharia	282,687	297,071
	282,687	297,071
Total interest and sharia expenses	**11,241,891**	**13,360,347**

Interest and sharia expenses for deposits from customers to related parties are disclosed in Note 49.

(Expressed in millions of Rupiah, unless otherwise stated)

32. FEE AND COMMISSION INCOME - NET

Represent fee and commission income related to:

	2020	2019
Deposits from customers	4,841,825	4,514,809
Credit cards	3,537,211	3,748,312
Loans receivable	1,821,204	1,648,551
Payment settlement	1,688,603	1,994,805
Remittance, clearing and collections	311,352	332,089
Others	960,400	1,370,943
Total	13,160,595	13,609,509
Fee and commission expenses	(749)	(1,128)
Fee and commission income - net	**13,159,846**	**13,608,381**

Fee and commission income from loans receivable were fee and commission income related to disbursement of loan facilities which were not an integral part of effective interest rates.

33. NET INCOME FROM TRANSACTION AT FAIR VALUE THROUGH PROFIT OR LOSS

Net income from transaction at fair value through profit or loss consists of:

	2020	2019
Interest income from financial assets at fair value through profit or loss	385,388	346,446
Unrealised loss from financial assets at fair value through profit or loss - net	(891,067)	(469,291)
Gain on spot and derivative transactions - net	3,181,701	2,885,242
Gain on sale of financial assets at fair value through profit or loss - net	1,626,751	693,945
	4,302,773	**3,456,342**

34. ADDITION (REVERSAL) OF IMPAIRMENT LOSSES ON ASSETS

	2020	2019
Acceptance receivables (Note 10c)	218,108	(156,562)
Loans receivable (Note 13f)	9,712,629	4,268,790
Consumer financing receivables (Note 14)	581,903	398,196
Sharia financing	24,690	71,247
Investment securities (Note 15)	3,392	19,988
Estimated losses from commitments and contingencies (Note 24)	1,033,207	(22)
Others	54,147	(10,294)
	11,628,076	**4,591,343**

(Expressed in millions of Rupiah, unless otherwise stated)

35. PERSONNEL EXPENSES

	2020	2019
Salaries and wages	6,555,962	6,221,674
Employees' benefits and compensations	4,889,955	4,952,095
Post-employment benefits (Note 40)	1,238,806	1,446,952
Training	222,103	428,708
Pension plan contribution	442,949	287,835
	13,349,775	**13,337,264**

36. GENERAL AND ADMINISTRATIVE EXPENSES

	2020	2019
Office supplies	4,470,749	4,658,930
Depreciation	2,240,482	1,693,877
Repair and maintenance	1,444,209	1,517,288
Communication	1,108,314	1,734,480
Rental	1,091,233	1,420,339
Promotion	870,086	1,118,345
Professional fees	465,759	525,897
Amortisation of intangible assets - software	304,529	321,738
Water, electricity and fuel	291,555	287,852
Tax	143,858	156,464
Computer and software	92,751	203,919
Insurance	54,498	33,735
Transportation	35,017	45,877
Research and development	25,429	32,889
Security	23,258	21,250
Others	316,533	342,295
	12,978,260	**14,115,175**

37. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated based on the weighted average number of shares outstanding during the year, as follows:

	2020	2019
Net income attributable to equity holder of parent entity	27,131,109	28,565,053
Weighted average number of outstanding shares (in full amount)	24,655,010,000	24,655,010,000
Basic and diluted earnings per share attributable to equity holder of parent entity (in full amount of Rupiah)	1,100	1,159

As of 31 December 2020 and 2019, there were no instruments which can potentially be converted into common shares. Therefore, diluted earnings per share is equivalent to basic earnings per share.

38. APPROPRIATION OF NET INCOME

The Bank's Annual General Meeting of Shareholders on 9 April 2020 (the minutes was prepared by Notary Public Dwi Utami, S.H., with Notary Deed No. 27) resolved the appropriation of 2019 net income, as follows:

a. Allocate 2019 net income for general reserve amounting to Rp 285,650.
b. Distribute cash dividends amounting to Rp 13,683,531 (Rp 555 (full amount) per share) to shareholders who have the right to receive cash dividends. The actual cash dividends paid was Rp 11,218,030 on 11 May 2020 (interim dividend for year 2019 amounting to Rp 2,465,501 had been paid on 20 December 2019).
c. Determine the tantiem for the members of Board of Commissioners and Board of Directors on duty in 2019 with a maximum amount of Rp 445,180.
d. Determine the remaining 2019 net income after dividends as unappropriated retained earnings.

The Bank's Annual General Meeting of Shareholders on 9 April 2020 also resolved to grant the power and authority to the Bank's Board of Directors (with approval from Board of Commissioners) to pay interim dividend for the year 2020, where possible, by considering the financial condition of the Bank.

In accordance with the Board of Directors' Decision Letter dated 26 November 2020 No. 187 regarding the Distribution of Interim Dividends for year 2020, the Board of Directors resolved that the Bank will pay interim dividends to shareholders from the 2020 net income amounting to Rp 98 (full amount) per share. The actual interim dividends paid amounting to Rp 2,416,191.

The Bank's Annual General Meeting of Shareholders on 11 April 2019 (the minutes was prepared by Notary Public Fathiah Helmi, S.H., with Notary Deed No. 33) resolved the appropriation of 2018 net income, as follows:

a. Allocate 2018 net income for general reserve amounting to Rp 258,552.
b. Distribute cash dividends amounting to Rp 8,382,704 (Rp 340 (full amount) per share) to shareholders who have the right to receive cash dividends. The actual cash dividends paid was Rp 6,287,027 on 30 April 2019 (interim dividend for year 2018 amounting to Rp 2,095,676 had been paid on 21 December 2018).
c. Determine the tantiem for the members of Board of Commissioners and Board of Directors on duty in 2018 with a maximum amount of Rp 413,500. The actual amount of tantiem paid was Rp 413,500.
d. Determine the remaining 2018 net income after dividends as unappropriated retained earnings.

The Bank's Annual General Meeting of Shareholders on 11 April 2019 also resolved to grant the power and authority to the Bank's Board of Directors (with approval from Board of Commissioners) to pay interim dividend for the year 2019, where possible, by considering the financial condition of the Bank.

In accordance with the Board of Directors' Decision Letter dated 27 November 2019 No. 191 regarding the Distribution of Interim Dividends for year 2019, the Board of Directors resolved that the Bank will pay interim dividends to shareholders from the 2019 net income amounting to Rp 100 (full amount) per share. The actual interim dividends paid amounting to Rp 2,465,501.

39. FINANCIAL INSTRUMENTS

Classification of financial assets and financial liabilities

Financial instruments have been classified based on their respective classifications. The significant accounting policies in Note 2g describe how the categories of the financial assets and liabilities are measured and how income and expenses, including fair value gains and losses (changes in fair value of financial instruments) are recognised.

Valuation models of financial instruments

The Group measures fair values using the following hierarchy of methods:

- Level 1: inputs that are quoted prices (unadjusted) in active markets for identical instruments that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data;
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active market are based on quoted market prices. For all other financial instruments, the Bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free interest rates, benchmark interest rate, credit spreads and other variables used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair values of common and more simple financial instruments, such as interest rate and currency swaps that used only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt securities and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the needs for management judgement and estimation and also reduces the uncertainty associated with determining the fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(Expressed in millions of Rupiah, unless otherwise stated)

39. FINANCIAL INSTRUMENTS (continued)

Valuation models of financial instruments (continued)

Management judgement and estimation are usually required for selection of the appropriate valuation models to be used, determination of expected future cash flows on the financial instruments being valued, determination of the probability of counterparty default, prepayments and selection of appropriate discount rates.

Valuation Framework

Valuation of financial assets and financial liabilities are subject to an independent review from the business by Corporate Finance Division ("DKP") and Risk Management Work Unit ("SKMR"). DKP is primarily responsible for ensuring that valuation adjustments have been properly accounted for. SKMR performs an independent price validation to ensure that the Bank uses reliable market data from independent sources, e.g., traded prices and broker quotes.

Valuation model is proposed by SKMR and approved by the management. SKMR performs a periodic review of the feasibility of the market data sources used for valuation. The market data used for price validation may include those sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and pricing providers. The market data used should be representative of the market as much as possible, which can evolve over time as markets and financial instruments develop. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing providers are taken into consideration.

Valuation of financial instruments

Financial instruments measured at fair value

The following table sets out the carrying amounts and fair values of financial instruments of the Group, measured at fair values, and their analysis by the level in the fair value hierarchy.

	2020			
	Carrying amount			Fair value
	Measured at fair value through profit or loss	Measured at fair value through other comprehensif income	Total	Level 2
Financial assets				
Placements with Bank Indonesia and other banks - net	-	723,717	723,717	723,717
Financial assets at fair value through profit or loss	2,936,245	-	2,936,245	2,936,245
Investment securities - net	-	169,449,443	169,449,443	169,449,443
	2,936,245	**170,173,160**	**173,109,405**	**173,109,405**
Financial liabilities				
Financial liabilities at fair value through profit or loss	138,757	-	138,757	138,757
	138,757	**-**	**138,757**	**138,757**

(Expressed in millions of Rupiah, unless otherwise stated)

39. FINANCIAL INSTRUMENTS (continued)

Valuation of financial instruments (continued)

Financial instruments measured at fair value (continued)

	2019			
	Carrying amount			Fair value
	Held for trading	Available-for-sale	Total	Level 2
Financial assets				
Placements with Bank Indonesia and other banks	-	1,473,827	1,473,827	1,473,827
Financial assets held for trading	5,910,146	-	5,910,146	5,910,146
Investment securities - net	-	126,233,397	126,233,397	126,233,397
	5,910,146	**127,707,224**	**133,617,370**	**133,617,370**
Financial liabilities				
Financial liabilities held for trading	106,260	-	106,260	106,260
	106,260	**-**	**106,260**	**106,260**

Fair value of placements with Bank Indonesia and other banks which measured at fair value through other comprehensive income (2019: available-for-sale) were calculated using valuation techniques based on the Bank's internal model, which is a discounted cash flow method. Input used in the valuation techniques is market interest rate for money market instruments which have similar credit characteristics, maturity and yield.

As of 31 December 2020 and 2019, the fair value of securities which measured at fair value through profit or loss (2019: held for trading) was based on market price issued by pricing provider (Indonesian Bond Pricing Agency/"IBPA"). If the information is not available, the fair value is estimated using the quoted market prices of securities which have similar credit characteristics, maturity and yield.

As of 31 December 2020 and 2019, the fair value of investment securities which measured at fair value through other comprehensive income (2019: available-for-sale) was based on market price issued by pricing provider (Indonesian Bond Pricing Agency/"IBPA"). If the information is not available, the fair value was estimated using the quoted market prices of securities which have similar credit characteristics, maturity and yield.

As of 31 December 2020 and 2019, the fair value of investment securities which measured at fair value through other comprehensive income (2019: available-for-sale) did not include the fair value of investments in shares amounting to Rp 682,728 and Rp 643,528, respectively, which were valued at cost, since the fair value cannot be measured reliably.

(Expressed in millions of Rupiah, unless otherwise stated)

39. FINANCIAL INSTRUMENTS (continued)

Valuation of financial instruments (continued)

Financial instruments not measured at fair value

The following table sets out the carrying amounts and fair values of financial instruments of the Group, which are not measured at fair values and their analysis by the level in the fair value hierarchy.

	2020				
	Carrying value		Fair value		
	Amortised cost	Total	Level 2	Level 3	Total
Financial assets					
Loans receivables - net	547,643,666	547,643,666	25,499,479	520,382,492	545,881,971
Consumer financing receivables - net	7,605,934	7,605,934	-	6,166,403	6,166,403
Finance lease receivables - net	100,299	100,299	-	92,785	92,785
Asses related to sharia transaction - *murabahah* receivables - net	1,333,825	1,333,825	-	1,333,825	1,333,825
Investment securities - net	22,420,930	22,420,930	23,007,591	-	23,007,591
	579,104,654	**579,104,654**	**48,507,070**	**527,975,505**	**576,482,575**
Financial liabilities					
Deposits from customers	834,283,843	834,283,843	834,283,843	-	834,283,843
Sharia deposits	1,151,652	1,151,652	1,151,652	-	1,151,652
Finance lease	320,472	320,472	320,472	-	320,472
Deposits from other banks	10,163,163	10,163,163	10,163,163	-	10,163,163
Debt securities issued	590,821	590,821	614,236	-	614,236
Borrowings	1,307,298	1,307,298	1,307,362	-	1,307,362
Subordinated bonds	500,000	500,000	500,000	-	500,000
	848,317,249	**848,317,249**	**848,340,728**	**-**	**848,340,728**

	2019						
	Carrying amount				Fair value		
	Held-to-maturity	Loans and receivables	Other amortised cost	Total	Level 2	Level 3	Total
Financial assets							
Loans receivable - net	-	572,033,999	-	572,033,999	25,507,282	544,945,781	570,453,063
Consumer financing receivables - net	-	10,532,424	-	10,532,424	-	9,169,952	9,169,952
Finance lease receivables - net	-	149,428	-	149,428	-	143,104	143,104
Assets related to sharia transactions - *murabahah* receivables - net	-	1,584,223	-	1,584,223	-	1,584,223	1,584,223
Investment securities - net	16,105,780	-	-	16,105,780	16,294,680	-	16,294,680
	16,105,780	**584,300,074**	**-**	**600,405,854**	**41,801,962**	**555,843,060**	**597,645,022**
Financial liabilities							
Deposits from customers	-	-	698,980,068	698,980,068	698,980,068	-	698,980,068
Sharia deposits	-	-	1,035,526	1,035,526	1,035,526	-	1,035,526
Deposits from other banks	-	-	6,717,474	6,717,474	6,717,474	-	6,717,474
Debt securities issued	-	-	1,347,523	1,347,523	1,361,032	-	1,361,032
Borrowings	-	-	2,332,870	2,332,870	2,335,314	-	2,335,314
Subordinated bonds	-	-	500,000	500,000	500,000	-	500,000
	-	**-**	**710,913,461**	**710,913,461**	**710,929,414**	**-**	**710,929,414**

Majority of the financial instruments not measured at fair value are measured at amortised cost.

39. FINANCIAL INSTRUMENTS (continued)

Valuation of financial instruments (continued)

Financial instruments not measured at fair value (continued)

The following financial instruments are short-term financial instruments or financial instruments which are re-priced periodically to current market rates, therefore, the fair values of financial instruments are reasonable approximation of carrying value.

Financial assets:
- Cash
- Current accounts with Bank Indonesia
- Current accounts with other banks
- Placements with Bank Indonesia and other banks
- Acceptance receivables
- Bills receivables
- Securities purchased under agreements to resell
- Other assets

Financial liabilities:
- Securities sold under agreements to repurchase
- Acceptance payables
- Estimated losses from commitment and contingency
- Other liabilities

As of 31 December 2020 and 2019, the fair values of loans receivable, consumer financing receivables, investment in finance leases and borrowings were determined using discounted cash flows based on internal interest rate.

As of 31 December 2020 and 2019, the fair values of securities and debt securities issued at amortised cost (2019: held to maturity) based on market prices issued by pricing provider (Indonesian Bond Pricing Agency/"IBPA"). If the information is not available, the fair values were estimated using quoted market prices of securities which have similar credit characteristics, maturity and yield.

As of 31 December 2020 and 2019, the fair values of deposits from customers and deposits from other banks are the same with the carrying amount because they are payables on demand in nature.

The fair values calculated are for disclosure purposes only and do not have any impact on the Group reported financial performance or position. The fair values calculated by the Group may be different from the actual amount that will be received/paid on the settlement or maturity of the financial instrument. As certain categories of financial instruments are not traded, there is management judgment involved in calculating their fair values.

40. POST-EMPLOYMENT BENEFITS OBLIGATION

In accordance with Law of the Republic of Indonesia No. 13/2003 concerning Manpower, the Bank is required to provide post-employment benefits to its employees when their employments are terminated or when they retire. These benefits are primarily based on years of services and the employees' compensation at termination or retirement. These post-employment benefits are defined benefits program.

(Expressed in millions of Rupiah, unless otherwise stated)

40. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

The Bank also had a defined contribution pension plan that covers all permanent employees who fulfilled the criteria determined by the Bank. This defined contribution pension plan is managed and administered by Dana Pensiun BCA which was established by the Bank to manage the assets, generate investment income and pay the post-employment benefits to the employees. The establishment of Dana Pensiun BCA had been ratified by the Minister of Finance of Republic of Indonesia in its Decision Letter No. KEP-020/KM.17/1995 dated 25 January 1995. The contribution to the pension plan is computed based on certain percentage of employees' basic salary, for which the contribution from employees and the Bank are 3% (three percent) and 5% (five percent), respectively. During the year ended 31 December 2020 and 2019, the accumulated contribution from the Bank are 2% (two percent) respectively, which are considered as a deduction against the post-employment benefits obligation in accordance with the manpower law.

During the year ended 31 December 2020, the Bank has provided some funds to support the fulfillment of its post-employment benefit obligations amounting to Rp 752,750. These funds were placed in several insurance companies in the form of saving plan program and *Dana Pensiun Lembaga Keuangan* ("DPLK") in the form of *Program Pensiun Untuk Kompensasi Pesangon* ("PPUKP"), which meet the criteria to be recorded as plan assets.

During the year ended 31 December 2019, the Bank has provided some funds to support the fulfillment of its post-employment benefit obligations amounting to Rp 2,740 and was placed in several insurance companies in the form of saving plan program, which meet the criteria to be recorded as plan assets.

The defined benefit pension plan provides actuarial risk exposures to the Bank, e.g., investment risk, interest rate risk and inflation risk.

