PT Bank Central Asia Tbk

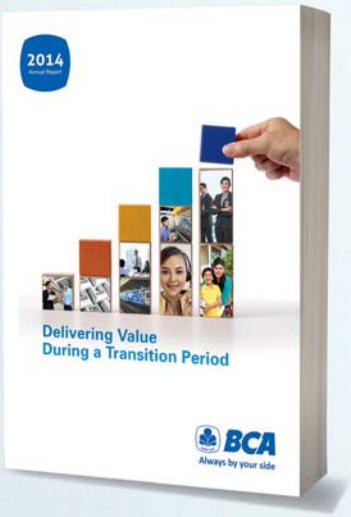
2018 ANNUAL REPORT

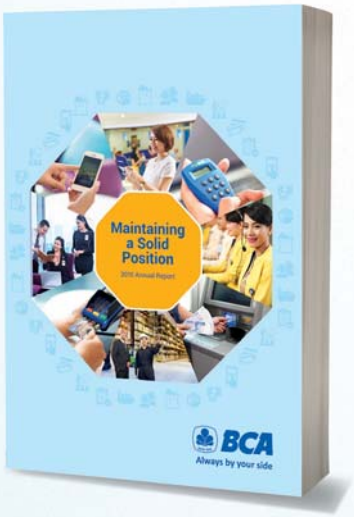
Positioning for Growth

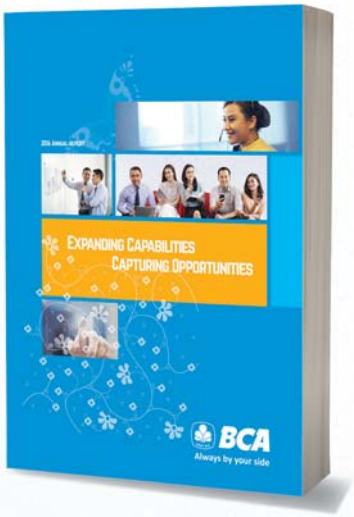
BCA

Always by your side

Theme Continuity







2014

Delivering Value During a Transition Period

2014 was a year of both political and economic transition for Indonesia marked by high volatility in the foreign exchange and capital markets and continuing pressure on commodity prices.

The solid foundation laid by the previous government provides a sound basis for facing the macro economic issues now impacting the Indonesian economy. The new administration is taking steps to address these issues, including the reallocation of a large part of the fuel subsidy budget to other strategic areas, that should pave the way for future sustainable economic development.

New challenges for the Indonesian banking industry surfaced in 2014 as the result of a slowing economy and tightening liquidity which both limited the capacity for loan growth and led to higher sector NPL's. BCA successfully maintained its solid performance and delivered value to its stakeholders throughout this transition year by boosting liquidity and maintaining prudential lending guidelines.

2015

Maintaining a Solid Position

Navigating Challenges, Capturing Opportunities

The Indonesian economy continued to be negatively impacted by a weak global economy and a variety of domestic macro-economic challenges. The relative slowdown in the domestic economy was reflected in the Indonesian banking industry with deterioration in loan quality and slower loan and third party funds growth.

BCA successfully maintained its solid position in 2015 by consistently implementing prudent policies focused on maintaining loan quality, a strong capital and a healthy liquidity position.

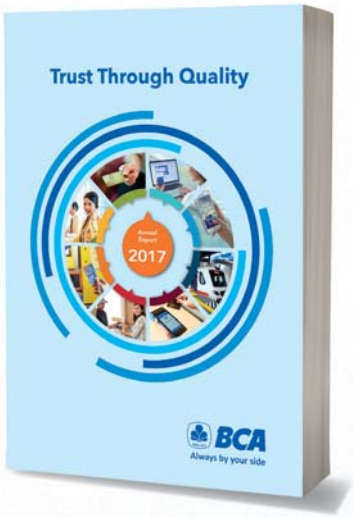
BCA's solid financial position allows the Bank to support its customers through all economic conditions while providing a strong base to capture business opportunities for future growth.

2016

Expanding Capabilities Capturing Opportunities

Ongoing improvements ensure the Bank to provide the best possible services to customers; fulfill the evolving financial needs of the Bank's customers and remain at the cutting edge of technological developments. BCA remains committed to invest in both transaction banking franchise and lending capabilities while supporting development of the Bank's subsidiaries.

The challenging environment faced by the Bank in 2016 served as a test of the resilience of BCA's business model. Throughout the year, BCA focused on exploring and optimizing various business opportunities while remaining prudent at all times. The Bank's solid business model allowed BCA to deliver another year of sound financial performance.



2017

Trust Through Quality

2017 provided both challenges and opportunities for the banking industry in Indonesia, and BCA specifically. Throughout the year, BCA invested in infrastructure and resources to strengthen its core transaction banking and lending business.

BCA continues to adapt, embracing technological advances and capturing business opportunities, while maintaining a prudent approach to business. The Bank always prioritizes the comfort of its customers by providing convenient, secure and reliable services at all times.

With the loyal support of its customers, BCA successfully delivered a year of strong financial performance and maintained its position as the bank of choice in Indonesia.