Post-employment benefits provided by the Bank consist of pension, other long-term compensations in the form of service award and post-employment healthcare benefits. The post-employment benefits obligation as of 31 December 2020 and 2019 were calculated by PT Dayamandiri Dharmakonsilindo as the Bank's independent actuary, using the projected-unit-credit method. The main assumptions used by independent actuary were as follows:

	2020	**2019**
Economic assumptions:		
Annual discount rate		
Defined benefit pension plan	6.25%	7.35%
Other long-term compensation	6.30%	7.40%
Post-employment healthcare benefits	6.65%	7.70%
Annual basic salary growth rate	9.00%	9.00%
Healthcare cost rate	10.00%	10.00%

The discount rate is used in determining the present value of the post-employment benefits obligation at valuation date. In general, the discount rate correlates with the yield on high quality government bonds that are traded in active capital markets at the reporting date.

The future basic salary growth assumption projects the post-employment benefits obligations starting from the valuation date through the normal retirement age. The basic salary growth rate is generally determined by applying inflation adjustment to payment scales and by taking into account of the years of service.

(Expressed in millions of Rupiah, unless otherwise stated)

40. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

The Bank's obligation for post-employment benefits for the years ended 31 December 2020 and 2019 were in accordance with the independent actuary reports dated 8 January 2021 and 8 January 2020, respectively.

a. Post-employment benefits obligation

The post-employment benefits obligation as of 31 December 2020 and 2019 were as follows:

	Defined benefit pension plan and other long-term compensations		Post-employment healthcare benefits	
	2020	2019	2020	2019
Present value of obligation for post-employment benefits	12,966,647	11,724,337	214,570	209,355
Fair value of plan assets	(3,664,581)	(4,077,260)	-	-
Net obligation for post-employment benefits - Bank	**9,302,066**	**7,647,077**	**214,570**	**209,355**

The Subsidiaries' obligation for post-employment benefits as of 31 December 2020 and 2019 which were recorded in the consolidated statements of financial position amounting to Rp 129,591 and Rp 98,638, respectively.

b. Movement of post-employment benefits obligation

	Defined benefit pension plan and other long-term compensations		Post-employment healthcare benefits	
	2020	2019	2020	2019
Movement in the defined benefit obligation				
Defined benefit obligation, beginning of the year - Bank	7,647,077	6,059,770	209,355	236,760
Included in profit or loss				
Current service cost	620,373	572,244	14,930	17,372
Past service cost - amendment	-	306,374	-	-
Interest cost	528,338	501,358	15,400	18,594
Termination cost	25,062	14,433	-	-
Liability assumed due to recognition of past services	3,176	2,945	143	133
Included in other comprehensive income				
Actuarial gains (losses) arising from:				
Changes in financial assumptions	952,177	517,390	(2,365)	(48,205)
Changes in demographic assumptions	(22)	(16,073)	(415)	(556)
Experience adjustments	(9,914)	116,222	(15,955)	(7,038)
Return on plan assets excluding interest income	555,010	(204,650)	-	-
Others				
Fund placements in insurance companies (plan assets)	(752,750)	(2,740)	-	-
Benefits paid directly by the Bank	(266,461)	(220,196)	(6,523)	(7,705)
Post-employment benefits obligation, end of the year - Bank	**9,302,066**	**7,647,077**	**214,570**	**209,355**

The Subsidiaries' post-employment benefits expenses for the years ended 31 December 2020 and 2019 recorded in the profit or loss amounting to Rp 31,384 and RP 13,499, respectively.

During the years ended 31 December 2020 and 2019, payments for post-employment benefits in the Subsidiaries amounting to Rp 1,355 and Rp 2,989, respectively, and the Subsidiaries have set aside funds that will be used to support the fulfillment of post-employment benefits obligation for each employee of the amount Rp 4,500 and Rp 5,600 by placing them with several insurance companies, which meet the criteria to be recorded as plan assets.

(Expressed in millions of Rupiah, unless otherwise stated)

40. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

c. The composition of plan assets

The composition of plan assets from pension fund for the years ended 31 December 2020 and 2019, were as follows:

	Percentage allocation as of 31 December 2020 Quoted market price for severance program			Percentage allocation as of 31 December 2020 Quoted market price for DPLK PPUK		
	AIA	**Allianz**	**Manulife**	**AIA**	**Allianz**	**Manulife**
Shares	0.00%	0.00%	0.00%	10.49%	16.55%	13.26%
Bonds	0.00%	0.00%	0.00%	69.82%	69.70%	68.36%
Property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Derivatives	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	100.00%	19.69%	13.75%	18.38%
Others	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

	Percentage allocation as of 31 December 2019 Quoted market price for severance program			Percentage allocation as of 31 December 2019 Quoted market price for DPLK PPUK		
	AIA	**Allianz**	**Manulife**	**AIA**	**Allianz**	**Manulife**
Shares	0.00%	0.00%	0.00%	14.86%	14.26%	11.96%
Bonds	0.00%	0.00%	0.00%	70.08%	67.41%	61.26%
Property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Derivatives	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	100.00%	15.06%	18.33%	26.78%
Others	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

d. Changes in fair value of plan assets for post-employment program

	2020	**2019**
Fair value of plan assets, beginning of the year - Bank	4,077,260	4,410,076
Fund placements in insurance companies	752,750	2,740
Return on plan assets excluding interest income	(555,010)	204,650
Interest income on plan assets	294,057	318,565
Post-employment benefits paid	(904,476)	(858,771)
Fair value of plan assets, end of the year - Bank	**3,664,581**	**4,077,260**

e. Historical information - Bank:

	31 December				
	2020	**2019**	**2018**	**2017**	**2016**
Defined benefits pension plan and other long-term compensation					
Present value of post-employment benefits obligation	12,966,646	11,724,337	10,469,846	10,801,602	9,056,905
Fair value of plan assets	(3,664,581)	(4,077,260)	(4,410,076)	(4,688,075)	(3,218,848)
Deficit	9,302,065	7,647,077	6,059,770	6,113,527	5,838,057
Experience adjustment on plan liabilities	(9,914)	116,222	353,216	4,479	6,803
Experience adjustment on plan assets	555,010	(204,650)	371,291	(211,993)	(69,840)
Post-employment healthcare benefits					
Present value of post-employment benefits obligation	214,570	209,355	236,760	249,861	254,195
Experience adjustment on plan liabilities	(15,955)	(7,038)	(24,089)	(50,912)	(23,948)

(Expressed in millions of Rupiah, unless otherwise stated)

40. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

f. Sensitivity analysis

Changes in 1 (one) percentage of actuarial assumptions will have the following impacts:

	2020					
	Defined benefit pension plan		Other long-term compensations		Post-employment healthcare benefits	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(555,528)	622,944	(112,110)	387,981	(9,815)	22,500
Basic salary rate (1% movement)	673,028	(611,152)	388,088	(116,583)	-	-
Healthcare cost rate (1% movement)	-	-	-	-	20,687	(8,539)

	2019					
	Defined benefit pension plan		Other long-term compensations		Post-employment healthcare benefits	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(485,718)	541,185	(206,131)	230,223	(13,874)	15,698
Basic salary rate (1% movement)	592,411	(540,724)	233,059	(212,274)	-	-
Healthcare cost rate (1% movement)	-	-	-	-	14,171	(12,802)

g. Expected maturity analysis of undiscounted pension benefits and post-employment healthcare benefits is as follows:

	Up to 10 years	10 - 20 years	20 years and so on
Pension benefit	9,106,163	2,602,475	2,056,152
Other long-term compensations	3,619,831	1,092,395	916,886
Post-employment healthcare benefits	214,638	64,724	107,375

h. The weighted-average duration of the defined benefits obligation, other long-term compensations, and post-retirement healthcare benefits were 9.61 years; 10.10 years; and 12.56 years as of 31 December 2020 (31 December 2019: 9.02 years; 9.47 years; and 11.50 years).

41. CUSTODIAL SERVICES

The Bank's Custodial Services Bureau obtained its license to provide custodial services from the Capital Market Supervisory Agency (Bapepam, currently Financial Services Authority or "OJK") under its Decision Letter No. KEP-148/PM/1991 dated 13 November 1991.

The services offered by the Bank's Custodial Services Bureau include safekeeping, settlement and transaction handling, income collection, proxy, corporate action, cash management, investment recording/reporting and tax reclamation.

As of 31 December 2020 and 2019, assets administered by the Bank's Custodial Services Bureau consist of shares, bonds, time deposits, certificate of deposits, commercial papers and other money market instruments.

(Expressed in millions of Rupiah, unless otherwise stated)

42. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Balances of monetary assets and liabilities in foreign currencies were as follows:

	2020		2019	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary assets				
Cash				
US Dollar (USD)	28,898	406,020	61,491	853,650
Australian Dollar (AUD)	4,096	44,039	16,078	156,368
Singapore Dollar (SGD)	14,920	158,241	22,022	227,153
Hong Kong Dollar (HKD)	10,202	18,489	13,792	24,588
GB Poundsterling (GBP)	134	2,555	1,247	22,734
Japanese Yen (JPY)	97,663	13,279	146,652	18,744
Euro (EUR)	3,971	68,446	8,689	135,290
Others, USD equivalent	3,298	46,331	3,952	54,869
		757,400		1,493,396
Current accounts with Bank Indonesia				
US Dollar (USD)	200,163	2,812,296	334,725	4,646,826
		2,812,296		4,646,826
Current accounts with other banks				
US Dollar (USD)	492,637	6,921,552	548,930	7,620,521
Australian Dollar (AUD)	54,405	584,987	19,016	184,939
Singapore Dollar (SGD)	228,811	2,426,814	154,031	1,588,842
Hong Kong Dollar (HKD)	62,860	113,920	52,238	93,127
GB Poundsterling (GBP)	4,166	79,198	3,229	58,882
Japanese Yen (JPY)	1,196,201	162,648	2,996,826	383,024
Euro (EUR)	40,283	694,256	20,194	314,440
Others, USD equivalent	48,246	677,858	19,811	275,024
		11,661,233		10,518,799
Placements with Bank Indonesia and other banks				
US Dollar (USD)	2,575,787	36,189,803	1,775,791	24,652,415
Australian Dollar (AUD)	-	-	30,000	291,761
Singapore Dollar (SGD)	-	-	30,000	309,452
Hong Kong Dollar (HKD)	58	105	54	96
		36,189,908		25,253,724
Financial assets at fair value through profit or loss				
US Dollar (USD)	3,207	45,052	149,856	2,080,379
Singapore Dollar (SGD)	-	-	17	179
Japanese Yen (JPY)	2,459	334	3,068	392
Others, USD equivalent	2	31	15	212
		45,417		2,081,162
Acceptance receivables - net				
US Dollar (USD)	302,352	4,248,046	395,902	5,496,109
Singapore Dollar (SGD)	4,828	51,208	492	5,077
GB Poundsterling (GBP)	-	-	195	3,548
Japanese Yen (JPY)	1,151,917	156,626	978,890	125,112
Euro (EUR)	23,918	412,214	77,793	1,211,283
Others, USD equivalent	16,780	235,765	13,807	191,679
		5,103,859		7,032,808

(Expressed in millions of Rupiah, unless otherwise stated)

42. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2020		2019	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary assets (continued)				
Bills receivable - net				
US Dollar (USD)	137,283	1,928,826	149,488	2,075,265
Japanese Yen (JPY)	63,953	8,696	121,009	15,466
Euro (EUR)	316	5,443	1,050	16,346
Others, USD equivalent	2,534	35,605	3,678	51,061
		1,978,570		2,158,138
Loans receivable - net				
US Dollar (USD)	1,960,310	27,542,355	2,129,232	29,559,065
Australian Dollar (AUD)	42	450	-	-
Singapore Dollar (SGD)	41,288	437,907	39,356	405,961
Hong Kong Dollar (HKD)	243,119	440,604	195,531	348,582
Japanese Yen (JPY)	71,001	9,654	79,149	10,116
Euro (EUR)	226	3,897	787	12,260
		28,434,867		30,335,984
Investment securities - net				
US Dollar (USD)	1,201,210	16,877,007	2,003,217	27,809,661
Hong Kong Dollar (HKD)	190,446	345,146	181,846	324,185
		17,222,153		28,133,846
Other assets - net				
US Dollar (USD)	11,867	166,736	15,059	209,060
Australian Dollar (AUD)	-	-	12	120
Singapore Dollar (SGD)	52	555	69	708
Hong Kong Dollar (HKD)	3,190	5,781	3,881	6,919
Japanese Yen (JPY)	2,523	343	1,083	138
Euro (EUR)	99	1,713	359	5,591
Others, USD equivalent	21	301	690	9,575
		175,429		232,111
Monetary liabilities				
Deposits from customers				
US Dollar (USD)	3,800,244	53,393,428	3,195,045	44,355,210
Australian Dollar (AUD)	50,219	539,973	54,689	531,873
Singapore Dollar (SGD)	278,280	2,951,491	247,199	2,549,866
Hong Kong Dollar (HKD)	33,802	61,260	27,564	49,139
GB Poundsterling (GBP)	4,184	79,549	2,920	53,261
Japanese Yen (JPY)	1,619,298	220,176	1,810,609	231,414
Euro (EUR)	58,566	1,009,357	67,389	1,049,284
Others, USD equivalent	46,915	659,161	23,026	319,661
		58,914,395		49,139,708

(Expressed in millions of Rupiah, unless otherwise stated)

42. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2020		2019	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary liabilities (continued)				
Deposits from other banks				
US Dollar (USD)	231,167	3,247,899	128,706	1,786,768
Australian Dollar (AUD)	5,461	58,720	5,288	51,429
Euro (EUR)	1	24	-	-
Singapore Dollar (SGD)	743	7,880	229	2,363
Others, USD equivalent	16	227	1	8
		3,314,750		1,840,568
Financial liabilities at fair value through profit or loss				
US Dollar (USD)	13	184	248	3,437
Singapore Dollar (SGD)	9	93	34	356
Hong Kong Dollar (HKD)	51	92	18	33
Japanese Yen (JPY)	724	98	2,185	279
Others, USD equivalent	49	682	43	592
		1,149		4,697
Acceptance payables				
US Dollar (USD)	222,069	3,120,067	277,319	3,849,883
Singapore Dollar (SGD)	4,839	51,327	158	1,626
GB Poundsterling (GBP)	-	-	198	3,618
Japanese Yen (JPY)	367,650	49,989	901,748	115,252
Euro (EUR)	10,710	184,574	20,628	321,183
Others, USD equivalent	15,189	213,405	12,835	178,182
		3,619,362		4,469,744
Securities sold under agreement to repurchase				
Hong Kong Dollar (HKD)	-	-	63,525	113,249
		-		113,249
Borrowings				
US Dollar (USD)	47,517	667,614	4	55
Hong Kong Dollar (HKD)	129,851	235,329	38,928	69,399
GB Poundsterling (GBP)	1	18	-	-
Others, USD equivalent	25	352	25	343
		903,313		69,797

(Expressed in millions of Rupiah, unless otherwise stated)

42. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2020		2019	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary liabilities (continued)				
Estimated losses from commitments contingencies				
US Dollar (USD)	14,934	209,826	-	-
Singapore Dollar (SGD)	349	3,701	-	-
Hong Kong Dollar (HKD)	29	52	7	12
Japanese Yen (JPY)	1,215	165	-	-
Euro (EUR)	99	1,708	-	-
Others, USD equivalent	15	208	-	-
		215,660		12
Accruals and other liabilities				
US Dollar (USD)	178	2,507	2,720	37,764
Australian Dollar (AUD)	2	24	15	141
Singapore Dollar (SGD)	1	8	2	25
Hong Kong Dollar (HKD)	2,994	5,426	883	1,575
GB Poundsterling (GBP)	-	1	-	1
Japanese Yen (JPY)	-	-	2	-
Euro (EUR)	36	614	21	333
Others, USD equivalent	11	161	10	143
		8,741		39,982

43. OPERATING SEGMENTS

The Group disclosed the financial information based on the products were as follows:

	2020			
	Loans	Treasury	Others	Total
Assets	547,643,666	437,305,085	90,621,505	1,075,570,256
Loans receivable - net	547,643,666	-	-	547,643,666
Interest and sharia income	46,596,092	15,228,367	3,578,702	65,403,161
Fee-based income	4,057,827	207,137	12,437,040	16,702,004

	2019			
	Loans	Treasury	Others	Total
Assets	572,033,999	255,752,071	91,203,242	918,989,312
Loans receivable - net	572,033,999	-	-	572,033,999
Interest and sharia income	49,583,414	10,339,749	3,914,632	63,837,795
Fee-based income	4,910,039	175,689	12,604,159	17,689,887

The Group main operations are managed in Indonesian territory. Bank's business segment is classified into 5 (five) main geographic areas, which are Sumatera, Java, Kalimantan, East Indonesia and overseas operation.

(Expressed in millions of Rupiah, unless otherwise stated)

43. OPERATING SEGMENTS (continued)

Information regarding segment based on geographic of the Group is presented in table below:

	2020					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Interest and sharia income	3,786,155	58,322,084	1,298,134	1,969,148	27,640	65,403,161
Interest and sharia expense	(664,167)	(10,037,346)	(208,658)	(327,500)	(4,220)	(11,241,891)
Net interest and sharia income	3,121,988	48,284,738	1,089,476	1,641,648	23,420	54,161,270
Net fee and commission income	782,641	11,604,296	274,115	495,060	3,734	13,159,846
Net income from transaction at fair value through profit or loss	55,229	4,173,776	27,751	31,257	14,760	4,302,773
Other operating income	43,332	3,428,744	14,783	49,483	5,067	3,541,409
Total segment income	4,003,190	67,491,554	1,406,125	2,217,448	46,981	75,165,298
Depreciation and amortisation	(69,464)	(2,391,955)	(26,085)	(51,284)	(6,223)	(2,545,011)
Other material non-cash elements:						
Reversal of allowance for impairment losses on asset	(317,565)	(11,150,754)	(94,185)	(65,114)	(458)	(11,628,076)
Other operating expenses	(1,331,710)	(24,795,191)	(425,632)	(846,210)	(24,961)	(27,423,704)
Income before tax	2,284,451	29,153,654	860,223	1,254,840	15,339	33,568,507
Income tax expense						(6,421,398)
Net income for the year						**27,147,109**

	2020					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Assets	70,567,076	949,092,235	22,627,875	32,373,074	909,996	1,075,570,256
Liabilities	70,567,076	759,630,175	22,627,875	32,373,074	339,719	885,537,919
Loans receivable - net	25,524,186	496,248,876	9,410,057	16,019,943	440,604	547,643,666
Deposits from customers	69,933,204	709,942,157	22,488,477	31,920,005	-	834,283,843
Sharia deposits	-	1,151,652	-	-	-	1,151,652
Temporary *syirkah* deposits	-	5,317,628	-	-	-	5,317,628

	2019					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Interest and sharia income	3,727,661	56,795,098	1,213,833	2,065,663	35,540	63,837,795
Interest and sharia expense	(882,676)	(11,739,231)	(279,273)	(452,056)	(7,111)	(13,360,347)
Net interest and sharia income	2,844,985	45,055,867	934,560	1,613,607	28,429	50,477,448
Net fee and commission income	750,866	12,110,220	242,974	500,002	4,319	13,608,381
Net trading income	56,573	3,343,939	20,674	31,436	3,720	3,456,342
Other operating income	49,942	3,968,050	9,118	45,316	7,952	4,080,378
Total segment income	3,702,366	64,478,076	1,207,326	2,190,361	44,420	71,622,549
Depreciation and amortisation	(42,845)	(1,922,521)	(13,824)	(30,190)	(6,235)	(2,015,615)
Other material non-cash elements:						
Addition of impairment on assets	(202,473)	(4,230,486)	41,598	(201,915)	1,933	(4,591,343)
Other operating expenses	(1,315,499)	(26,136,084)	(441,694)	(809,677)	(23,639)	(28,726,593)
Income before tax	2,141,549	32,188,985	793,406	1,148,579	16,479	36,288,998
Income tax expense						(7,719,024)
Net income for the year						**28,569,974**

	2019					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Assets	59,995,632	807,755,303	19,315,578	31,139,056	783,743	918,989,312
Liabilities	59,995,632	629,379,469	19,315,578	31,139,034	237,414	740,067,127
Loans receivable - net	27,461,980	516,363,191	9,531,400	18,328,846	348,582	572,033,999
Deposits from customers	59,366,497	589,593,111	19,239,284	30,781,176	-	698,980,068
Sharia deposits	-	1,035,526	-	-	-	1,035,526
Temporary *syirkah* deposits	-	4,779,029	-	-	-	4,779,029

44. FINANCIAL RISK MANAGEMENT

The Bank has exposures to the following risks:
- Asset and liability risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Consolidated risk

The following notes present information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and process which are undertaken by the Bank in measuring and managing risk.

a. Risk management framework

The Bank recognises that in operating its business, there are inherent risks in its financial instruments, i.e. credit risk, liquidity risk, market risk which consists of foreign exchange risk and interest rate risk, operational risk and other risk.

In order to control those risks, the Bank implemented an integrated Risk Management Framework which is stated in its Basic Policy of Risk Management ("KDMR"). This framework is used as a tool for determining the strategies, organisation, policies and guidances as well as the Bank's infrastructures to ensure that all risks faced by the Bank can be properly identified, measured, controlled and reported.

To implement an effective risk management, the Bank has established a Risk Management Committee whose functions are to address overall risk issues faced by the Bank and recommend risk management policies to the Board of Directors.

In addition to the above-mentioned committee, the Bank also has other committees which are responsible to handle specific risks, such as: Credit Policy Committee, Credit Committee and Asset and Liability Committee ("ALCO").

The Bank always conducts a thorough risk assessment on management plan to release new products and/or activities in accordance with the type of risks regulated by the prevailing Bank Indonesia Regulations ("PBI"), Financial Services Authority Regulation ("POJK") and other prevailing regulations.

b. Assets and liabilities risk management

ALCO is responsible for evaluating, recommending and establishing the Bank's funding and investing strategies. Included in the scope of ALCO activities are managing liquidity risk, interest rate risk and foreign exchange risk; minimising funding cost and at the same time maintaining liquidity; and optimising the Bank's interest income by allocating the funds to productive assets in a prudent manner.

ALCO is led by the President Director (concurrently as a member of ALCO), with other members consisting of 10 (ten) directors, Executive Vice President which supervise Treasury and International Banking Division, Executive Vice President which supervise Corporate Banking Group, Executive Vice President which supervise Corporate Finance Division also Corporate Secretary, Head of International Banking Division, Head of Treasury Division, Head of Corporate Finance Division, Head of Corporate Strategy and Planning, Head of the Corporate Banking and Corporate Finance Group, Head of Commercials and SME Division, Head of Transaction Banking Product Development Division, Head of Business Development & Transaction Banking Marketing Division, Head of Transaction Banking Cooperation Solution Development Division, Head of Consumer Credit Business Unit and Head of Risk Management Unit.

44. FINANCIAL RISK MANAGEMENT (continued)

b. Assets and liabilities risk management (continued)

The Bank's asset and liability management process begins with an assessment of economic parameters affecting the Bank, which primarily consist of inflation rate, market liquidity, yield curve, US Dollar-Rupiah exchange rate, and other macro economic factors. Liquidity risks, foreign currency exchange risks and interest rate risks are reviewed by the Risk Management Unit and reported to ALCO. ALCO then decides the pricing strategy for the interest rates on deposits and loans based on the conditions and competition in the market.

c. Credit risk management

The credit organisation is continuously being improved with an emphasis on the four eyes principle, in which the credit decision is determined with the considerations of 2 (two) functions, i.e. business development function and credit risk analysis function.

The Bank has Basic Policy of Bank's Credit ("KDPB") which are continuously being improved, in line with the Bank's development, PBI, POJK and in accordance with International Best Practices.

The improvement on procedures and credit risk management system are conducted through the development of "Loan Origination System" which is a policy that regulates the workflow on loan origination process (end-to-end) in order to achieve an effective and efficient credit process. Risk profile measurement system is continuously being developed to determine the risk of debtor completely and correctly. The credit database development process is also continuously being conducted and improved.

The Credit Policy Committee is responsible for formulating credit policies, especially those that relate to prudence principles in credit, monitoring and evaluating the implementation of credit policies so that it can be applied consistently and in accordance with credit policy, and give advice and corrective actions to resolve problems in the implementation.

The Credit Committee was established to assist Board of Directors in evaluating and/or providing credit decisions in accordance with their level of authorisation through the Credit Committee Meeting or Directors' Circular Letter. The main functions of Credit Committee are as follows:

- providing further guidance if a thorough and comprehensive credit analysis is needed;
- making a decision or giving a recommendation on a credit proposal for big debtors and specific industries; and
- coordinating with ALCO, especially when it relates with sources of funding for credits.

The Bank has developed a debtor's risk rating system, which is known as the Internal Credit Risk Rating/Scoring System. The Internal Credit Risk Rating/Scoring System consists of 11 (eleven) categories of risk rating ranging from RR1 to RR10, and the worst is Loss. The Bank also implements debtor risk rating system for consumptive segment, which is also called as Internal Credit Risk Scoring System, consists of 10 (ten) risk rating categories ranging from RR1 (the best/the lowest) to RR10 (the worst/the highest). Debtor's risk rating provides an authorised officer with a valuable input for a better and more appropriate credit decision.

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

To maintain the credit quality, monitoring over credit quality is performed regularly on each credit category (Corporate, Commercial, Small & Medium Enterprise ("SME") and Consumer) as well as to overall credit portfolio. The Bank also sets limits in loans so that it can maintain the suitability of credit extension with the Bank's risk appetite and new regulations.

The Bank has developed a credit risk management tools through credit portfolio stress testing analysis and monitoring the results of such stress testing. Stress testing is used by the Bank as a tool to estimate the impact of stressful condition in order to enable the Bank creating appropriate strategies to mitigate the risks as part of its contingency plan implementation.

In order to monitor and control credit risk of the Subsidiaries, the Bank monitors the Subsidiaries' credit risk regularly, to ensure that the Subsidiaries have a good and effective Credit Risk Management Policy.

The spread of the COVID-19 pandemic in early 2020 has caused most economic activities to stop in various regions, this is a big challenge for debtors to make repayments of their loans due to decreasing/no income received. This condition will certainly pose a challenge to credit growth and also credit quality at the Bank, therefore the Bank immediately takes steps to maintain stability and reduce this impact by:

1. Provide relaxation/debt restructuring in all credit categories/segments for debtors affected by the spread COVID-19 while still paying attention to the provisions made by regulators, namely OJK, BI and the Government of Indonesia.
2. Monitor regularly and proactively, as well as maintain good relationships with debtors so that they can get through this difficult condition together.
3. Keep making new and additional loans while paying attention to the Bank's prudential principles and to be more selective, by taking into account, among other things, the introduction of prospective debtors, their industry sector, financial conditions and business prospects, and collateral requirements.
4. Prepare new policies in support of Government programs in providing stimulus to the real sector and also accelerating national economic recovery, namely providing new working capital loans or additional working capital loans in the context of restructuring through a credit guarantee program, as well as interest subsidies for borrowers of micro, small and medium enterprises (MSMEs) according to the criteria set by the government.
5. Conduct more routine coordination among related work units at head office including Directors, together with regional offices and branch offices to accelerate the necessary steps and seek solutions to problems faced in the debtor credit process.

i. Maximum exposure to credit risk

For financial assets recognised in the consolidated statements of financial position, the maximum exposure to credit risk generally equals their carrying amount. For bank guarantees and irrevocable Letters of Credit issued, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the bank guarantees and irrevocable Letters of Credit issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the unused committed loan facilities granted to customers.

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

i. Maximum exposure to credit risk (continued)

The following table presents maximum exposure to Bank and Subsidiaries credit risk of financial instruments in the consolidated statements of financial position (on-balance sheet) and consolidated administrative accounts (off-balance sheet).

	2020	2019
Consolidated financial position:		
Current accounts with Bank Indonesia	27,482,178	47,904,674
Current accounts with other banks - net	11,972,409	10,521,687
Placements with Bank Indonesia and other banks - net	47,450,890	30,948,274
Financial assets at fair value through profit or loss	2,936,245	5,910,146
Acceptance receivables - net	8,144,843	9,492,755
Bills receivable - net	8,091,013	7,909,020
Securities purchased under agreements to resell - net	146,819,249	9,575,565
Loans receivable - net	547,643,666	572,033,999
Consumer financing receivables - net	7,605,934	10,532,424
Finance lease receivables - net	100,299	149,428
Assets related to sharia transactions - *murabahah* receivables - net	1,333,825	1,584,223
Investment securities - net	192,553,101	142,982,705
Other assets - net		
Accrued interest income	5,155,487	4,487,493
Transactions related to ATM and credit card	4,323,596	3,826,536
Unaccepted bills receivable	53,120	39,697
Receivables from customer transactions	466,288	166,736
Receivables from insurance transactions	407,175	296,709
	1,012,539,318	**858,362,071**
Consolidated administrative account - net:		
Unused credit facilities to customers - committed	179,801,728	152,604,164
Unused credit facilities to other banks - committed	2,209,700	2,455,331
Irrevocable Letters of Credit facilities	9,427,828	8,590,916
Bank guarantees issued to customers	15,739,395	15,737,312
	207,178,651	**179,387,723**
	1,219,717,969	**1,037,749,794**

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

ii. Concentration of credit risk analysis

The Bank encourages the diversification of its credit portfolio among a variety of geographic area, industries and products in order to minimise the credit risk.

The concentration of loans by type of loan, currency and economic sector is disclosed in Note 13.

Based on counterparty

The following table presents concentration of credit risk of the Group by counterparty:

	2020				
	Corporate	Government and Bank Indonesia	Bank	Individual	Total
Consolidated financial position:					
Current accounts with Bank Indonesia	-	27,482,178	-	-	27,482,178
Current accounts with other banks	-	-	11,973,336	-	11,973,336
Placement with Bank Indonesia and other banks	-	38,406,460	9,049,130	-	47,455,590
Financial assets at fair value through profit or loss	337,706	1,594,178	1,004,361	-	2,936,245
Acceptance receivables	8,013,313	-	504,998	35,664	8,553,975
Bills receivable	951,476	44,149	7,103,400	-	8,099,025
Securities purchased under agreements to resell	-	141,649,330	5,042,652	128,415	146,820,397
Loans receivable	377,131,751	-	26,558,606	170,899,251	574,589,608
Consumer financing receivables	203,009	-	158	8,209,073	8,412,240
Finance lease receivables	94,056	-	-	7,252	101,308
Assets related to sharia transactions - *murabahah* receivables	903,911	-	-	456,335	1,360,246
Investment securities	22,355,283	161,759,898	8,637,557	-	192,752,738
Other assets					
Accrued interest income	1,585,543	2,788,764	210,746	570,438	5,155,491
Transactions related to ATM and credit card	4,323,596	-	-	-	4,323,596
Unaccepted bills receivable	77,738	-	-	-	77,738
Receivables from customer transactions	24,301	-	-	441,987	466,288
Receivables from insurance transactions	368,384	-	11,443	27,348	407,175
Total	416,370,067	373,724,957	70,096,387	180,775,763	1,040,967,174
Less:					
Allowance for impairment losses					(28,427,856)
					1,012,539,318
Commitments and contingencies with credit risk:					
Unused credit facilities - committed	157,595,839	2,000,000	2,209,701	23,713,232	185,518,772
Irrevocable Letters of Credit facilities	9,442,307	-	-	6,441	9,448,748
Bank guarantees issued to customers	13,691,051	-	894,272	1,163,549	15,748,872
	180,729,197	2,000,000	3,103,973	24,883,222	210,716,392
Less:					
Allowance for impairment losses					(3,537,741)
					207,178,651

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

ii. Concentration of credit risk analysis (continued)

Based on counterparty (continued)

The following table presents concentration of credit risk of the Group by counterparty: (continued)

	2019				
	Corporate	Government and Bank Indonesia	Bank	Individual	Total
Consolidated financial position:					
Current accounts with Bank Indonesia	-	47,904,674	-	-	47,904,674
Current accounts with other banks	-	-	10,521,687	-	10,521,687
Placement with Bank Indonesia and other banks	-	26,313,814	4,634,460	-	30,948,274
Financial assets held for trading	299,865	3,378,221	2,232,060	-	5,910,146
Acceptance receivables	9,192,501	535	476,341	-	9,669,377
Bills receivable	627,260	83,962	7,200,532	-	7,911,754
Securities purchased under agreements to resell	114,620	9,147,128	290,447	25,103	9,577,298
Loans receivable	369,169,253	1,500,000	25,507,282	190,763,048	586,939,583
Consumer financing receivables	291,920	-	298	10,713,303	11,005,521
Finance lease receivables	141,806	-	-	10,769	152,575
Assets related to sharia transactions - *murabahah* receivables	732,819	-	-	886,916	1,619,735
Investment securities	23,447,231	110,735,136	8,870,758	-	143,053,125
Other assets					
Accrued interest income	1,719,981	1,813,411	274,181	679,923	4,487,496
Transactions related to ATM and credit card	3,826,536	-	-	-	3,826,536
Unaccepted bills receivable	40,596	-	-	-	40,596
Receivables from customer transactions	35,593	-	-	131,143	166,736
Receivables from insurance transactions	239,947	-	20,245	36,517	296,709
Total	409,879,928	200,876,881	60,028,291	203,246,722	874,031,822
Less:					
Allowance for impairment losses					(15,669,751)
					858,362,071
Commitments and contingencies with credit risk:					
Unused credit facilities - committed	128,677,077	500,000	2,455,331	23,427,087	155,059,495
Irrevocable Letters of Credit facilities	8,590,009	-	-	907	8,590,916
Bank guarantees issued to customers	14,061,967	-	577,578	1,097,767	15,737,312
	151,329,053	**500,000**	**3,032,909**	**24,525,761**	**179,387,723**

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis

The following table presents the financial assets classified into stage 1, stage 2 and stage 3:

	2020			
	Carrying Value			
	Stage 1	Stage 2	Stage 3	Total
Measured at amortised cost:				
Current accounts with Bank Indonesia	27,482,178	-	-	27,482,178
Current account with other banks - net	11,972,409	-	-	11,972,409
Placement with Bank Indonesia and other banks - net	46,727,654	-	-	46,727,654
Acceptance receivables - net	8,143,736	1,107	-	8,144,843
Bills receivables - net	8,091,013	-	-	8,091,013
Securities purchased under agreements to resell - net	146,819,249	-	-	146,819,249
Loans receivable - net	541,602,055	1,873,382	4,168,229	547,643,666
Investment securities - net	22,420,930	-	-	22,420,930
Consumer financing receivables - net	6,443,288	284,558	878,088	7,605,934
Finance lease receivables - net	100,299	-	-	100,299
Assets related to sharia transactions - *murabahah* receivables - net	1,327,600	6,224	-	1,333,824
Other assets - net				
Accrued interest income	5,155,487	-	-	5,155,487
Transactions related to ATM and credit card	4,323,596	-	-	4,323,596
Unaccepted bills receivable	53,120	-	-	53,120
Receivables from customer transactions	466,288	-	-	466,288
Receivables from insurance transactions	407,175	-	-	407,175
	831,536,077	**2,165,271**	**5,046,317**	**838,747,665**
Measured at fair value through profit or loss (FVPL):				
Financial assets at fair value through profit or loss	2,936,245	-	-	2,936,245
	2,936,245	**-**	**-**	**2,936,245**
Measured at fair value through other comprehensive income (FVOCI):				
Placements with Bank Indonesia and other banks	723,236	-	-	723,236
Investment securities - net	170,132,171	-	-	170,132,171
	170,855,407	**-**	**-**	**170,855,407**
	1,005,327,729	**2,165,271**	**5,046,317**	**1,012,539,317**

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis (continued)

The following table presents individually impaired financial assets, financial assets that are not individually significant and collectively assessed for impairment, past due but not impaired financial assets and neither past due nor impaired financial assets.