2018

Positioning for Growth

BCA's transaction banking constantly innovates and adapts along with changes in customer behavior and the high adoption of digital technology advancement.

We pay attention to the principle of prudence and continue to maintain a sufficient capital and liquidity position for the development of a long-term loan portfolio.

Increasing data processing capability provides opportunities to generate a selection of banking solutions across BCA customer segments.

Investment in information technology, networks and human resources will support the Bank's business continuity. BCA is optimistic that the Indonesian economy and banking sector have good prospects and potential to continue growing in the coming years.

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POSITIONING FOR GROWTH

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QRku
BUNGA NOLADIKA HAQI
BCA - 0844371540
Nikmati Kemudahan Transaksi Cukup Scan QR Code-nya!
BCA

BCA Business Performance

"Transaction banking played a major role in the growth of BCA's core funds, Current Accounts and Savings Accounts, (CASA). Amid the banking sector's tighter liquidity conditions, BCA's solid CASA performance supported loan portfolio growth in 2018. By maintaining healthy loan quality along with strong business performance, BCA recorded a sustainable net profit growth."

Maintaining Profitability

Operating Income

10.6 % YoY **Rp 63.0** trillion

NIM

6.1 %

Net Profit

10.9 % YoY **Rp 25.9** trillion

CAR

23.4 %

2018 data

Quality third party funds and loan portfolio

Third Party Funds

Rp 630 trillion

76.7 %

(Composition of CASA to third party funds)

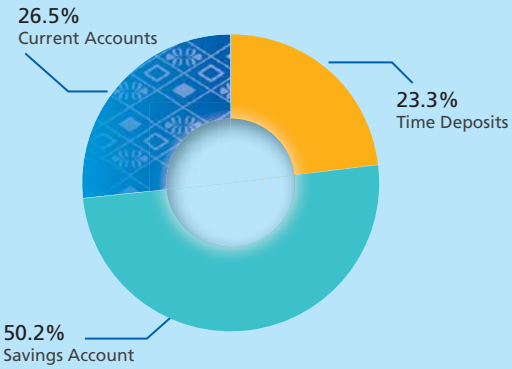
Loans

Rp 538 trillion

1.4 %

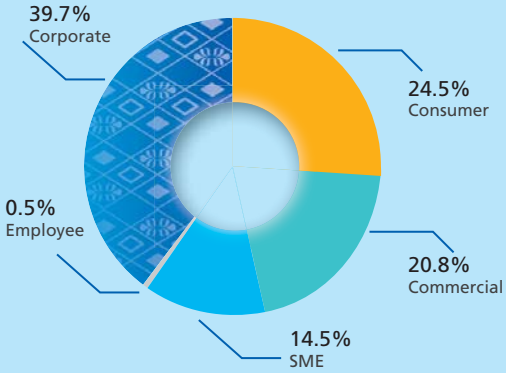
(NPL maintained at a healthy level)

Third Party Funds Composition



Rp**630** trillion

Loans Composition
(non consolidated)



Rp**538** trillion

2018 data

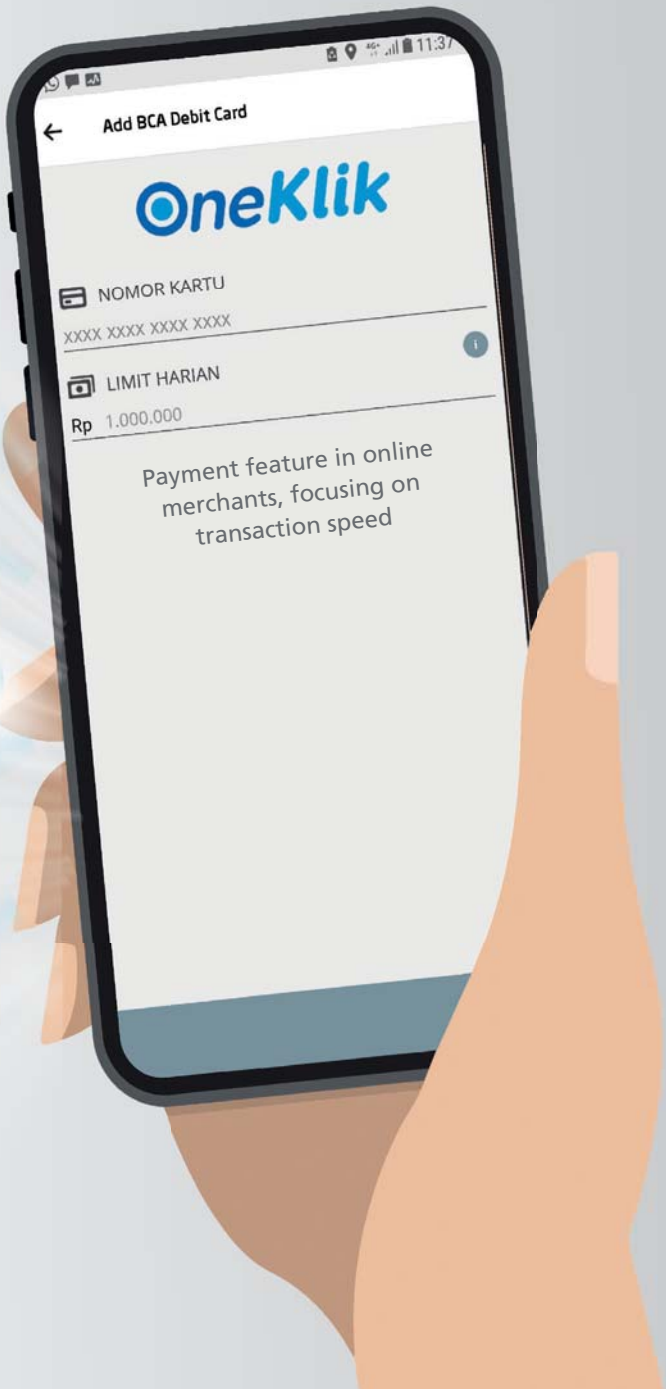
BCA Innovation and Development of Products and Services

QR code peer-to-peer transfer for BCA Mobile and Sakuku e-wallet

Server-based electronic wallets

Mobile apps for accessing internet and mobile banking services

Banking virtual assistant, accessible through popular chat apps



Payment feature in online merchants, focusing on transaction speed

BCA was commended by external parties for its commitment to providing quality products and services, and achieving a solid performance

Forbes Indonesia Magazine

Best of the Best Awards 2018

BCA – One of the Top 50 Companies for 2018

FinanceAsia

FinanceAsia Country Awards for Achievement 2018

- Best Asian Bank
- Best Bank in Indonesia

Euromoney

Euromoney Awards for Excellence 2018

BCA – The Best Bank in Indonesia

Investor Magazine

Investor Award 2018

BCA – Top Performing Listed Companies 2018 for Market Capitalization > Rp10 trillion

BrandZ

Most Valuable Brands 2018

BCA - Top 100 Most Valuable Global Brands 2018

SWA Magazine

SWA Magazine

BCA – as The Indonesian Living Legend Companies Since 1957

Financial Highlights

Financial Highlights in the last 5 years (Audited, Consolidated, as of or for the year ended December 31)

(in billion Rupiah)	2018	2017	2016	2015	2014
Financial Position					
Total Assets	**824,788**	**750,320**	**676,739**	**594,373**	**553,156**
Total Earning Assets	734,401	672,235	604,049	527,407	483,945
Loans - gross	538,100	467,509	415,896	387,643	346,563
Loans - net	524,531	454,265	403,391	378,616	339,859
Securities (including Securities Purchased Under Agreements to Resell)	118,385	140,873	112,135	52,521	98,589
Placements with Bank Indonesia and Other Banks	31,682	18,969	35,364	56,259	12,020
Total Liabilities[1]	**673,035**	**618,918**	**564,024**	**504,748**	**477,430**
Third Party Funds[2]	629,812	581,115	530,134	473,666	447,906
CASA	483,004	443,666	408,205	360,261	336,412
Current Accounts	166,822	151,250	137,853	115,653	107,419
Savings Accounts	316,182	292,416	270,352	244,608	228,993
Time Deposits	146,808	137,449	121,929	113,405	111,494
Borrowings and Deposits from Other Banks	8,588	8,799	7,690	5,899	6,835
Debt Securities Issued[3]	240	610	2,332	2,821	2,504
Subordinated Bonds	500	-	-	-	-
Total Equity	**151,753**	**131,402**	**112,715**	**89,625**	**75,726**
Comprehensive Income					
Operating Income	63,034	56,982	53,779	47,876	41,373
Net Interest Income	45,291	41,827	40,079	35,869	32,027
Operating Income other than Interest	17,743	15,155	13,700	12,007	9,346
Impairment Losses on Financial Assets	(2,676)	(2,633)	(4,561)	(3,505)	(2,239)
Operating Expenses	(27,651)	(25,190)	(23,379)	(21,714)	(18,393)
Income Before Tax	32,707	29,159	25,839	22,657	20,741
Net Income	**25,852**	**23,321**	**20,632**	**18,036**	**16,512**
Other Comprehensive Income (Expenses)	910	755	6,772	(344)	(147)
Total Comprehensive Income	**26,762**	**24,076**	**27,404**	**17,692**	**16,365**
Net Income Attributable to:					
Equity Holders of Parent Entity	**25,855**	**23,310**	**20,606**	**18,019**	**16,486**
Non-Controlling Interest	(3)	11	26	17	26
Comprehensive Income Attributable to:					
Equity Holders of Parent Entity	**26,766**	**24,064**	**27,378**	**17,674**	**16,339**
Non-Controlling Interest	(4)	12	26	18	26
Earnings per Share (in Rupiah, full amount)	**1,049**	**945**	**836**	**731**	**669**

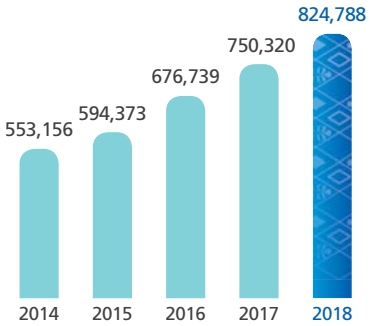
All numbers in this document use English notation, unless otherwise stated.
1. Including temporary syrikah funds amounting to Rp4,596 billion in 2018, Rp3,978 billion in 2017, Rp3,467 billion in 2016, Rp2,802 billion in 2015, and Rp1,952 billion in 2014
2. Third party funds excluding deposits from other banks.
3. The debt securities issued represent bonds and medium-term notes issued by BCA Finance, a subsidiary of the Bank that is engaged in 4-wheeler financing.