	2019									
		Past due but not impaired			Neither past due nor impaired: Acceptance receivables, bills receivable and loans receivable				Not individually significant and collectively assessed for impairment	
	Individually impaired	1 - 30 days	31 - 60 days	61 - 90 days	High grade	Standard grade	Low grade	Other financial assets		Total
Loans and receivables:										
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	47,904,674	-	47,904,674
Current accounts with other banks	-	-	-	-	-	-	-	10,521,687	-	10,521,687
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	29,474,447	-	29,474,447
Acceptance receivables - net	-	-	-	-	4,863,217	4,311,314	17,851	-	300,373	9,492,755
Bills receivable - net	-	-	-	-	2,979,636	1,321,656	55,514	-	3,552,214	7,909,020
Securities purchased under agreements to resell - net	-	-	-	-	-	-	-	9,575,565	-	9,575,565
Loans receivable - net	1,469,364	716,117	156,606	136,021	244,286,451	83,481,169	1,309,528	-	240,478,743	572,033,999
Consumer financing receivables - net	-	-	-	-	-	-	-	-	10,532,424	10,532,424
Finance lease receivables - net	-	-	-	-	-	-	-	-	149,428	149,428
Assets related to sharia transactions - *murabahah* receivables - net	6,556	-	-	-	-	-	-	-	1,577,667	1,584,223
Other assets - net										
Accrued interest income	-	-	-	-	-	-	-	-	4,487,493	4,487,493
Transactions related to ATM and credit card	-	-	-	-	-	-	-	3,826,536	-	3,826,536
Unaccepted bills receivable	-	-	-	-	-	-	-	-	39,697	39,697
Receivables from customer transactions	-	-	-	-	-	-	-	-	166,736	166,736
Receivables from insurance transactions	-	-	-	-	-	-	-	-	296,709	296,709
	1,475,920	**716,117**	**156,606**	**136,021**	**252,129,304**	**89,114,139**	**1,382,893**	**101,302,909**	**261,581,484**	**707,995,393**
Measured at fair value through profit or loss:										
Financial assets held-for-trading	-	-	-	-	-	-	-	5,910,146	-	5,910,146
	-	**-**	**-**	**-**	**-**	**-**	**-**	**5,910,146**	**-**	**5,910,146**
Available-for-sale:										
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	1,473,827	-	1,473,827
Investment securities - net	-	-	-	-	-	-	-	126,876,925	-	126,876,925
	-	**-**	**-**	**-**	**-**	**-**	**-**	**128,350,752**	**-**	**128,350,752**
Held-to-maturity:										
Investment securities - net	-	-	-	-	-	-	-	16,105,780	-	16,105,780
	-	**-**	**-**	**-**	**-**	**-**	**-**	**16,105,780**	**-**	**16,105,780**
	1,475,920	**716,117**	**156,606**	**136,021**	**252,129,304**	**89,114,139**	**1,382,893**	**251,669,587**	**261,581,484**	**858,362,071**

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis (continued)

Clasification of Financial Assets

The classification of financial assets is based on a business model and tests of cash flows characteristics (Solely Payment of Principal & Interest (SPPI)). The Bank's financial assets are classified as follows:

- Fair Value Through Profit/Loss (FVPL)
- Fair Value Through Other Comprehensive Income (FVOCI)
- Amortised Cost

Measurement of Expected Credit Loss

As of 1 January 2020, the calculation of Bank provisions refers to SFAS 71. Where in SFAS 71 introduces the expected credit loss method to measure the loss of a financial instrument resulting from the impairment of financial instruments. Different from the previous SFAS 55 that recognizes a credit loss when the credit loss event occurs, SFAS 71 requires immediate recognition for the impact of expected credit loss changes after initial recognition of the financial asset.

If at the reporting date, credit risk on a financial instrument has not increased significantly since initial recognition, the entity shall measure the allowance for losses for that financial instrument at the amount of 12 (twelve) months expected losses. An entity shall measure the allowance for losses on a financial instrument at the amount of expected credit losses over its lifetime, if the credit risk on that financial instrument has increased significantly since initial recognition.

The Bank develops risk parameter modeling such as PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure at Default) which are used as components for calculating expected credit losses.

Staging Criteria

SFAS 71 requires entity to classify financial instruments into three stages of impairment (stage 1, stage 2, and stage 3) by determining whether there is a significant increase in credit risk.

The Bank measures the allowance for losses of an expected 12 months credit loss for financial assets with low credit risk at the reporting date (stage 1) and lifetime credit losses for financial assets with a significant increase in credit risk (stage 2).

At each reporting date, the entity assesses whether the credit risk of the financial instrument has increased significantly (SICR) since initial recognition. In making that assessment, an entity compares the risk of default on initial recognition and considers the reasonable and supportable information available without undue cost or effort, which is an indication of a significant increase in credit risk (SICR) since initial recognition.

In general, financial assets with arrears of 30 days or more and not yet experiencing an impairment will always be considered to have significant increase credit risk (SICR).

44. FINANCIAL RISK MANAGEMENT (continued)

d. Credit risk management (continued)

iii. Credit risk analysis (continued)

Staging Criteria (continued)

Financial assets are only considered impaired and expected credit losses over their lifetime are recognised, if there is observable objective evidence of impairment, including, among others, default or experiencing significant financial difficulties.

Forward-looking Information

In calculating expected credit losses, the Bank considers the effect of the macroeconomic forecast. In addition, the Bank also determines a probability weighted for the possibility of such macro scenario.

Various macroeconomic variables (MEV) are used in the modeling of SFAS 71 depending on the results of statistical analysis of the suitability of the MEV with historical data for impairment model development. The calculation of the expected credit loss and the macroeconomic forecast (MEV) are reviewed by the Bank periodically. MEV used by the Bank includes GDP, inflation rate, exchange rate and others.

Related to the COVID-19 pandemic which has created global and domestic economic uncertainty, the Bank continues to identify and monitor on an ongoing basis and stay alert to keep making allowances for impairment losses if debtors who have restructured perform well initially, is expected to decline due to the impact of COVID-19 and are unable to recover after the restructuring/impact of COVID-19.

Individually impaired financial assets

Individually impaired financial assets are financial assets that are individually significant and there is objective evidence that impairment loss has incurred after initial recognition of the financial assets.

Based on the Bank's internal policy, loans that are determined to be individually significant are loans to corporate and commercial debtors.

Individual measurements are made by considering the difference between all contractual cash flows that are due to the entity in accordance with the contract and all cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted with the effective interest rate.

Financial assets that are not individually significant and assessed for collective impairment

Financial assets that are not individually significant consist of loans and receivables of the Group to retail debtors, i.e. Small & Medium Enterprise ("SME") debtors, consumer financing receivables (including joint financing) debtors, mortgage and its housing renovation loans, vehicle loans and credit card.

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis (continued)

Financial assets that are not individually significant and assessed for collective impairment (continued)

The Group determines that impairment losses of financial assets that are not individually significant are assessed collectively, by grouping those financial assets based on similar risk characteristics.

Collective measurement is done statistically using the parameters PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure at Default).

Financial assets that are past due and impaired

Receivables that are due are all receivables that are past due for more than 90 days, either for principal payments and/or interest payments. Meanwhile, impaired receivables are financial assets that have significant value individually and there is objective evidence that individual impairment occurs after the initial recognition of the financial assets.

Loans, acceptances and bills receivable with a rating scale internal risk RR1 through RR7 according to the internal credit risk rating/scoring system is included in the high grade category. High category grade is a loan whose debtor has a strong capacity in terms of repayment of all obligations in a timely manner because they are supported by sound fundamental factors and are not easily influenced by changes in unfavorable economic conditions.

Loans, acceptances and bills receivable with a rating scale internal risks RR8 through RR9 according to the internal credit risk rating/scoring system are included in the standard grade category. Standard grade category is a loan whose debtor is deemed to have adequate capacity in terms of interest and principal payments, but is quite sensitive against changes in unfavorable economic conditions.

In accordance with the quality, loans, acceptances, and bills receivable are grouped into 3 (three) categories, namely high grade, standard grade, and low grade, based on the Bank's internal estimate of probability defaults on certain debtors or portfolios which are assessed based on a number of qualitative and quantitative factors.

Loans, acceptances and notes receivable with a rating scale internal risk RR10 and loss according to the internal credit risk rating/scoring system (Note 44c) is included in the low grade category. Low grade category is a loan whose debtor is vulnerable in terms of interest and principal payment capacity due to unfavorable fundamental factors and/or very sensitive to unfavorable economic conditions.

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iv. Collateral

Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types that can be accepted by the Bank. The Bank differentiates collateral types based on its liquidity and existence into solid collaterals and non-solid collaterals. Solid collaterals are collaterals which have relatively high liquidity value and/or the existence is permanent (is not easily moved) i.e., cash collaterals and land/building, and therefore, the collaterals can be repossessed or taken over by the Bank when the loan to debtor/group debtor becomes non-performing. Non-solid collaterals are collaterals which have relatively low liquidity value and/or the existence is temporary (easily moveable) i.e., vehicles, machineries, inventories, receivables, etc. As of 31 December 2020 and 2019, the Bank held collaterals against loans receivables in the form of cash, properties (land/building), motor vehicles, guarantees, machineries, inventories, debt securities, etc.

The Bank's policy in connection with collateral as mitigation of credit risk depends on the credit category or facilities provided. For SME loans, all loans should be supported with collateral (collateral based lending) whereby at least 50% (fifty percent) of it are solid collaterals. For corporate and commercial loans, the collateral values are determined based on the individual debtor credit worthiness. The collateral value is determined based on the appraisal value at the time of loan approval and periodically reviewed.

For mortgage facility ("KPR"), the Bank requires that all facilities should be supported by collateral properties (land/building). The Bank applies the Loan-to-Value ("LTV") regulation gradually, starting from the first mortgage facility and so forth, in accordance with the rules imposed by the regulator. Value of the collateral for KPR is calculated based on the collateral value when credit is granted and renewed every 30 (thirty) months. For auto loan facility ("KKB"), the Bank requires that all facilities should be supported by collateral vehicles. The Bank applied the down payment rule, in accordance with the regulation imposed by the regulator.

Subsidiaries' consumer financing receivables are secured by the related certificates of ownership ("BPKB") of the vehicles being financed.

For foreign exchange transactions, either spot or forward, the Bank requires cash collaterals which is set at a certain percentage of facility provided. If the debtor has other credit facilities in the Bank, the debtor may use the collateral that has been given previously to be crossed with each other. The policy on percentage of the required collateral will be reviewed periodically, in line with the fluctuation and volatility of Rupiah currency to foreign currency exchange rate.

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iv. Collateral (continued)

Details of financial and non-financial assets obtained by the Bank during the year by taking possession of collaterals held as security against financial assets as of 31 December 2020 and 2019, presented in other assets at the lower of carrying amount and net realisable value, were as follows:

	2020	2019
Land	110,272	131,980
Building	1,114,471	803,028
Other commercial properties	45,035	39,911
Financial assets and other assets	144,075	1,960
Fair value	**1,413,853**	**976,879**

The Bank generally does not use repossessed non-cash collateral for its own operations. The Bank's policy is to realise collaterals which are repossessed as part of the settlement of credit.

As of 31 December 2020 and 2019, collateral taken over by the Subsidiaries amounting to Rp 143,161 and Rp 59,379, respectively.

v. Financial assets measured at fair value through profit or loss

As of 31 December 2020 and 2019, the Group had financial assets at the fair value through profit or loss (2019: held for trading) amounting to Rp 2,936,245 and Rp 5,910,146, respectively (Note 9). Information on credit quality of the maximum exposure to credit risk of financial assets at fair value through profit or loss (2019: held for trading) was as follows:

	2020	2019
Government securities:		
Investment grade	1,594,177	3,378,221
Corporate bonds:		
Investment grade	161,595	132,990
Derivative assets:		
Other banks as counterparties	1,000,870	1,814,854
Corporates as counterparties	79,173	120,742
Others	100,430	463,339
Fair value	**2,936,245**	**5,910,146**

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

vi. Investment securities

As of 31 December 2020 and 2019, the Group had investment securities at the carrying value amounting to Rp 192,553,101 and Rp 142,982,705, respectively (Note 15). Information on credit quality of the maximum exposure to credit risk of investment securities was as follows:

	2020	2019
Government securities:		
Investment grade	160,947,807	109,838,886
Corporate bonds:		
Investment grade	21,414,524	16,839,052
Non-investment grade	9,808	-
Others	10,180,962	16,304,767
Carrying value	**192,553,101**	**142,982,705**

d. Liquidity risk management

The Bank emphasises the importance of maintaining adequate liquidity to meet its commitments to its customers and other parties, whether in loans disbursement, repayment of customers' deposits or to meet operational liquidity requirements. The management of overall liquidity needs is overseen by ALCO and operationally by the Treasury Division.

The Bank has implemented the relevant liquidity rules in accordance with regulatory requirement for the Bank to maintain Rupiah liquidity (Minimum Statutory Reserve/*Giro Wajib Minimum* or GWM) both on daily and on average for a particular reporting period, which consists of Primary Minimum Statutory Reserve and MIR (Macroprudential Intermediation Ratio) in the form of Rupiah demand deposits at Bank Indonesia, MLB (Macroprudential Liquidity Buffer) in the form of SBI, SDBI and SBN, as well as foreign currency Minimum Statutory Reserve in the form of foreign currency demand deposits in Bank Indonesia.

The Bank monitors its liquidity by maintaining sufficient liquid assets to repay the customers' deposits and ensuring that total assets mature in each period is sufficient to cover total matured liabilities.

The Bank's liquid assets mainly consist of placements with Bank Indonesia and other banks, including current accounts with Bank Indonesia and other banks and cash. If the Bank needs liquidity, the Bank can immediately drawdown excess reserve funds over its Minimum Statutory Reserve in the current accounts with Bank Indonesia ("GWM"), sell the Certificates of Bank Indonesia ("SBI")/State Debentures ("SUN")/other government securities or sell SBI/SUN/other government securities under repurchase agreements, early redemption of BI term deposits or seek for borrowings from interbank money market in Indonesia. The Bank's primary reserve consists of the Minimum Statutory Reserve and cash held at branches.

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity risk management (continued)

In order to reduce risk of dependency to single funding, the Subsidiaries have diversified its funding resources. Besides capital and collection from customers, the Subsidiaries generate funding resources from bank loans and capital market, through bonds and medium-term notes issuance.

The following table presents the undiscounted contractual cash flows of financial liabilities and administrative accounts of the Group based on remaining period to contractual maturity as of 31 December 2020 and 2019:

	2020						
	Carrying value	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 - 3 months	> 3 months - 1 year	> 1 – 5 years	> 5 years
Non-derivative financial liabilities							
Deposits from customers	(834,283,843)	(834,580,063)	(786,759,743)	(33,294,855)	(14,525,465)	-	-
Sharia deposits	(1,151,652)	(1,151,653)	(1,151,653)	-	-	-	-
Deposits from other banks	(10,163,163)	(10,163,231)	(10,099,076)	(64,055)	(100)	-	-
Acceptance payables	(4,400,045)	(4,400,045)	(1,633,103)	(1,637,031)	(1,071,440)	(58,471)	-
Securities sold under agreements to repurchase	-	(222)	(222)	-	-	-	-
Debt securities issued	(590,821)	(682,048)	-	(12,551)	(147,653)	(521,844)	-
Borrowings	(1,307,298)	(1,307,421)	(801,731)	-	(374,596)	(131,094)	-
Estimated losses from commitments and contingencies	(3,537,741)	(3,537,741)	(295,858)	(645,249)	(1,846,960)	(740,524)	(9,150)
Other liabilities	(4,697,120)	(4,697,120)	(4,346,976)	(31,069)	(39,724)	(186,019)	(93,332)
Subordinated bonds	(500,000)	(509,296)	(9,296)	-	-	(435,000)	(65,000)
	(860,631,683)	**(861,028,840)**	**(805,097,658)**	**(35,684,810)**	**(18,005,938)**	**(2,072,952)**	**(167,482)**
Derivative financial liabilities							
Financial liabilities at fair value through profit or loss:	(138,757)						
Outflow		(6,840,201)	(3,236,520)	(3,466,803)	(136,877)	-	-
Inflow		6,702,880	3,170,013	3,400,383	132,485	-	-
Other liabilities	(1,690)	(1,690)	(1,690)	-	-	-	-
	(140,447)	**(139,011)**	**(68,197)**	**(66,420)**	**(4,392)**	**-**	**-**
Administrative accounts							
Unused credit facilities to customers - committed		(183,309,072)	(183,309,072)	-	-	-	-
Unused credit facilities to other banks - committed		(2,209,700)	(2,209,700)	-	-	-	-
Irrevocable Letters of Credit facilities		(9,448,748)	(3,119,611)	(5,162,011)	(1,161,222)	(5,904)	-
Bank guarantees issued to customers		(15,748,872)	(1,733,840)	(2,498,341)	(9,245,606)	(2,271,085)	-
		(210,716,392)	(190,372,223)	(7,660,352)	(10,406,828)	(2,276,989)	-
	(860,772,130)	**(1,071,884,243)**	**(995,538,078)**	**(43,411,582)**	**(28,417,158)**	**(4,349,941)**	**(167,482)**

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity risk management (continued)

The following table presents the undiscounted contractual cash flows of financial liabilities and administrative accounts of the Group based on remaining period to contractual maturity as of 31 December 2020 and 2019: (continued)

	2019						
	Carrying Value	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 - 3 months	> 3 months - 1 year	> 1 – 5 years	> 5 years
Non-derivative financial liabilities							
Deposits from customers	(698,980,068)	(699,367,072)	(647,106,202)	(34,798,731)	(17,462,139)	-	-
Sharia deposits	(1,035,526)	(1,036,015)	(1,036,015)	-	-	-	-
Deposits from other banks	(6,717,474)	(6,717,597)	(6,681,497)	(36,000)	(100)	-	-
Acceptance payables	(5,321,249)	(5,321,249)	(1,919,003)	(2,301,825)	(1,026,305)	(74,116)	-
Securities sold under agreements to repurchase	(113,249)	(114,750)	(114,750)	-	-	-	-
Debt securities issued	(1,347,523)	(1,551,087)	-	(26,760)	(842,279)	(682,048)	-
Borrowings	(2,332,870)	(2,335,654)	(73,158)	(148,286)	(1,864,397)	(249,813)	-
Estimated of losses from commitments and contingencies	(12)	(12)	(12)	-	-	-	-
Other liabilities	(3,287,368)	(3,287,368)	(3,268,228)	(17,426)	(1,704)	(10)	-
Subordinated bonds	(500,000)	(509,296)	(9,296)	-	-	-	(500,000)
	(719,635,339)	**(720,240,100)**	**(660,208,161)**	**(37,329,028)**	**(21,196,924)**	**(1,005,987)**	**(500,000)**
Derivative financial liabilities							
Financial liabilities held for trading:	(106,260)						
Outflow		(9,189,024)	(5,244,953)	(3,163,079)	(780,992)	-	-
Inflow		9,084,206	5,193,975	3,119,612	770,619	-	-
Other liabilities	(38,783)	(38,783)	(38,783)	-	-	-	-
	(145,043)	**(143,601)**	**(89,761)**	**(43,467)**	**(10,373)**	**-**	**-**
Administrative accounts							
Unused credit facilities to customers - committed		(152,604,164)	(152,604,164)	-	-	-	-
Unused credit facilities to other banks - committed		(2,455,331)	(2,455,331)	-	-	-	-
Irrevocable Letters of Credit facilities		(8,590,916)	(3,142,922)	(4,293,786)	(1,154,208)	-	-
Bank guarantees issued to customers		(15,737,312)	(1,563,549)	(2,954,540)	(8,987,269)	(2,220,596)	(11,358)
		(179,387,723)	**(159,765,966)**	**(7,248,326)**	**(10,141,477)**	**(2,220,596)**	**(11,358)**
	(719,780,382)	**(899,771,424)**	**(820,063,888)**	**(44,620,821)**	**(31,348,774)**	**(3,226,583)**	**(511,358)**

The tables above were prepared based on remaining contractual maturities of the financial liabilities and irrevocable Letters of Credit facility, while for issued guarantee contracts and unused committed credit facility were based on its earliest possible contractual maturity. The Bank's and Subsidiaries' expected cash flows from these instruments vary significantly from the above analysis. For example, current accounts and saving accounts are expected to have a stable or increasing balance, or unused committed credit facility to customers/other banks are not all expected to be drawn down immediately.