	2018	2017	2016	2015	2014
Financial Ratios[4]					
Capital					
Capital Adequacy Ratio (CAR)[5]	23.4%	23.1%	21.9%	18.7%	16.9%
CAR Tier 1	22.4%	22.1%	21.0%	17.8%	16.0%
CAR Tier 2	1.0%	1.0%	0.9%	0.9%	0.9%
Fixed Assets to Capital	19.4%	19.8%	22.4%	18.6%	21.2%
Assets Quality					
Non Performing Earning Assets and Non Earning Assets to Total Earning Assets and Non Earning Assets	0.9%	0.9%	0.8%	0.6%	0.5%
Non Performing Earning Assets to Total Earning Assets	1.1%	1.1%	1.1%	0.7%	0.6%
Allowance Provision on Earning Assets to Total Earning Assets	1.9%	2.1%	2.3%	2.0%	1.6%
Non Performing Loans (NPL) - gross[6]	1.4%	1.5%	1.3%	0.7%	0.6%
Non Performing Loans (NPL) - net	0.4%	0.4%	0.3%	0.2%	0.2%
Rentability					
Return on Assets (ROA)[7]	4.0%	3.9%	4.0%	3.8%	3.9%
Return on Equity (ROE)[8]	18.8%	19.2%	20.5%	21.9%	25.5%
Net Interest Margin (NIM)[9]	6.1%	6.2%	6.8%	6.7%	6.5%
Cost Efficiency Ratio (CER)	44.3%	44.4%	43.9%	46.5%	44.2%
Operating Expenses to Operating Revenues (BOPO)	58.2%	58.6%	60.4%	63.2%	62.4%
Liquidity					
Loan to Deposit Ratio (LDR)[10]	81.6%	78.2%	77.1%	81.1%	76.8%
Current Accounts & Savings Accounts (CASA) Ratio	76.7%	76.3%	77.0%	76.1%	75.1%
Liabilities to Equity Ratio	454.2%	479.3%	507.5%	570.4%	635.8%
Liabilities to Assets Ratio	82.0%	82.7%	83.5%	85.1%	86.4%
Liquidity Coverage Ratio (LCR)[11]	278.2%	353.0%	391.3%	363.3%	na
Compliance					
Percentage Violation of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage Lending in Excess of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Minimum Reserve Requirement					
a. Primary Reserve Requirement - Rupiah	6.6%	7.0%	7.3%	7.5%	8.4%
b. Reserve Requirement - Foreign Currency	8.4%	8.5%	8.5%	9.1%	8.6%
Net Open Position (NOP)	0.5%	0.5%	0.2%	0.4%	0.6%
Other Key Indicators					
Number of Accounts (in thousands)	19,040	17,048	15,583	14,129	13,370
Number of Branches[12]	1,249	1,235	1,211	1,182	1,111
Number of ATMs	17,778	17,658	17,207	17,081	16,694
Number of ATM Cards (in thousands)	17,594	15,767	14,402	13,090	12,429
Number of Credit Cards (in thousands)	3,609	3,296	2,983	2,748	2,583

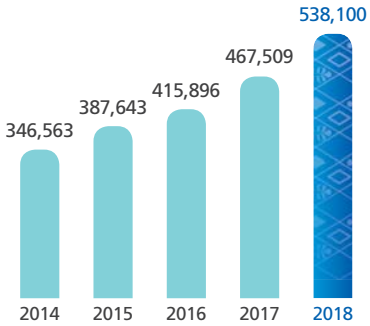
4. Parent company only, financial ratios have been presented based on Circular Letter of Indonesia Financial Services Authority No.43/SEOJK.03/2016 dated 28 September 2016 regarding Transparency and Publication of Commercial Bank.
5. CAR is calculated with credit risk, operational risk and market risk based on Circular Letter of Bank Indonesia No.11/3/DPNP dated 27 January 2009 which was later changed into Circular Letter of Indonesia Financial Services Authority No. 24/SEOJK.03/2016 dated 14 July 2016 regarding the Risk Weighted Assets Calculation for Operational Risk using the Basic Indicator Approach; and calculated based on Indonesia Financial Services Authority Regulation No. 11 /POJK.03/2016 dated 29 January 2016, regarding Capital Adequacy Ratio (CAR) for Commercial Banks.
6. Calculated from total non performing loans (substandard, doubtful, loss) divided by total loans.
7. Calculated from income (loss) before tax divided by average total assets.
8. Calculated from net income (loss) divided by average Tier 1 Capital.
9. Calculated from net interest income (expense) divided by average of earning assets.
10. Calculated from total loan portfolio to third party divided by total third party funds.
11. Calculated from total High Quality Liquid Asset (HQLA) divided by total net cash flow based on Indonesia Financial Services Authority Regulation No 42/POJK.03/2015 regarding Liquidity Coverage Ratio for Commercial Bank.
12. Including cash offices.

Financial Highlights - Continued

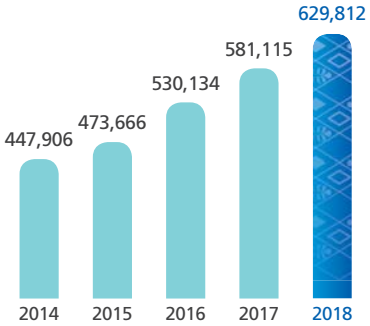
Total Assets
(in billion Rupiah)



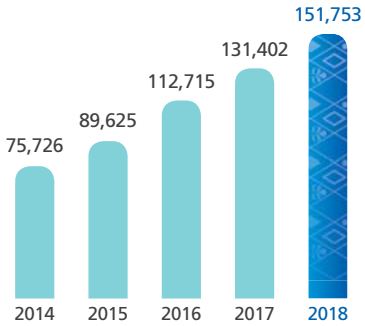
Loans - gross
(in billion Rupiah)



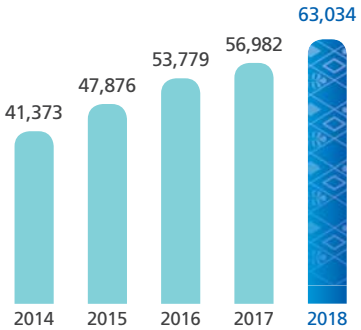
Third Party Funds
(in billion Rupiah)



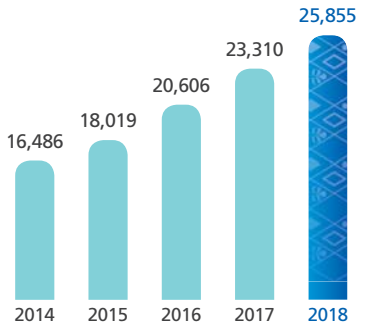
Total Equity
(in billion Rupiah)



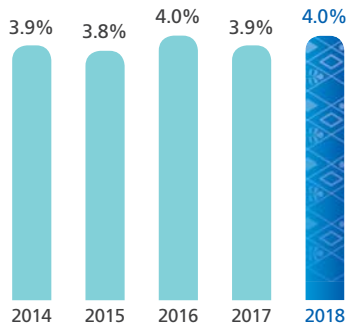
Operating Income
(in billion Rupiah)



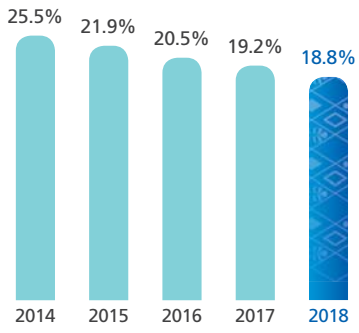
Net Income
Attributable to Equity Holders of Parent Entity
(in billion Rupiah)



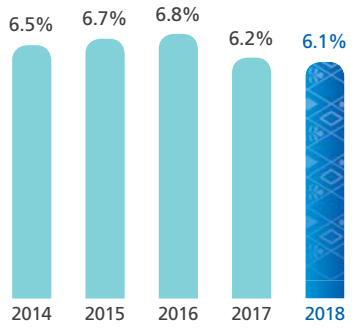
Return on Assets (ROA)



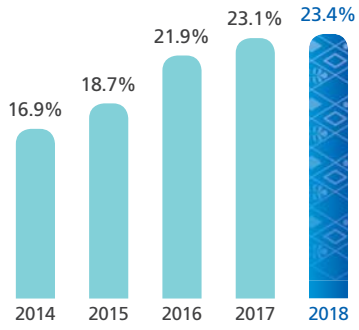
Return on Equity (ROE)



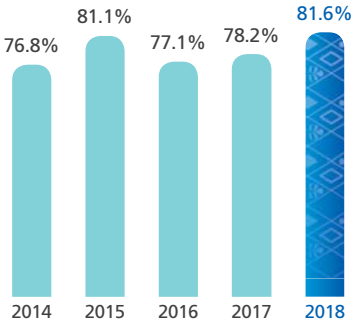
Net Interest Margin (NIM)



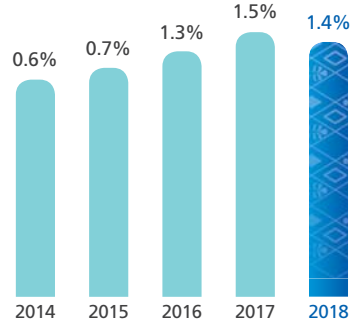
Capital Adequacy Ratio (CAR)



Loan to Deposit Ratio (LDR)