The nominal inflow and outflow disclosed in the above table represents the contractual undiscounted cash flows relating to the principal and interest on the financial liabilities or commitments. The disclosure for derivatives shows a gross inflow and outflow amount for derivatives that have simultaneous gross settlement (e.g., foreign currency forward).

Analysis on the carrying value of financial assets and liabilities based on remaining contractual maturities as of 31 December 2020 and 2019 are disclosed in Note 45.

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management

i. Foreign exchange risk

The Bank conducts foreign currency trading in accordance with its internal policies and regulations from Bank Indonesia regarding Net Open Position ("NOP"). In managing its foreign exchange risk, the Bank centralises the management of its NOP at the Treasury Division, which consolidates daily NOP reports from all branches. In general, each branch is required to square its foreign exchange risk at the end of each business day, although there is a NOP tolerance limit set for each branch depending on the volume of its foreign exchange activity. The Bank prepares its daily NOP report which combines the NOP from consolidated statements of financial position and administrative accounts. Bank has considered Domestic Non delivery Forward (DNDF) transaction as part of NOP report.

The Bank's revenue from foreign currency trading is mainly obtained from customer-related transactions and sometimes the Bank has NOP in certain amount to fulfill the customer's needs, in accordance with the Bank's internal guidelines. Trading for profit-taking purposes (proprietary trading) can only be performed for limited foreign currencies with small limits.

The Bank's foreign currency liabilities mainly consist of deposits and borrowings denominated in US Dollar. To comply with the NOP regulations, the Bank maintains its assets which consist of placements with other banks and loans receivable in USD.

To measure foreign exchange risk on trading book, the Bank uses Value at Risk ("VaR") method with Historical Simulation approach for the purpose of internal reporting, meanwhile for the purpose of Bank's Capital Adequacy Ratio ("CAR") report, the Bank used OJK standard method.

Bank's sensitivity towards foreign currency is taken into account by using NOP information translated to major foreign currency of the Bank, which is USD. The table below summarises the Bank's profit before tax sensitivity on changes of foreign exchange rate as of 31 December 2020 and 2019:

	Impact on profit before tax	
	+5%	-5%
31 December 2020	(30,199)	30,199
31 December 2019	(3,881)	3,881

Information about Bank's NOP as of 31 December 2020 and 2019 were disclosed in Note 46.

44. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management (continued)

ii. Interest rate risk

Interest Rate Risk in the Banking Book

The calculation of interest rate risk in the banking book ("IRRBB") uses two perspectives, which are the economic value perspective and the earnings perspective. It is intended so the Bank can identify risks more accurately and perform appropriate corrective actions.

To mitigate IRRBB, the Bank has set nominal limits for fixed rate loans and banking book securities, IRRBB limits and pricing strategies.

The measurement of IRRBB using 2 (two) methods is in accordance to Circular Letter of OJK No. 12/SEOJK.03/2018 regarding the Implementation of Risk Management and Standard Approach for Risk Measurement of Interest Rate Risk in Banking Book for Conventional Banks:

a. Measurement based on the changes in the economic value of equity, which measures the impact of changes in interest rates on the economic value of Bank equity; and
b. Measurement based on the changes in net interest income, which measures the impact of changes in interest rates on the Bank's earnings.

The Bank measures IRRBB for significant currencies, which are IDR and USD. In total of IRRBB, the maximum negative (absolute) value of the two currencies is aggregated.

Interest Rate Risk in the Trading Book

The risk measurement is performed on Rupiah and USD which are then reported to ALCO. To measure interest rate risk on the trading book, the Bank uses VaR method with Historical Simulation approach for internal reporting purposes, while for the Minimum Capital Adequacy Ratio purpose, the Bank uses OJK's standard approach.

Cash flow interest rate risk is the risk that future cash flow from financial instruments fluctuates due to the movement in market interest rates. Fair value interest rate risk is the risk that the fair value of financial instruments fluctuates due to the movement in market interest rates. The Bank has exposure to the volatility in market interest rates both to the fair value risk and cash flows risk. To mitigate this risk, the Board of Directors have set VaR limits for trading book, which are monitored by the Risk Management Unit on a daily basis.

The Subsidiary is exposed to interest rate risk arising from consumer financing receivables, factoring receivables, other receivables, the issuance of fixed rate bonds payable and medium-term notes payable. The Subsidiary manages the interest rate risk by diversifying its financing sources to find the most suitable fixed interest rate to minimise mismatch.

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management (continued)

ii. Interest rate risk (continued)

The table below summarises the Group financial assets and liabilities (non-trading purposes) at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates:

	2020						
	Floating interest rate		Fixed interest rate				
	Up to 3 months	> 3 months - 1 year	Up to 3 months	> 3 months - 1 year	More than 1 year	Non-interest bearing	Total
Financial assets							
Current accounts with Bank Indonesia	24,669,882	-	-	-	-	2,812,296	27,482,178
Current accounts with other banks - net	11,972,409	-	-	-	-	-	11,972,409
Placements with Bank Indonesia - net and other banks	-	-	-	45,192,474	2,258,416	-	47,450,890
Acceptance receivables - net	1,917,517	1,324,375	-	-	-	4,902,951	8,144,843
Bills receivable - net	-	-	8,091,013	-	-	-	8,091,013
Securities purchased under agreements to resell - net	-	-	125,466,792	21,352,457	-	-	146,819,249
Loans receivable - net	389,070,986	50,041,381	1,798,548	18,180,442	88,552,309	-	547,643,666
Consumer financing receivables - net	-	-	539,560	2,971,884	4,094,490	-	7,605,934
Finance lease receivables - net	-	-	29,429	35,148	35,722	-	100,299
Assets related to sharia transactions - *murabahah* receivables - net	-	-	-	-	-	1,333,825	1,333,825
Investment securities - net	9,453,045	-	3,601,249	31,946,157	146,869,922	682,728	192,553,101
Other assets	-	-	126,847	1,480	-	10,277,339	10,405,666
Total	**437,083,839**	**51,365,756**	**139,653,438**	**119,680,042**	**241,810,859**	**20,009,139**	**1,009,603,073**
Financial liabilities							
Deposits from customers	(642,145,952)	-	(173,241,158)	(18,896,733)	-	-	(834,283,843)
Sharia deposits	-	-	-	-	-	(1,151,652)	(1,151,652)
Deposits from other banks	(10,078,072)	-	(84,991)	(100)	-	-	(10,163,163)
Acceptance payables	-	-	-	-	-	(4,400,045)	(4,400,045)
Debt securities issued	-	-	-	(109,609)	(481,212)	-	(590,821)
Borrowings	-	-	(854,293)	(374,597)	(78,408)	-	(1,307,298)
Estimated losses from commitments and contingencies	-	-	-	-	-	(3,537,741)	(3,537,741)
Other liabilities	-	-	-	-	-	(4,698,810)	(4,698,810)
Subordinated bonds	-	-	-	-	(500,000)	-	(500,000)
Total	**(652,224,024)**	**-**	**(174,180,442)**	**(19,381,039)**	**(1,059,620)**	**(13,788,248)**	**(860,633,373)**
Interest rate re-pricing gap	**(215,140,185)**	**51,365,756**	**(34,527,004)**	**100,299,003**	**240,751,239**	**6,220,891**	**148,969,700**

	2019						
	Floating interest rate		Fixed interest rate				
	Up to 3 months	> 3 months - 1 year	Up to 3 months	> 3 months - 1 year	More than 1 year	Non-interest bearing	Total
Financial assets							
Current accounts with Bank Indonesia	-	-	-	-	-	47,904,674	47,904,674
Current accounts with other banks	10,521,687	-	-	-	-	-	10,521,687
Placements with Bank Indonesia and other banks	-	-	29,679,822	711,202	557,250	-	30,948,274
Acceptance receivables - net	2,195,448	1,294,721	-	-	-	6,002,586	9,492,755
Bills receivable - net	-	-	7,909,020	-	-	-	7,909,020
Securities purchased under agreements to resell - net	-	-	5,289,326	4,286,239	-	-	9,575,565
Loans receivable - net	412,930,737	44,350,584	3,172,180	11,587,817	99,992,681	-	572,033,999
Consumer financing receivables - net	-	-	1,199,425	3,866,249	5,466,750	-	10,532,424
Finance leases receivables - net	-	-	28,800	47,803	72,825	-	149,428
Assets related to sharia transactions - *murabahah* receivables - net	-	-	-	-	-	1,584,223	1,584,223
Investment securities - net	15,586,109	-	16,815,066	36,497,675	73,440,328	643,527	142,982,705
Other assets	-	-	86,558	4,100	-	8,726,513	8,817,171
Total	**441,233,981**	**45,645,305**	**64,180,197**	**57,001,085**	**179,529,834**	**64,861,523**	**852,451,925**

(Expressed in millions of Rupiah, unless otherwise stated)

44. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management (continued)

ii. Interest rate risk (continued)

The table below summarises the Group financial assets and liabilities (non-trading purposes) at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates: (continued)

	2019						
	Floating interest rate		Fixed interest rate				
	Up to 3 months	> 3 months - 1 year	Up to 3 months	> 3 months - 1 year	More than 1 year	Non-interest bearing	Total
Financial liabilities							
Deposits from customers	(530,552,234)	-	(149,514,560)	(18,913,274)	-	-	(698,980,068)
Sharia deposits	-	-	-	-	-	(1,035,526)	(1,035,526)
Deposits from other banks	(6,597,936)	-	(119,438)	(100)	-	-	(6,717,474)
Acceptance payables	-	-	-	-	-	(5,321,249)	(5,321,249)
Securities sold under agreements to repurchase	-	-	(113,249)	-	-	-	(113,249)
Debt securities issued	-	-	-	(758,006)	(589,517)	-	(1,347,523)
Borrowings	-	-	(468,660)	(1,614,397)	(249,813)	-	(2,332,870)
Estimated losses from commitments and contingencies	-	-	-	-	-	(12)	(12)
Other liabilities	-	-	-	-	-	(3,326,151)	(3,326,151)
Subordinated bonds	-	-	-	-	(500,000)	-	(500,000)
Total	**(537,150,170)**	**-**	**(150,215,907)**	**(21,285,777)**	**(1,339,330)**	**(9,682,938)**	**(719,674,122)**
Interest rate re-pricing gap	**(95,916,189)**	**45,645,305**	**(86,035,710)**	**35,715,308**	**178,190,504**	**55,178,585**	**132,777,803**

f. Operational risk management

The Bank has Basic Policy of Operational Risk Management ("KMRO") as the basic guideline for managing operational risk in all working units. The Bank's operational risk management are outlined in Financial Services Authority Regulation ("POJK") No. 18/POJK/03/2016 dated 16 March 2016 regarding the Implementation of Operational Risk Management for Domestic Banks.

In line with the current rapid development of information technology, the Bank continues to innovate digital banking products to provide better services to customers and increase the efficiency of internal work processes. Each new product/activity development plan will first go through a risk management process and the Bank has a process to ensure that the new product/activity has adequate risk control/mitigation in order to minimize risks that may arise from the product/activity so that it does not significantly affects the Bank's risk profile. Risk management for new products/activities is carried out based on internal regulations that refer to regulatory provisions.

Furthermore, the Bank has qualified infrastructure to support implementation of operational risk management, named Operational Risk Management Information System (ORMIS), which consists of three modules. The modules are Risk and Control Self Assesstment (RCSA), Loss Event Database (LED), and Key Risk Indicator (KRI). This web-based application can be used by all working units to help them in managing operational risk. In order to make implementation of operational risk management is more effective and efficient, the bank continuously enhance the ORMIS in accordance with the latest bank operational activities.

Risk and Control Self Assessment ("RCSA")

RCSA aims to improve the awareness culture in managing operational risk to improve risk control of each employee in conducting their daily activities so it can minimize operational risk loss.

RCSA is conducted regularly in all working units (branches and head office) that are significantly exposed to operational risk.

44. FINANCIAL RISK MANAGEMENT (continued)

f. Operational risk management (continued)

Risk and Control Self Assessment ("RCSA") (continued)

The Bank regularly reviews and revalidates operational risk that may occur in working unit and also assess impact and likelihood grading that is used for RCSA so that the assessment of operational risk can provide more precise overview of activities and risk profiles of each working unit and bankwide.

Loss Event Database ("LED")

LED is used to gather operational risk loss data from all working units. The data are used by Bank to calculate Capital Requirement using Standardized Measurement Approach (SMA) method for operational risk. On the other hand, LED data is used to analyze and monitor operational risk events to take action immediately and minimize loss.

The Bank always conducts an independent review of operational risk loss data comprehensively to maintain the validity of data which are provided by working units.

Key Risk Indicator ("KRI")

KRI can provide an early warning sign of increasing operational risk in a working unit. Whenever there is an increase in risk, the system will send a notification to Risk Manager, so they can immediately take necessary actions to minimize operational risk that may occur.

The Bank regularly reviews and revalidates KRI parameters and thresholds to ensure KRI effectiveness in providing early warning signs of increased operational risk in working units.

The Bank presents implementation of operational risk management to working units and conducts Risk Awareness Program to embed and enhance the awareness culture in managing operational risk in working units including risk awareness of information technology and system security.

In anticipating the impact of the COVID-19 Pandemic and supporting government policies, several things the Bank has done include:

- Dissemination of information and preventive actions in dealing with COVID-19 to employees;
- Safety environment/work area for employees and customers;
- Arrangements for office activities, such as implementing split operations, working from home, conducting meetings/training via conference calls/video conferences, adjusting service hours, setting employee working hours, etc. The regulation of office activities is carried out while still implementing the necessary mitigation measures to minimize the risks that may arise from the implementation of the work from home (WFH) policy, as well as from changes to other internal work processes.

g. Consolidated risk management

In accordance with Financial Services Authority Regulation ("POJK") No. 38/POJK.03/2017 dated 12 July 2017 regarding the Implementation of Consolidated Risk Management for Banks with Control over Subsidiaries, the Bank is required to implement consolidated risk management.

44. FINANCIAL RISK MANAGEMENT (continued)

g. Consolidated risk management (continued)

Implementation of consolidated risk management in the Bank is performed based on the above-mentioned Financial Services Authority regulation, including:

- Active supervision of Board of Commissioners and Board of Directors;
- Adequate policies and procedures and setting limits;
- Adequacy of the process of identification, measurement, monitoring and risk control, as well as risk management information system; and
- A comprehensive internal control system.

By refering to the concept for implementation of consolidated risk management, the implementation of risk management framework in Subsidiaries has been indirectly monitored and examined by the Bank’s management.

In accordance with Financial Services Authority Regulation (“POJK”) No. 17/POJK.03/2014 dated 19 November 2014 regarding the Implementation of Integrated Risk Management for Financial Conglomeration, a financial conglomeration should implement a comprehensive and effective integrated risk management, in this case the Bank as the Main Entity is obliged to integrate the implementation of risk management within the financial conglomeration.

Referring to the implementation of integrated risk management concept, implementation of tasks and responsibilities of Integrated Risk Management Working Unit is one of the functions of the existing Risk Management Working Unit. In performing their duties, Integrated Risk Management Working Unit coordinates with working units that conduct Risk Management function on the respective Financial Service Institution (“LJK”) in Subsidiaries financial conglomeration.

In addition to implement risk management in accordance with the regulations of their respective regulators, Subsidiaries have also implemented risk management in line with the implementation of risk management in the Main Entity. The purpose of implementing risk management in Subsidiaries is to provide added value and increase the competitiveness of companies, considering this is one of the fulfillments of the Bank's compliance with regulations and international standard practices.

In order to implement of integrated risk management effectively, the Bank also has an Accounting Information System and Risk Management System that can identify, measure and monitor the business risks of the financial conglomeration.

The Bank as the Main Entity has:

1. Formed Integrated Risk Management Committee (“KMRT”) with the aim of ensuring that the risk management framework has provided adequate protection to all Bank’s and Subsidiaries’ risks in integrated manner;
2. Compiled Basic Policy of Integrated Risk Management (“KDMRT”);
3. Compiled several policies related to the implementation of Integrated Risk Management, including policies governing integrated capital, intra-group transactions, Integrated Risk Profile Reports and others; and
4. Submitted to OJK:
    a. Reports regarding the Main Entity and LJK included as members of the financial conglomeration to the OJK.
    b. Integrated Risk Profile Report.
    c. Integrated Capital Sufficiency Report.
    d. Report on Changes in Members of the Financial Conglomerate.