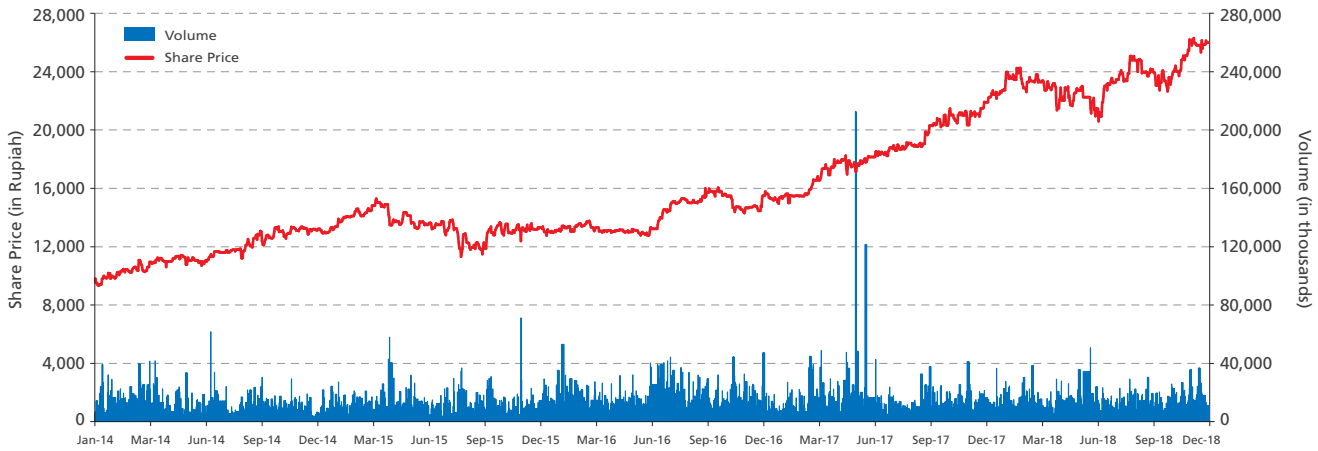


Non-Performing Loans (NPL) - gross



Stock and Bond Highlights

BCA Share Performance in 2014 – 2018



Source: Bloomberg

	2018	2017	2016	2015	2014
Highest Price (in Rupiah)	26,975	22,750	16,200	15,600	13,575
Lowest Price (in Rupiah)	20,600	14,950	12,625	11,000	9,250
Closing Price (in Rupiah)	26,000	21,900	15,500	13,300	13,125
Market Capitalization (in billion Rupiah)	641,030	539,945	382,153	327,912	323,597
Earnings per Share (in Rupiah)	1,049	945	836	731	669
Book Value per Share (in Rupiah)	6,151	5,326	4,560	3,625	3,151
P/E (x)	24.8	23.2	18.5	18.2	19.6
P/BV (x)	4.2	4.1	3.4	3.7	4.2

Source: Bloomberg

BCA Share Price, Volume & Market Capitalization

in 2014 – 2018

Year	Quarter	Price			Transaction Volume (in thousand)	Market Capitalization (in billion Rupiah)
		Highest (in Rupiah)	Lowest (in Rupiah)	Closing (in Rupiah)		
2018	I	24,700	21,325	23,300	1,002,328	574,462
	II	23,650	20,825	21,475	876,115	529,466
	III	25,475	20,600	24,150	919,397	595,418
	IV	26,975	22,175	26,000	1,016,290	641,030
2017	I	17,000	14,950	16,550	919,042	408,040
	II	18,550	16,575	18,150	1,360,255	447,488
	III	20,375	18,075	20,300	824,300	500,497
	IV	22,750	20,050	21,900	968,402	539,945
2016	I	13,925	12,750	13,300	1,179,220	327,912
	II	13,450	12,625	13,325	992,972	328,528
	III	16,000	13,200	15,700	1,410,037	387,084
	IV	16,200	13,950	15,500	1,158,886	382,153
2015	I	14,825	12,800	14,825	771,201	365,511
	II	15,600	12,900	13,500	977,269	332,843
	III	13,900	11,000	12,275	850,501	302,640
	IV	13,800	11,875	13,300	891,297	327,912
2014	I	11,125	9,250	10,600	1,009,917	261,343
	II	11,525	10,425	11,000	816,759	271,205
	III	13,125	10,875	13,075	780,993	322,364
	IV	13,575	12,050	13,125	734,021	323,597

Source: Bloomberg

BCA Capital Structure in 2014 – 2018

	2018	2017	2016	2015	2014
Authorized Capital					
Number of Shares	88,000,000,000	88,000,000,000	88,000,000,000	88,000,000,000	88,000,000,000
Total par Value (in Rupiah)	5,500,000,000,000	5,500,000,000,000	5,500,000,000,000	5,500,000,000,000	5,500,000,000,000
Unissued					
Number of Shares	63,344,990,000	63,344,990,000	63,344,990,000	63,344,990,000	63,344,990,000
Total par Value (in Rupiah)	3,959,061,875,000	3,959,061,875,000	3,959,061,875,000	3,959,061,875,000	3,959,061,875,000
Issued and Fully Paid Up Capital					
Number of Shares	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000
Total par Value (in Rupiah)	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000
Outstanding Shares					
Number of Shares	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000	24,655,010,000
Total par Value (in Rupiah)	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000	1,540,938,125,000