Beside that the Group as conglomeration has performed integrated Stress Test to ensure that capital and liquidity on conglomeration level are still adequate during worst conditions (stress).

(Expressed in millions of Rupiah, unless otherwise stated)

45. MATURITY GAP OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the maturity gap profile of the Group financial assets and liabilities based on the remaining period until the contractual maturity date as of 31 December 2020 and 2019:

	2020						
	Up to 1 month	> 1 - 3 months	> 3 months - 1 years	> 1 - 5 years	More than 5 years	No contractual maturity	Total
Financial assets							
Cash	-	-	-	-	-	24,322,335	24,322,335
Current accounts with Bank Indonesia	11,582,035	-	-	-	-	15,900,143	27,482,178
Current accounts with other banks - net	11,972,405	-	-	-	-	4	11,972,409
Placement with Bank Indonesia and other banks - net	31,361,728	13,831,250	2,257,912	-	-	-	47,450,890
Financial assets at fair value through profit or loss	450,720	570,718	94,589	629,636	1,190,582	-	2,936,245
Acceptance receivables - net	2,306,045	3,113,125	2,668,926	56,747	-	-	8,144,843
Bills receivable - net	2,193,037	3,594,713	2,303,263	-	-	-	8,091,013
Securities purchased under agreements to resell - net	89,661,270	39,288,323	17,869,656	-	-	-	146,819,249
Loans receivable	28,681,293	56,624,936	160,373,922	167,777,633	161,879,578	-	575,337,362
Less: Allowance for impairment losses and deferred provision and commission income							(27,693,696)
Consumer financing receivable - net	99,899	134,492	1,027,650	5,449,533	894,360	-	7,605,934
Finance lease receivable - net	3,786	3,979	11,338	81,196	-	-	100,299
Assets related to sharia transactions - *murabahah* receivables - net	334	4,198	47,573	729,158	552,562	-	1,333,825
Investment securities - net	12,760,365	124,280	32,268,395	93,604,777	53,112,556	682,728	192,553,101
Other assets - net	4,949,607	256,557	1,015,254	2,137,716	1,725,228	321,304	10,405,666
	196,022,524	**117,546,571**	**219,938,478**	**270,466,396**	**219,354,866**	**41,226,514**	**1,036,861,653**
Financial liabilities							
Deposits from customers	(786,463,523)	(33,294,855)	(14,525,465)	-	-	-	(834,283,843)
Sharia deposits	(1,151,652)	-	-	-	-	-	(1,151,652)
Deposits from other banks	(10,099,008)	(64,055)	(100)	-	-	-	(10,163,163)
Financial liabilities at fair value through profit or loss	(69,231)	(64,916)	(4,610)	-	-	-	(138,757)
Securities sold under Agreement to repurchase	-	-	-	-	-	-	-
Acceptance payables	(1,633,103)	(1,637,031)	(1,071,440)	(58,471)	-	-	(4,400,045)
Debt securities issued	-	-	(109,609)	(481,212)	-	-	(590,821)
Borrowings	(801,608)	-	(374,596)	(131,094)	-	-	(1,307,298)
Estimated losses from commitments and contingencies	(295,858)	(645,249)	(1,846,960)	(740,524)	(9,150)	-	(3,537,741)
Other liabilities	(4,348,666)	(31,069)	(39,724)	(186,019)	(93,332)	-	(4,698,810)
Subordinated bonds	-	-	-	(435,000)	(65,000)	-	(500,000)
	(804,862,649)	**(35,737,175)**	**(17,972,504)**	**(2,032,320)**	**(167,482)**	**-**	**(860,772,130)**
Net position	**(608,840,125)**	**81,809,396**	**201,965,974**	**268,434,076**	**219,187,384**	**41,226,514**	**176,089,523**

	2019						
	Up to 1 month	> 1 - 3 months	> 3 months - 1 years	> 1 - 5 years	More than 5 years	No contractual maturity	Total
Financial assets							
Cash	-	-	-	-	-	25,421,406	25,421,406
Current accounts with Bank Indonesia	-	-	-	-	-	47,904,674	47,904,674
Current accounts with other banks	10,521,687	-	-	-	-	-	10,521,687
Placement with Bank Indonesia and other banks	16,437,828	13,320,874	632,322	557,250	-	-	30,948,274
Financial assets held for trading	584,848	1,605,433	3,169,828	366,685	183,352	-	5,910,146
Acceptance receivables - net	2,589,902	4,334,386	2,495,647	72,820	-	-	9,492,755
Bills receivable - net	1,940,866	3,198,668	2,769,486	-	-	-	7,909,020
Securities purchased under agreements to resell - net	5,264,535	23,466	4,287,564	-	-	-	9,575,565
Loans receivable	31,190,189	48,679,014	174,808,447	186,644,023	146,413,158	-	587,734,831
Less: Allowance for impairment losses and deferred provision and commission income							(15,700,832)
Consumer financing receivable - net	119,797	170,298	1,464,379	8,627,482	150,468	-	10,532,424
Investment in finance leases - net	4,104	2,320	30,277	112,727	-	-	149,428
Assets related to sharia transactions - *murabahah* receivables - net	325	3,091	57,537	919,045	604,225	-	1,584,223
Investment securities - net	25,056,036	7,046,253	36,774,299	72,107,766	1,354,823	643,528	142,982,705
Other assets - net	4,175,291	379,227	1,160,054	2,204,225	710,400	187,974	8,817,171
	97,885,408	**78,763,030**	**227,649,840**	**271,612,023**	**149,416,426**	**74,157,582**	**883,783,477**
Financial liabilities							
Deposits from customers	(646,719,198)	(34,798,731)	(17,462,139)	-	-	-	(698,980,068)
Sharia deposits	(1,035,526)	-	-	-	-	-	(1,035,526)
Deposits from other banks	(6,681,374)	(36,000)	(100)	-	-	-	(6,717,474)
Financial liabilities held for trading	(62,716)	(35,786)	(2,613)	(5,145)	-	-	(106,260)
Securities sold under agreement to repurchase	(113,249)	-	-	-	-	-	(113,249)
Acceptance payables	(1,919,003)	(2,301,825)	(1,026,305)	(74,116)	-	-	(5,321,249)
Debt securities issued	-	-	(758,006)	(589,517)	-	-	(1,347,523)
Borrowings	(70,374)	(148,286)	(1,864,397)	(249,813)	-	-	(2,332,870)
Estimasi kerugian komitmen dan kontinjensi	(12)	-	-	-	-	-	(12)
Other liabilities	(3,307,011)	(17,426)	(1,704)	(10)	-	-	(3,326,151)
Subordinated bonds	-	-	-	-	(500,000)	-	(500,000)
	(659,908,463)	**(37,338,054)**	**(21,115,264)**	**(918,601)**	**(500,000)**	**-**	**(719,780,382)**
Net position	**(562,023,055)**	**41,424,976**	**206,534,576**	**270,693,422**	**148,916,426**	**74,157,582**	**164,003,095**

(Expressed in millions of Rupiah, unless otherwise stated)

46. NET OPEN POSITION

The Bank's net foreign exchange positions (Net Open Position or "NOP") as of 31 December 2020 and 2019 were calculated based on prevailing Bank Indonesia Regulations. Based on those regulations, banks are required to maintain the NOP (including all domestic and overseas branches) at the maximum of 20% (twenty percent) of capital.

The aggregate NOP represents the sum of the absolute values of (i) the net difference between assets and liabilities denominated in each foreign currency and (ii) the net difference of receivables and liabilities of both commitments and contingencies recorded in the administrative account (administrative account transactions) denominated in each foreign currency, which are all stated in Rupiah. The NOP for statement of financial position represents the sum of the net differences of assets and liabilities on the statement of financial position for each foreign currency, which are all stated in Rupiah.

The Bank's NOP as of 31 December 2020 and 2019 were as follows:

	2020		
	NOP for statement of financial position (net difference between assets and liabilities)	**Net difference between receivables and liabilities in administrative accounts**	**Overall NOP (absolute amount)**
USD	35,239,152	(35,820,282)	581,130
SGD	28,872	(23,109)	5,763
AUD	(2,435)	2,151	284
HKD	62,769	(61,640)	1,129
GBP	49	1,901	1,950
EUR	(38,455)	39,122	667
JPY	64,671	(62,643)	2,028
CAD	4,403	(4,205)	198
CHF	2,515	-	2,515
DKK	867	-	867
MYR	715	-	715
NZD	5,729	(5,548)	181
SAR	23,406	(21,069)	2,337
SEK	237	-	237
CNY	(72,799)	75,343	2,544
THB	574	-	574
Others	857	-	857
Total			**603,976**
Total capital (Note 47)			**174,351,119**
Percentage of NOP to capital			0.35%

(Expressed in millions of Rupiah, unless otherwise stated)

46. NET OPEN POSITION (continued)

The Bank's NOP as of 31 December 2020 and 2019 were as follows: (continued)

	2019		
	NOP for statement of financial position (net difference between assets and liabilities)	Net difference between receivables and liabilities in administrative accounts	Overall NOP (absolute amount)
USD	54,416,449	(55,851,054)	1,434,605
SGD	(42,209)	(59,010)	101,219
AUD	32,891	(31,060)	1,831
HKD	26,061	(25,011)	1,050
GBP	26,774	(25,533)	1,241
EUR	301,204	(313,032)	11,828
JPY	192,370	(192,561)	191
CAD	18,984	(18,403)	581
CHF	16,352	(14,057)	2,295
DKK	2,611	(2,791)	180
MYR	1,533	-	1,533
NZD	21,660	(18,671)	2,989
SAR	6,214	(6,940)	726
SEK	2,080	(1,388)	692
CNY	(85,679)	87,199	1,520
THB	(639)	-	639
Others	1,393	-	1,393
Total			**1,564,513**
Total capital (Note 47)			**167,281,590**
Percentage of NOP to capital			0.94%

47. CAPITAL MANAGEMENT

The primary objective of the Bank's capital management policy is to ensure that the Bank has a strong capital to support the Bank's current business expansion strategy and to sustain future development of the business, to meet regulatory capital adequacy requirements and also to ensure the efficiency of the Bank's capital structure.

The Bank prepares the Capital Plan based on assessment of and review over the capital situation in terms of the legal capital adequacy requirement, combined with current economic outlook assesment and the result of stress testing method. The Bank will continue to link financial goals and capital adequacy to risk appetite through the capital planning process and stress testing and assess the businesses based on Bank's capital and liquidity requirements.

The Bank's capital needs are also planned and discussed on a routine basis, supported by data analysis.

The Capital Plan is prepared by the Board of Directors as part of the Bank's Business Plan and approved by the Board of Commissioners. This plan is expected to ensure an adequate level of capital optimum capital structure.

(Expressed in millions of Rupiah, unless otherwise stated)

47. CAPITAL MANAGEMENT (continued)

Based on BI Regulation No. 8/6/PBI/2006 dated 30 January 2006 and BI Circular Letter No. 8/27/DPNP dated 27 November 2006 requires all banks to meet Capital Adequacy Ratio (CAR) requirements for the bank on an individual and consolidated basis. The calculation of minimum CAR on consolidated basis is performed by calculating capital and Risk-Weighted Assets ("RWA") based on risks from consolidated financial statements as provided in the prevailing Bank Indonesia Regulations.

BI Circular Letter No. 11/3/DPNP dated 27 January 2009 requires all banks in Indonesia with certain qualification to take into account operational risk in the CAR calculation.

The Bank is required to provide minimum capital in accordance with risk profile as of 31 December 2020 and 2019 based on Financial Services Authority Regulation No. 11/POJK.03/2016 dated 2 February 2016 regarding the Minimum Capital Requirement for Commercial Banks.

The Bank calculates its capital requirements based on the prevailing OJK Regulations, where the regulatory capital consisted of two tiers:

- Core Capital (Tier 1), which includes:
  1. Common Equity (CET 1), which includes issued and fully paid-up capital (after deduction of treasury stock), additional paid-up capital, allowable non-controlling interest and deductions from Common Equity.
  2. Additional Core Capital

- Supplementary Capital (Tier 2), which includes capital instrument in form of shares or other allowable instruments, agio or disagio from supplementary capital issuance, required general allowance for productive assets (maximum of 1.25% RWA credit risk), specific reserve and deductions from tier 2 capital.

The CAR as of 31 December 2020 and 2019, calculated in accordance with the prevailing regulations, taking into account the credit risk, market risk and operational risk, were as follows:

	2020		2019	
	Bank	**Consolidated**	**Bank**	**Consolidated**
I. Core Capital (Tier 1)	167,501,695	179,945,482	160,318,613	170,750,375
II. Supplementary Capital (Tier 2)	6,849,424	7,008,417	6,962,977	7,137,864
Total Capital	**174,351,119**	**186,953,899**	**167,281,590**	**177,888,239**
Risk-Weighted Assets based on risk profile				
RWAs Considering Credit Risk	562,879,953	576,263,253	596,998,897	609,939,978
RWAs Considering Market Risk	2,382,478	2,211,446	6,942,916	6,566,021
RWAs Considering Operational Risk	109,705,586	116,669,286	98,983,486	105,411,073
Total RWAs	**674,968,017**	**695,143,985**	**702,925,299**	**721,917,072**
Min. Capital Requirement based on risk profile	9.99%	9.99%	9.99%	9.99%
CAR ratio				
CET 1 ratio	24.82%	25.89%	22.81%	23.65%
Tier 1 ratio	24.82%	25.89%	22.81%	23.65%
Tier 2 ratio	1.01%	1.01%	0.99%	0.99%
CAR ratio	**25.83%**	**26.89%**	**23.80%**	**24.64%**
CET 1 for Buffer	**15.84%**	**16.90%**	**13.81%**	**14.65%**

(Expressed in millions of Rupiah, unless otherwise stated)

47. CAPITAL MANAGEMENT (continued)

The CAR as of 31 December 2020 and 2019, calculated in accordance with the prevailing regulations, taking into account the credit risk, market risk and operational risk, were as follows: (continued)

	2020		2019	
	Bank	**Consolidated**	**Bank**	**Consolidated**
Regulatory Minimum Capital Requirement Allocation				
From CET 1	8.98%	8.98%	9.00%	9.00%
From AT 1	0.00%	0.00%	0.00%	0.00%
From Tier 2	1.01%	1.01%	0.99%	0.99%
Regulatory Buffer percentage required by Bank				
Capital Conservation Buffer	2.500%	2.500%	2.500%	2.500%
Countercyclical Buffer	0.000%	0.000%	0.000%	0.000%
Capital Surcharge for Systemic Bank	2.500%	2.500%	2.500%	2.500%

48. NON-CONTROLLING INTEREST

The movement of non-controlling interest in net assets of Subsidiaries was as follows:

	2020	**2019**
Balance, beginning of year	100,225	93,743
Non-controlling interest portion of Subsidiaries net profit during the year	16,000	4,921
Increase (decrease) of non-controlling interest from other comprehensive income of Subsidiaries during the year	2,158	1,561
Balance, end of year	**118,383**	**100,225**

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties	Nature of relationship	Nature of transaction
PT Dwimuria Investama Andalan	Shareholder	Deposits from customers
Dana Pensiun BCA	Employer pension fund	Pension fund contribution, deposits from customers
Konsorsium Iforte HTS	Owned by the same ultimate shareholder	Deposits from customers
PT Adiwisesa Mandiri Building Product Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Agra Bareksa Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Agra Primera Plantation	Owned by the same ultimate shareholder	Deposits from customers
PT Akar Inti Teknologi	Owned by the same ultimate shareholder	Deposits from customers
PT Alpha Merah Kreasi	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Altius Bahari Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Alto Halodigital International	Owned by the same ultimate shareholder	Deposits from customers

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Alto Network	Owned by the same ultimate shareholder	Deposits from customers
PT Andil Bangunsekawan	Owned by the same ultimate shareholder	Deposits from customers
PT Angkasa Komunikasi Global Utama	Owned by the same ultimate shareholder	Deposits from customers
PT Ansvia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Ardijaya Karya Appliances Product Manufacturing	Owned by the same ultimate shareholder	Deposits from customers
PT Arta Karya Adhiguna	Owned by the same ultimate shareholder	Deposits from customers
PT Artha Dana Teknologi	Owned by the same ultimate shareholder	Deposits from customers
PT Artha Mandiri Investama	Owned by the same ultimate shareholder	Deposits from customers
PT Bahtera Maju Selaras	Owned by the same ultimate shareholder	Deposits from customers
PT Bangun Media Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Bhumi Mahardika Jaya	Owned by the same ultimate shareholder	Deposits from customers
PT Bukit Muria Jaya Estate	Owned by the same ultimate shareholder	Deposits from customers
PT Bukit Muria Jaya	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Bukit Muria Jaya Karton	Owned by the same ultimate shareholder	Loans receivable
PT Caturguwiratna Sumapala	Owned by the same ultimate shareholder	Deposits from customers
PT Cipta Karya Bumi Indah	Owned by the same ultimate shareholder	Deposits from customers
PT Cipta Teknologi Cerdas	Owned by the same ultimate shareholder	Deposits from customers
PT Ciptakreasi Buana Persada	Owned by the same ultimate shareholder	Deposits from customers
PT Darta Media Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Daya Cipta Makmur	Owned by the same ultimate shareholder	Deposits from customers
PT Daya Maju Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Digital Otomotif Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Digital Startup Nusantara	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Djarum	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Dwi Cermat Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Dwi Putri Selaras	Owned by the same ultimate shareholder	Deposits from customers
PT Dynamo Media Network	Owned by the same ultimate shareholder	Loans receivable, deposits from customers

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Ecogreen Oleochemicals	Owned by the same ultimate shareholder	Deposits from customers, guarantees issued, letter of credit
PT Energi Batu Hitam	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Fajar Minera	Owned by the same ultimate shareholder	Deposits from customers
PT Fajar Surya Perkasa	Owned by the same ultimate shareholder	Deposits from customers
PT Fajar Surya Swadaya	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Farindo Investama Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Fira Makmur Sejahtera	Owned by the same ultimate shareholder	Deposits from customers
PT Fokus Solusi Proteksi	Owned by the same ultimate shareholder	Deposits from customers
PT Futami Food & Beverages	Owned by the same ultimate shareholder	Deposits from customers
PT Gajah Merah Terbang	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT General Buditekindo	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Global Dairi Alami	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Global Digital Niaga	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Global Digital Ritelindo	Owned by the same ultimate shareholder	Deposits from customers
PT Global Distribusi Nusantara	Owned by the same ultimate shareholder	Deposits from customers
PT Global Distribusi Paket	Owned by the same ultimate shareholder	Deposits from customers
PT Global Distribusi Pusaka	Owned by the same ultimate shareholder	Deposits form customers, guarantees issued
PT Global Kassa Sejahtera	Owned by the same ultimate shareholder	Deposits from customers
PT Global Media Visual	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Global Poin Indonesia	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Global Tiket Network	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Global Visi Media	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Global Visitama Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Globalnet Aplikasi Indotravel	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Globalnet Sejahtera	Owned by the same ultimate shareholder	Deposits from customers

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Gonusa Prima Distribusi	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Graha Padma Internusa	Owned by the same ultimate shareholder	Deposits from customers
PT Grand Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued, office rental transaction
PT Grand Teknologi Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Griya Karya Mandiri	Owned by the same ultimate shareholder	Deposits from customers
PT Griya Muria Kencana	Owned by the same ultimate shareholder	Deposits from customers
PT Hartono Istana Teknologi	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Hartono Plantation Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Helpio Glovin Teknologi	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Iforte Global Internet	Owned by the same ultimate shareholder	Deposits from customers
PT Iforte Solusi Infotek	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Indo Paramita Sarana	Owned by the same ultimate shareholder	Deposits from customers
PT Intershop Prima Centre	Owned by the same ultimate shareholder	Deposits from customers
PT Kalimusada Motor	Owned by the same ultimate shareholder	Deposits from customers
PT Kecerdasan Buatan Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Komet Infra Nusantara	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Kudos Istana Furniture	Owned by the same ultimate shareholder	Deposits from customers
PT Kumala Rimba Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Kumparan Kencana Electrindo	Owned by the same ultimate shareholder	Deposits from customers
PT Legal Tekno Digital	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Legian Paradise	Owned by the same ultimate shareholder	Deposits from customers
PT Lingkarmulia Indah	Owned by the same ultimate shareholder	Deposits from customers
PT Lintas Cipta Media	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued
PT Lunar Inovasi Teknologi	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Marga Sadhya Swasti	Owned by the same ultimate shareholder	Loan receivable, deposits from customers

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Margo Hotel Development	Owned by the same ultimate shareholder	Deposits from customers
PT Margo Property Development	Owned by the same ultimate shareholder	Deposits from customers
PT Mediapura Digital Indonesia	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Merah Cipta Media	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Mitra Media Integrasi	Owned by the same ultimate shareholder	Deposits from customers
PT Multigraha Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Nagaraja Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Nova Digital Perkasa	Owned by the same ultimate shareholder	Deposits from customers
PT Orbit Abadi Sakti	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Pradipta Mustika Cipta	Owned by the same ultimate shareholder	Deposits from customers
PT Prima Top Boga	Owned by the same ultimate shareholder	Deposits from customers
PT Profesional Telekomunikasi Indonesia	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Promedia Punggawa Satu	Owned by the same ultimate shareholder	Deposits from customers
PT Promoland Indowisata	Owned by the same ultimate shareholder	Depostis from customers, guarantees issued
PT Prosa Solusi Cerdas	Owned by the same ultimate shareholder	Loan receivable, deposits from customers
PT Puri Dibya Property	Owned by the same ultimate shareholder	Deposits from customers
PT Puri Zuqni	Owned by the same ultimate shareholder	Deposits from customers
PT Quattro International	Owned by the same ultimate shareholder	Deposits from customers
PT Resinda Prima Entertama	Owned by the same ultimate shareholder	Deposits from customers
PT Sapta Adhikari Investama	Owned by the same ultimate shareholder	Deposits from customers
PT Sarana Kencana Mulya	Owned by the same ultimate shareholder	Deposits from customers
PT Sarana Menara Nusantara	Owned by the same ultimate shareholder	Deposits from customers
PT Savoria Kreasi Rasa	Owned by the same ultimate shareholder	Deposits from customers, guarantees issued
PT Seminyak Mas Propertindo	Owned by the same ultimate shareholder	Deposits from customers
PT Sentral Investama Andalan	Owned by the same ultimate shareholder	Deposits from customers

(Expressed in millions of Rupiah, unless otherwise stated)

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Sewu Nayaga Tembaya	Owned by the same ultimate shareholder	Deposits from customers
PT Silva Rimba Lestari	Owned by the same ultimate shareholder	Deposits from customers
PT Sineira Rimba Belantara	Owned by the same ultimate shareholder	Deposits from customers
PT Suarniaga Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Sumber Kopi Prima	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Tricipta Mandhala Gumilang	Owned by the same ultimate shareholder	Deposits from customers
PT Trigana Putra Mandiri	Owned by the same ultimate shareholder	Deposits from customers
PT Verve Persona Estetika	Owned by the same ultimate shareholder	Deposits from customers
PT Wana Hijau Pesaguan	Owned by the same ultimate shareholder	Deposits from customers
Key management personnel	Bank's Board of Commissioners and Board of Directors	Loans receivable, deposits from customers, employee benefits
The Bank's controlling individuals and their family members	Shareholder	Loans receivable, deposits from customers

In the normal course of business, the Bank has transactions with related parties due to their common ownership and/or management. All transactions with related parties are conducted with agreed terms and conditions.

The details of significant balances and transactions with related parties that were not consolidated as of 31 December 2020 and 2019, and for the years then ended were as follows:

	2020		2019	
	Amount	Percentage to total	Amount	Percentage to total
Loans receivable*) (Note 13)	5,263,656	0.91%	4,233,122	0.72%
Prepaid expense**) (Note 16)	-	-	211,012	13.73%
Right of use asset - net***) (Note 17)	278,025	1.33%	-	-
Other assets****)	8,368	0.05%	7,758	0.06%
Deposits from customers (Note 20)	1,628,726	0.20%	1,326,903	0.19%
Unused credit facilities to customers (Note 29)	2,832,981	1.12%	2,374,191	1.10%
Letter of credit facilities to customers (Note 29)	2,317	0.02%	53,004	0.62%
Bank guarantee issued to customers (Note 29)	119,910	0.76%	144,500	0.92%
Interest and sharia income (Note 30)	196,703	0.30%	88,462	0.14%
Interest and sharia expenses (Note 31)	51,719	0.46%	40,388	0.30%
Contribution to pension plan (Note 35)	380,336	85.86%	228,359	79.34%
Rental expenses (Note 36)	13,398	1.23%	13,398	0.94%

*) Before allowance for impairment losses.
**) Represent prepaid rental to PT Grand Indonesia.
***) Represent right of use asset to PT Grand Indonesia.
****) Represent security deposits to PT Grand Indonesia.

(Expressed in millions of Rupiah, unless otherwise stated)

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Compensations for key management personnel of the Bank (Note 1e) were as follows:

	2020	2019
Short-term employee benefits (including tantiem)	637,370	604,627
Long-term employee benefits	38,032	37,161
Total	**675,402**	**641,788**

Rental agreement with PT Grand Indonesia

On 11 April 2006, the Bank signed a rental agreement with PT Grand Indonesia (a related party), in which the Bank agreed to lease, on a long-term basis, the office space from PT Grand Indonesia with a total area of 28,166.88 sqm at an amount of USD 35,631,103.20, including Value Added Tax ("VAT"), with an option to lease for long-term additional space of 3,264.80 sqm at an amount of USD 4,129,972, including VAT. This rental transaction was approved by the Board of Directors and Shareholders in the Bank's Extraordinary General Meeting of Shareholders on 25 November 2005 (the minutes of meeting was prepared by Notary Public Hendra Karyadi, S.H., with Deed No. 11). This rental agreement started on 1 July 2007 and will end on 30 September 2035.

The Bank was required to pay an advance of USD 3,244,092.50 on 5 December 2005, including VAT and 10 (ten) installments of USD 3,238,701.07, including VAT, for the period of 15 April 2006 to 31 December 2006.

As of 31 December 2006, the Bank had paid USD 32,392,402.13, including VAT and it was recorded as lease liability. On 2 January 2007, the Bank settled the payments (paid the tenth installment) amounting to USD 3,238,701.07, including VAT.

On 29 June 2007, the Bank paid the lease for additional space in the 28th and 29th floors of 3,264.80 sqm at an amount of USD 4,129,972, including VAT.

This agreement was notarised by Notary Public Hendra Karyadi, S.H., under Deed No. 14 dated 11 April 2006.

As of 31 December 2020, right of use asset to PT Grand Indonesia amounted to Rp 278,025, and of this amount, Rp 197,614 has been fully paid. The finance lease obligation to PT Grand Indonesia which was recorded on 31 December 2020 was Rp 78,923.

Starting May 2008, the Bank has calculated the amortisation for those prepaid rental expenses. As of 31 December 2019 and 2018, amortisation of prepaid rental expenses was Rp 153,402 and Rp 140,005, respectively, such that the remaining prepaid rental payment to PT Grand Indonesia as of 31 December 2019 and 2018 were Rp 211,012 and Rp 224,409, respectively, which was recorded as prepaid expenses.

49. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Rental agreement with PT Grand Indonesia (continued)

On 24 October 2008, the Bank paid security deposits for additional space on the 30th (thirtieth) and 31st (thirty first) floor of 3,854.92 sqm at an amount of USD 208,165.68. This agreement was notarised in Deed No. 110 dated 22 May 2008 of Notary Public Dr. Irawan Soerodjo, S.H., Msi.

Rental payment for the 30th (thirthieth) and 31st (thirty first) floor started on 1 August 2009, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 August 2009), the Bank will make the rental payments on a quarterly basis until the lease expires.

On 19 July 2011, the Bank paid security deposits for additional space on the 32nd (thirty second) floor of 1,932.04 sqm at an amount of USD 118,801.46. This agreement was notarised in Deed No. 32 dated 12 September 2011 of Notary Public Lim Robbyson Halim, S.H., M.H., replacement of Notary Public Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

Rental payments for the 32nd (thirty second) floor have started on 1 September 2011, which is in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first lease payment date (1 September, 2011), the Bank will make rental payments every 3 (three) months until the lease ends.

On 22 June 2015 the Bank has paid a security deposit for the lease of additional space for the 33rd (thirty third) floor of 1,932.04 sqm at an amount of USD 231,844.80. This agreement was notarised in Deed No. 413 dated 30 June 2015 of Notary Public Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

Rental payment for the 33rd (thirty third) floor started on 1 September 2015, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 September 2015), the Bank will make the rental payments on a quarterly basis until the lease expires.

On 20 June 2016, the Bank paid security deposits for additional space on the 36th (thirty sixth) floor of 390.76 sqm at an amount of Rp 517.

Rental payment for the 36th (thirty sixth) floor started on 1 September 2016, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 September 2016), the Bank will make the rental payments on a quarterly basis until the lease expires.

(Expressed in millions of Rupiah, unless otherwise stated)

50. NET PAYABLE RECONCILIATION

	2020			
	Subordinated bonds	Debt securities issued	Borrowings	Securities sold under agreements to repurchase
Net payable 31 December 2019	500,000	1,347,523	2,332,870	113,249
Cash flow:				
Payment of debt securities issued	-	(762,000)	-	-
Proceeds from borrowings	-	-	29,096,721	-
Payment of borrowings	-	-	(30,118,379)	-
Proceeds from securities sold under agreements to repurchase	-	-	-	896,290
Payment of securities sold under agreements to repurchase	-	-	-	(1,031,679)
Non-cash changes:				
Amortisation of deffered bonds issuance costs	-	5,298	-	-
Adjustment of foreign currency	-	-	(3,914)	22,140
Net payable 31 December 2019	**500,000**	**590,821**	**1,307,298**	**-**

	2019			
	Subordinated bonds	Debt securities issued	Borrowings	Securities sold under agreements to repurchase
Net payable 31 December 2018	500,000	239,735	2,093,475	48,111
Cash flow:				
Proceeds from debt securities issued	-	1,346,617	-	-
Payment of debt securities issued	-	(240,000)	-	-
Proceeds from borrowings	-	-	88,649,720	-
Payment of borrowings	-	-	(88,406,964)	-
Proceeds from securities sold under agreements to repurchase	-	-	-	698,016
Payment of securities sold under agreements to repurchase	-	-	-	(629,756)
Non-cash changes:				
Amortisation of deffered bonds issuance costs	-	1,171	-	-
Adjustment of foreign currency	-	-	(3,361)	(3,122)
Net payable 31 December 2019	**500,000**	**1,347,523**	**2,332,870**	**113,249**

51. GUARANTEES ON THE OBLIGATIONS OF DOMESTIC BANKS

Based on Law No. 24 regarding Deposit Insurance Corporation (“LPS”) dated 22 September 2004, effective since 22 September 2005, the LPS was established to provide guarantee on certain deposits from customers based on prevailing guarantee schemes, the amount of which is subject to change if they meet certain applicable schemes. The law was changed with the Government Regulation as the Replacement of Law No. 3 Year 2008, which was stipulated as a law since 13 January 2009 based on the Republic of Indonesia Law No. 7 Year 2009.

51. GUARANTEES ON THE OBLIGATIONS OF DOMESTIC BANKS (continued)

Based on the Government of Republic of Indonesia Regulation No. 66/2008 dated 13 October 2008 regarding the deposit amount guaranteed by LPS, as of 31 December 2020 and 2019, the deposit amount guaranteed by LPS for every customer in a bank was a maximum of Rp 2,000.

As of 31 December 2020 and 2019, the Bank was the participant of this guarantee scheme.

52. ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

Financial Accounting Standard Board of Indonesian Institute of Accountants (DSAK-IAI) has issued the following new standards, amendments and interpretations, but not yet effective for the financial year beginning 1 January 2020 as follows:

- Amendment to SFAS 71 “Financial Instruments”, Amendment to SFAS 55: “Financial Instruments: Recognition and Measurement”, Amendment to SFAS 60: “Financial Instruments: Disclosure”, Amendment to SFAS 62: “Insurance Contract” dan Amendment to SFAS 73: “Leases regarding Interest Rate Benchmark Reform - Phase 2”;
- SFAS 112 “Accounting for Endowments”;
- Annual improvements SFAS 110 “Sukuk Accounting”;
- Annual improvements SFAS 111 “*Wa’d* Accounting”.

The above standards will be effective on 1 January 2021.

- Amendment to SFAS 22, “Business Combination”;
- Amendment to SFAS 57 “Provision, Contingent Liabilites, dan Contingent Assets regarding Onerous Contracts - The Cost of Fulfilling ”;
- Annual improvements SFAS 69 “Agriculture”;
- Annual improvements SFAS 71 “Financial Instruments”;
- Annual improvements SFAS 73 “Leases”.

The above standards will be effective on 1 January 2022.

- Amandments to SFAS 1 “Presentation of Financial Statement”.

The above standard will be effective on 1 January 2023.

- SFAS 74 “Insurance Contract”.

The above standard will be effective on 1 January 2025.

As at the authorisation date of these consolidated financial statements, the Group is still evaluating the potential impact from the implementation of these new standards and the effect on the Group’s consolidated financial statements.

(Expressed in millions of Rupiah, unless otherwise stated)

53. IMPACT OF THE IMPLEMENTATION OF SFAS 71 AND 73

As described in Note 2d, the Group has adopted SFAS 71 and SFAS 73 as of 1 January 2020, the effect of this transition on these consolidated financial statements as of 1 January 2020 are as follows:

	Balance before adoption of SFAS 71 & 73	SFAS 71*)	SFAS 73	Balance after adoption of SFAS 71 & 73
ASSETS				
Cash	25,421,406	-	-	25,421,406
Current accounts with Bank Indonesia	47,904,674	-	-	47,904,674
Current accounts with other banks - net of allowance for impairment losses	10,521,687	(1,999)	-	10,519,688
Placements with Bank Indonesia and other banks - net of allowance for impairment losses	30,948,274	(3,972)	-	30,944,302
Financial assets at fair value through profit or loss	5,910,146	-	-	5,910,146
Acceptance receivables - net of allowance for impairment losses	9,492,755	(14,336)	-	9,478,419
Bills receivable - net of allowance for impairment losses	7,909,020	(2,156)	-	7,906,864
Securities purchased under agreements to resell - net of allowance for impairment losses	9,575,565	-	-	9,575,565
Loans receivable - net allowance for impairment losses	572,033,999	(5,775,063)	-	566,258,936
Consumer financing receivables - net of allowance for impairment losses	10,532,424	(17,180)	-	10,515,244
Finance lease receivables - net of allowance for impairment losses	149,428	1,444	-	150,872
Assets related to sharia transactions - net of allowance for impairment losses	5,499,287	-	-	5,499,287
Investment securities - net of allowance for Impairment losses	142,982,705	(125,823)	-	142,856,882
Prepaid expenses	1,536,480	-	-	1,536,480
Prepaid tax	7,045	-	-	7,045
Fixed assets - net of accumulated depreciation	20,852,301	-	890,731	21,743,032
Intangible assets - net of accumulated amortisation	1,377,452	-	-	1,377,452
Deferred tax assets - net	3,184,290	1,550,970	-	4,735,260
Other assets - net of allowance for impairment losses	13,150,374	60,117	(703,721)	12,506,770
TOTAL ASSETS	**918,989,312**	**(4,327,998)**	**187,010**	**914,848,324**

*) Included in loans and other assets balances are the impact on initial implementation of SFAS 71 on the adjustment to the carrying value of (Rp 246,982) and Rp 58,369, respectively.