BCA Cash Dividends in 2014 – 2018

	2018	2017	2016	2015	2014
Earnings per Share (in Rupiah)	1,049	945	836	731	669
Cash Dividends per Share (in Rupiah)	na	255.0	200.0	160.0	148.0
Cash Dividends Amount (in Rupiah)	na	6,287,027,550,000	4,931,002,000,000	3,944,801,600,000	3,648,941,480,000
Interim Dividend (in Rupiah)	85.0	80.0	70.0	55.0	50.0
Cum Dividend for Trading in:					
Regular and Negotiated Market	30 Nov 2018	28 Nov 2017	30 Nov 2016	12 Nov 2015	4 Dec 2014
Cash Market	4 Dec 2018	4 Dec 2017	5 Dec 2016	17 Nov 2015	9 Dec 2014
Final Dividend (in Rupiah)	na	175.0	130.0	105.0	98.0
Cum Dividend for Trading in:					
Regular and Negotiated Market	na	12 Apr 2018	13 Apr 2017	14 Apr 2016	16 Apr 2015
Cash Market	na	17 Apr 2018	20 Apr 2017	19 Apr 2016	21 Apr 2015
Dividend Payout Ratio	na	27.0%	23.9%	21.9%	22.1%

BCA Dividends History*

Description	Amount per Share	Declared	Cum-Dividend		Recording Date	Payment Date
2018 Interim	Rp 85.0	26 Nov 2018	Regular and Negotiation Market Cash Market	30 Nov 2018 4 Dec 2018	4 Dec 2018	21 Dec 2018
2017 Final	Rp 175.0	9 Apr 2018	Regular and Negotiation Market Cash Market	12 Apr 2018 17 Apr 2018	17 Apr 2018	30 Apr 2018
2017 Interim	Rp 80.0	23 Nov 2017	Regular and Negotiation Market Cash Market	28 Nov 2017 4 Dec 2017	4 Dec 2017	20 Dec 2017
2016 Final	Rp 130.0	10 Apr 2017	Regular and Negotiation Market Cash Market	13 Apr 2017 20 Apr 2017	20 Apr 2017	28 Apr 2017
2016 Interim	Rp 70.0	25 Nov 2016	Regular and Negotiation Market Cash Market	30 Nov 2016 5 Dec 2016	5 Dec 2016	22 Dec 2016
2015 Final	Rp 105.0	11 Apr 2016	Regular and Negotiation Market Cash Market	14 Apr 2016 19 Apr 2016	19 Apr 2016	29 Apr 2016
2015 Interim	Rp 55.0	9 Nov 2015	Regular and Negotiation Market Cash Market	12 Nov 2015 17 Nov 2015	17 Nov 2015	9 Dec 2015
2014 Final	Rp 98.0	13 Apr 2015	Regular and Negotiation Market Cash Market	16 Apr 2015 21 Apr 2015	21 Apr 2015	13 May 2015
2014 Interim	Rp 50.0	17 Nov 2014	Regular and Negotiation Market Cash Market	4 Dec 2014 9 Dec 2014	9 Dec 2014	23 Dec 2014
2013 Final	Rp 75.0	10 Apr 2014	Regular and Negotiation Market Cash Market	29 Apr 2014 5 May 2014	5 May 2014	20 May 2014
2013 Interim	Rp 45.0	11 Nov 2013	Regular and Negotiation Market Cash Market	28 Nov 2013 3 Dec 2013	3 Dec 2013	17 Dec 2013
2012 Final	Rp 71.0	8 May 2013	Regular and Negotiation Market Cash Market	28 May 2013 31 May 2013	31 May 2013	17 Jun 2013
2012 Interim	Rp 43.5	12 Nov 2012	Regular and Negotiation Market Cash Market	3 Dec 2012 6 Dec 2012	6 Dec 2012	20 Dec 2012
2011 Final	Rp 70.0	22 May 2012	Regular and Negotiation Market Cash Market	8 Jun 2012 13 Jun 2012	13 Jun 2012	27 Jun 2012
2011 Interim	Rp 43.5	17 Nov 2011	Regular and Negotiation Market Cash Market	6 Dec 2011 9 Dec 2011	9 Dec 2011	23 Dec 2011
2010 Final	Rp 70.0	16 May 2011	Regular and Negotiation Market Cash Market	6 Jun 2011 9 Jun 2011	9 Jun 2011	23 Jun 2011
2010 Interim	Rp 42.5	1 Nov 2010	Regular and Negotiation Market Cash Market	19 Nov 2010 24 Nov 2010	24 Nov 2010	9 Dec 2010
2009 Final	Rp 70.0	7 May 2010	Regular and Negotiation Market Cash Market	31 May 2010 3 Jun 2010	3 Jun 2010	17 Jun 2010
2009 Interim	Rp 40.0	26 Oct 2009	Regular and Negotiation Market Cash Market	12 Nov 2009 17 Nov 2009	17 Nov 2009	2 Dec 2009
2008 Final	Rp 65.0	20 May 2009	Regular and Negotiation Market Cash Market	9 Jun 2009 12 Jun 2009	12 Jun 2009	26 Jun 2009
2008 Interim	Rp 35.0	22 Dec 2008	Regular and Negotiation Market Cash Market	15 Jan 2009 20 Jan 2009	20 Jan 2009	30 Jan 2009