(Expressed in millions of Rupiah, unless otherwise stated)

53. IMPACT OF THE IMPLEMENTATION OF SFAS 71 AND 73 (continued)

As described in Note 2d, the Group has adopted SFAS 71 and SFAS 73 as of 1 January 2020, the effect of this transition on these consolidated financial statements as of 1 January 2020 are as follows: (continued)

	Balance before adoption of SFAS 71 & 73	SFAS 71*)	SFAS 73	Balance after adoption of SFAS 71 & 73
LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY				
LIABILITIES				
Deposits from customers	698,980,068	-	-	698,980,068
Sharia deposits	1,035,526	-	-	1,035,526
Deposits from other banks	6,717,474	-	-	6,717,474
Financial liabilities at fair value through profit or loss	106,260	-	-	106,260
Acceptace payables	5,321,249	-	-	5,321,249
Securities sold under agreements to repurchase	113,249	-	-	113,249
Debt securities issued	1,347,523	-	-	1,347,523
Tax payable	1,635,469	-	-	1,635,469
Borrowings	2,332,870	-	-	2,332,870
Estimated losses from commitments and contingencies	12	2,502,541	-	2,502,553
Accrued expenses and other liabilities	14,022,357	-	187,148	14,209,505
Post-employment benefits obligation	7,955,070	-	-	7,955,070
Subordinated bonds	500,000	-	-	500,000
TOTAL LIABILITIES	**740,067,127**	**2,502,541**	**187,148**	**742,756,816**
TEMPORARY *SYIRKAH* DEPOSITS	**4,779,029**	**-**	**-**	**4,779,029**

*) Included in loans and other assets balances are the impact on initial implementation of SFAS 71 on the adjustment to the carrying value of (Rp 246,982) and Rp 58,369, respectively.

(Expressed in millions of Rupiah, unless otherwise stated)

53. IMPACT OF THE IMPLEMENTATION OF SFAS 71 AND 73 (continued)

As described in Note 2d, the Group has adopted SFAS 71 and SFAS 73 as of 1 January 2020, the effect of this transition on these consolidated financial statements as of 1 January 2020 are as follows: (continued)

	Balance before adoption of SFAS 71 & 73	SFAS 71*)	SFAS 73	Balance after adoption of SFAS 71 & 73
EQUITY				
Equity attributable to equity holders of parent entity				
Share capital - Per value per share of Rp 62,50 (full amount) Authorised capital: 88,000,000,000 shares Issued and fully paid-up capital: 24,655,010,000 shares	1,540,938	-	-	1,540,938
Additional paid-in capital	5,548,977	-	-	5,548,977
Revaluation surplus of fixed assets	9,520,945	-	-	9,520,945
Foreign exchange differences arising from translation of financial statements in foreign currency	364,984	-	-	364,984
Unrealised gain (losses) on financial assets at fair value through other comprehensive income - net	1,951,554	-	-	1,951,554
Retained earnings				
Appropriated	1,955,604	-	-	1,955,604
Unappropriated	153,158,544	(6,830,539)	(138)	146,327,867
Other equity components	1,385	-	-	1,385
Total equity attributable to equity holders of parent entity	174,042,931	(6,830,539)	(138)	167,212,254
Non-controlling interest	100,225	-	-	100,225
TOTAL EQUITY	**174,143,156**	**(6,830,539)**	**(138)**	**167,312,479**
TOTAL LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY	**918,989,312**	**(4,327,998)**	**187,010**	**914,848,324**

*) Included in loans and other assets balances are the impact on initial implementation of SFAS 71 on the adjustment to the carrying value of (Rp 246,982) and Rp 58,369, respectively.

(Expressed in millions of Rupiah, unless otherwise stated)

53. IMPACT OF THE IMPLEMENTATION OF SFAS 71 AND 73 (continued)

Impact on implementation of SFAS 71

Impairment on Financial Instruments

Allowance for impairment losses on financial instruments is recalculated in accordance with the transitional provisions of SFAS 71 on 1 January 2020, and the resulting difference of Rp 8,194,010 is booked into the beginning balance of earnings on 1 January 2020.

The following summarizes the effects of transitioning from the “incurred loss approach” to the “expected credit loss” approach for financial assets of the Group measured at amortised cost and at fair value through other comprehensive income (FVOCI):

	1 January 2020							
	Allowance for impairment losses per SFAS 55			Impairment losses per SFAS 71				
	Collective impairment provision	Individual impairment provision	Total	Stage 1	Stage 2	Stage 3	Total	Icrease (decrease)
Current account with oter banks	-	-	-	1,999	-	-	1,999	1,999
Placement with Bank Indonesia and other banks	-	-	-	3,972	-	-	3,972	3,972
Acceptance receivables	176,622	-	176,622	190,958	-	-	190,958	14,336
Bills receivable	2,734	-	2,734	4,890	-	-	4,890	2,156
Loans receivable	11,149,247	3,756,337	14,905,584	14,268,019	967,471	5,198,175	20,433,665	5,528,081
Consumer financing receivables	473,097	-	473,097	328,431	44,601	117,245	490,277	17,180
Finance lease receivables	3,147	-	3,147	1,703	-	-	1,703	(1,444)
Assets from sharia transactions	1,577,667	6,556	1,584,223	1,577,667	-	6,556	1,584,223	-
Investment securities	67,599	2,821	70,420	193,012	-	3,231	196,243	125,823
Other receivables	902	-	902	268	-	-	268	(634)
Commitments and contingencies	12	-	12	2,483,648	18,905	-	2,502,553	2,502,541
	13,451,027	**3,765,714**	**17,216,741**	**19,054,567**	**1,030,977**	**5,325,207**	**25,410,751**	**8,194,010**

54. NEW REGULATIONS ISSUED BY REGULATORS RELATED TO CORONAVIRUS DISEASE 2019 (COVID-19)

Regarding with the rising cases of the Coronavirus Disease 2019 (COVID-19), there are several new regulations issued by the regulator, such as follows:

(i) POJK No. 11/POJK.03/2020 dated 16 March 2020 related to the National Economic Stimulus as a Countercylical Policy on the Impact of the Spread of Coronavirus Disease 2019 aims to encourage optimisation of banking performance, especially the intermediation function, maintain financial system stability, and support economic growth.
(ii) OJK press release No. SP 28/DHMS/OJK/IV/2020 regarding Guidelines for the Application of SFAS 71 and SFAS 68 for Banking during the COVID-19 Pandemic Period dated 16 April 2020.
(iii) Regulation of the Minister of Finance of the Republic of Indonesia No. 138/PMK.05/2020 regarding the Procedures for Providing Interest Subsidies/Margin Subsidies in terms of Supporting the Implementation of the National Economic Recovery Program dated 28 September 2020.
(iv) POJK No. 48/POJK.03/2020 dated 3 December 2020 concerning the changes of POJK No. 11//POJK.03/2020 regarding National Economic Stimulus as a Countercylical Policy on the Impact of the Spread of Coronavirus Disease 2019.

As at the authorisation date of these consolidated financial statements, the Group has evaluated the impact arising from the application of the regulations above and the impact on the consolidated financial statements.

55. ADDITIONAL INFORMATION

Information presented in schedule 6/1 - 6/7 are additional financial information of PT Bank Central Asia Tbk, (Parent Entity), which presented investment in Subsidiaries according to cost method and are an integral part of the consolidated financial statements of the Group.

ADDITIONAL INFORMATION
STATEMENTS OF FINANCIAL POSITION (PARENT ENTITY ONLY)
31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	2020	2019
ASSETS		
Cash	24,314,463	25,402,712
Current accounts with Bank Indonesia	27,287,352	47,611,639
Current accounts with other banks - net of allowance for impairment losses of Rp 551 at 31 December 2020 (31 December 2019: Rp nil)	11,581,080	10,451,954
Placements with Bank Indonesia and other banks - net of allowance for impairment losses of Rp 986 at 31 December 2020 (31 December 2019: Rp nil)	45,792,189	29,541,325
Financial assets at fair value through profit or loss	2,656,701	5,838,673
Acceptance receivables - net of allowance for impairment losses of Rp 409,132 as of 31 December 2020 (31 December 2019: Rp 176,622)	8,144,843	9,492,755
Bills receivable - net of allowance for impairment losses of Rp 8,012 as of 31 December 2020 (31 December 2020: Rp 2,734)	8,091,013	7,909,020
Securities purchased under agreements to resell	146,518,049	9,268,902
Loans receivable - net of allowance for impairment losses of Rp 26,944,873 as of 31 December 2020 (31 December 2019: Rp 14,905,039)		
Related parties	6,704,863	5,896,763
Third parties	541,998,999	567,449,148
Investment securities - net of allowance for impairment losses of Rp 112,840 as of 31 December 2020 (31 December 2019: Rp nil)	184,456,962	136,424,944
Prepaid expenses	495,804	1,174,300
Prepaid tax	22,914	5,637
Fixed assets - net of accumulated depreciation of Rp 11,578,505 as of 31 December 2020 (31 December 2019: Rp 10,716,816)	21,220,060	20,225,494
Intangible assets - net of accumulated amortisation of Rp 1,590,257 as of 31 December 2020 (31 December 2019: Rp 1,307,319)	464,556	527,812
Deferred tax assets - net	4,643,741	2,954,236
Investment in shares - net of allowance for impairment losses of Rp 75,217 as of 31 December 2020 (31 December 2019: Rp 58,646)	7,405,887	5,765,385
Other assets - net of allowance for impairment losses of Rp 24,618 as of 31 December 2020 (31 December 2019: Rp 899)	14,562,632	13,095,263
TOTAL ASSETS	**1,056,362,108**	**899,035,962**

ADDITIONAL INFORMATION
STATEMENTS OF FINANCIAL POSITION (PARENT ENTITY ONLY)
31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	2020	2019
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from customers		
Related parties	2,175,952	1,652,310
Third parties	832,655,117	697,652,276
Deposits from other banks	10,197,909	6,726,687
Financial liabilities at fair value through profit or loss	138,292	106,260
Acceptance payables	4,400,045	5,321,249
Tax payables	2,018,224	1,554,227
Borrowings	618,965	975
Estimated losses from commitments and contingencies	3,537,689	-
Post-employment benefits obligation	9,516,636	7,856,432
Accruals and other liabilities	13,999,414	10,718,960
Subordinated bonds	500,000	500,000
TOTAL LIABILITIES	**879,758,243**	**732,089,376**
EQUITY		
Share capital - par value per share of Rp 62.50 (full amount)		
Authorised capital: 88,000,000,000 shares		
Issued and fully paid: 24,655,010,000 shares	1,540,938	1,540,938
Additional paid-in capital	5,711,368	5,711,368
Revaluation surplus of fixed assets	9,423,741	9,423,272
Unrealised gains on financial assets at fair value through others comprehensive income	6,984,074	1,923,192
Retained earnings		
Appropriated	2,241,254	1,955,604
Unappropriated	150,702,490	146,392,212
TOTAL EQUITY	**176,603,865**	**166,946,586**
TOTAL LIABILITIES AND EQUITY	**1,056,362,108**	**899,035,962**

ADDITIONAL INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Expressed in millions of Rupiah, unless otherwise stated)

	2020	2019
OPERATING INCOME AND EXPENSES		
Interest income	61,559,479	59,999,838
Interest expenses	(10,845,040)	(12,925,739)
INTEREST INCOME - NET	50,714,439	47,074,099
OTHER OPERATING INCOME		
Fee and commission income - net	13,076,593	13,540,023
Net income from transaction at fair value through profit or loss	4,216,471	3,394,113
Others	1,993,936	2,124,389
Total other operating income	19,287,000	19,058,525
Impairment losses on assets	(10,991,026)	(4,104,654)
OTHER OPERATING EXPENSES		
Personnel expenses	(12,254,952)	(12,248,042)
General and administrative expenses	(12,005,817)	(13,209,161)
Others	(2,487,401)	(2,215,954)
Total other operating expenses	(26,748,170)	(27,673,157)
INCOME BEFORE TAX	32,262,243	34,354,813
INCOME TAX EXPENSE	5,983,092	(7,090,901)
NET INCOME	**26,279,151**	**27,263,912**
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit liability	(1,478,516)	(357,090)
Income tax on remeasurements of defined benefit liability	241,627	71,418
	(1,236,889)	(285,672)
Revaluation surplus of fixed assets	469	747,865
	(1,236,420)	462,193
Items that will be reclassified to profit or loss:		
Unrealised gains on financial assets at fair value through other comprehensive income	6,218,323	2,566,931
Income tax	(1,157,441)	(513,386)
Unrealised gains on financial assets at fair value through other comprehensive income - net of tax	5,060,882	2,053,545
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**3,824,462**	**2,515,738**
TOTAL COMPREHENSIVE INCOME	**30,103,613**	**29,779,650**
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount of Rupiah)	1,066	1,106

ADDITIONAL INFORMATION
STATEMENTS OF CHANGES IN EQUITY (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	2020						
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Unrealised gains on financial assets at fair value through other comprehensive income-net	Retained earnings Appropriated	Retained earnings Unappropriated	Total equity
Balance, 31 December 2019	**1,540,938**	**5,711,368**	**9,423,272**	**1,923,192**	**1,955,604**	**146,392,212**	**166,946,586**
Impact on initial implementation of SFAS 71 and 73 (after deferred tax)	-	-	-	-	-	(6,812,113)	(6,812,113)
Balance as of 1 January 2020, after impact on initial implementation of SFAS 71 and 73	1,540,938	5,711,368	9,423,272	1,923,192	1,955,604	139,580,099	160,134,473
Net income for the year	-	-	-	-	-	26,279,151	26,279,151
Revaluation surplus of fixed assets	-	-	469	-	-	-	469
Unrealised gains on financial assets at fair value through other comprehensive income - net	-	-	-	5,060,882	-	-	5,060,882
Remeasurement of defined benefit liability - net	-	-	-	-	-	(1,236,889)	(1,236,889)
Total comprehensive income for the year	-	-	469	5,060,882	-	25,042,262	30,103,613
General reserve	-	-	-	-	285,650	(285,650)	-
Cash dividends	-	-	-	-	-	(13,634,221)	(13,634,221)
Balance, 31 December 2020	**1,540,938**	**5,711,368**	**9,423,741**	**6,984,074**	**2,241,254**	**150,702,490**	**176,603,865**

ADDITIONAL INFORMATION
STATEMENTS OF CHANGES IN EQUITY (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	2019						
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Unrealised gains (losses) on available-for-sale financial assets-net	Retained earnings - Appropriated	Retained earnings - Unappropriated	Total equity
Balance, 31 December 2018	1,540,938	5,711,368	8,675,407	(130,353)	1,697,052	128,425,053	145,919,465
Net income for the year	-	-	-	-	-	27,263,912	27,263,912
Revaluation surplus of fixed assets	-	-	747,865	-	-	-	747,865
Unrealised gains on available-for-sale financial assets - net	-	-	-	2,053,545	-	-	2,053,545
Remeasurement of defined benefit liability - net	-	-	-	-	-	(285,672)	(285,672)
Total comprehensive income for the year	-	-	747,865	2,053,545	-	26,978,240	29,779,650
General reserve	-	-	-	-	258,552	(258,552)	-
Cash dividends	-	-	-	-	-	(8,752,529)	(8,752,529)
Balance, 31 December 2019	**1,540,938**	**5,711,368**	**9,423,272**	**1,923,192**	**1,955,604**	**146,392,212**	**166,946,586**

ADDITIONAL INFORMATION
STATEMENTS OF CASH FLOWS (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of interest income, fees and commissions	74,658,063	72,670,644
Other operating income	1,204,477	1,431,543
Payments of interest expenses, fees and commissions	(11,023,058)	(13,088,561)
Payments of post-employment benefits	(1,025,734)	(230,641)
Gains from foreign exchange transactions - net	85,911	1,855,221
Other operating expenses	(23,036,980)	(24,340,293)
Payment of tantiem to Board of Commissioners and Board of Directors	(445,180)	(413,500)
Other increases (decreases) affecting cash:		
Placements with Bank Indonesia and other banks - mature more than 3 (three) months from the date of acquisition	(3,159,674)	769,565
Financial assets at fair value through profit or loss	2,806,332	1,235,090
Acceptance receivables	1,115,402	2,248,758
Bills receivable	30,292	459,371
Securities purchased under agreements to resell	(137,249,147)	(86,885)
Loans receivable	9,641,046	(54,608,008)
Other assets	(1,350,405)	137,504
Deposits from customers	135,253,336	70,923,556
Deposits from other banks	3,499,596	287,519
Acceptance payables	(921,204)	(522,237)
Accruals and other liabilities	3,766,285	(1,187,393)
Net cash provided by operating activities before income tax	53,849,358	57,541,253
Payment of income tax	(6,639,563)	(7,232,682)
Net cash provided by operating activities	**47,209,795**	**50,308,571**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities	-	100,000
Acquisition of investment securities	(108,885,066)	(99,560,248)
Proceeds from investment securities that matured during the year	69,063,414	71,826,721
Payment for acquisition activities	(643,648)	(988,047)
Cash dividends received from investment in shares	773,624	637,792
Acquisition of fixed assets	(2,547,927)	(2,522,307)
Proceeds from sale of fixed assets	6,091	5,826
Net cash used in investing activities	**(42,233,512)**	**(30,500,263)**

ADDITIONAL INFORMATION
STATEMENTS OF CASH FLOWS (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	617,989	-
Payment of borrowings	-	(11)
Payment of cash dividends	(13,634,221)	(8,752,529)
Payment of additional paid-in capital on Subsidiaries	(1,000,000)	(1,200,000)
Net cash used in financing activities	**(14,016,232)**	**(9,952,540)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,039,949)	9,855,768
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	111,533,803	101,795,841
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	1,893,755	(117,806)
CASH AND CASH EQUIVALENTS, END OF YEAR	**104,387,609**	**111,533,803**
Cash and cash equivalents consist of:		
Cash	24,314,463	25,402,712
Current accounts with Bank Indonesia	27,287,352	47,611,639
Current accounts with other banks	11,581,631	10,451,954
Placement with Bank Indonesia and other banks - mature within 3 (three) months or less from the date of acquisition	41,204,163	28,067,498
Total cash and cash equivalents	**104,387,609**	**111,533,803**