Description	Amount per Share	Declared	Cum-Dividend		Recording Date	Payment Date
2007 Final	Rp 63.5	26 May 2008	Regular and Negotiation Market Cash Market	12 Jun 2008 17 Jun 2008	17 Jun 2008	1 Jul 2008
2007 Interim	Rp 55.0	12 Nov 2007	Regular and Negotiation Market Cash Market	29 Nov 2007 4 Dec 2007	4 Dec 2007	18 Dec 2007
2006 Final	Rp 115.0	21 May 2007	Regular and Negotiation Market Cash Market	8 Jun 2007 13 Jun 2007	13 Jun 2007	27 Jun 2007
2006 Interim	Rp 55.0	21 Sep 2006	Regular and Negotiation Market Cash Market	10 Oct 2006 13 Oct 2006	13 Oct 2006	3 Nov 2006
2005 Final	Rp 90.0	17 May 2006	Regular and Negotiation Market Cash Market	6 Jun 2006 9 Jun 2006	9 Jun 2006	23 Jun 2006
2005 Interim	Rp 50.0	15 Sep 2005	Regular and Negotiation Market Cash Market	6 Oct 2005 11 Oct 2005	11 Oct 2005	25 Oct 2005
2004 Final	Rp 80.0	28 Jun 2005	Regular and Negotiation Market Cash Market	19 Jul 2005 22 Jul 2005	22 Jul 2005	5 Aug 2005
2004 Interim	Rp 50.0	27 Oct 2004	Regular and Negotiation Market Cash Market	22 Nov 2004 25 Nov 2004	25 Nov 2004	8 Dec 2004
2003 Final	Rp 112.5	8 Jun 2004	Regular and Negotiation Market Cash Market	30 Jun 2004 6 Jul 2004	6 Jul 2004	20 Jul 2004
2002 Final	Rp 225.0	7 Nov 2003	Regular and Negotiation Market Cash Market	3 Dec 2003 8 Dec 2003	8 Dec 2003	19 Dec 2003
2001 Final	Rp 140.0	10 Oct 2002	Regular and Negotiation Market Cash Market	29 Oct 2002 1 Nov 2002	1 Nov 2002	15 Nov 2002
2001 Interim	Rp 85.0	29 Oct 2001	Regular and Negotiation Market Cash Market	14 Nov 2001 20 Nov 2001	20 Nov 2001	4 Dec 2001

* BCA conducted a 2 for 1 stock split, one share was split into two shares, effective on 15 May 2001, 8 June 2004 and 31 January 2008.

Bonds Highlights

Instrument	Recording Date	Currency	Nominal Value of the Bond	Tenor	Maturity Date	Interest Rate	Rating (2018)	Trustee	Underwriter
Bank Central Asia Continuous Subordinated Bonds I Phase I 2018									
- Series A	6 July 2018	Rupiah	Rp435 billion	7 years	5 July 2025	7.75% p.a	idAA (Pefindo)	PT Bank Rakyat Indonesia (Persero) Tbk	PT BCA Sekuritas
- Series B	6 July 2018	Rupiah	Rp65 billion	12 years	5 July 2030	8.00% p.a	idAA (Pefindo)	PT Bank Rakyat Indonesia (Persero) Tbk	PT BCA Sekuritas

Consolidated basis, the Bank possesses obligations in the form of bonds issued by the subsidiary BCA Finance, which per 31 December 2018 was recorded at Rp239.7 billion. Information on bonds issued by BCA Finance can be found in the audited Consolidated Financial Statements on pages 631-632.

SMART
BCA

Management Report

Report of the Board of Directors

Jahja Setiaatmadja
President Director

> **We continue to develop our products and services leveraging on digital technology, and undertake e-channel and branch investments. Digital products and services offer new opportunities to meet customer needs and satisfaction.**

Dear Shareholders and Stakeholders,

BCA and its subsidiaries recorded a positive financial performance in 2018, supported by a strong balance sheet. We were well positioned to capture business opportunities throughout 2018 and will continue to do so in the coming years.

Indonesia's Economy and the Banking Industry in 2018

The global economy has been gradually recovering, marked by the improving economic indicators of developed countries, especially the United States. This positive trend prompted the US Federal Reserve (Fed) to begin normalizing monetary policy by raising its benchmark interest rate Fed Fund Rate (FFR) four times to 2.5% in 2018. The rate adjustment may continue in 2019 in line with US economic conditions, but may not be as aggressive as in 2018.

Nevertheless, the global economic outlook remains uncertain. Several countries face pressure on GDP growth, including China, the second-largest economy in the world, where GDP growth fell below 7%. At the beginning of 2018, we saw the emergence of trade tensions between the US and a number of countries, including China, Canada, Mexico, and the European Union. We expect negotiations between the US and China to continue throughout 2019.

In the midst of uneven global economic growth, Indonesia's GDP grew at a rate of 5.2% in 2018, faster than many other Asian economies. This growth was supported by domestic consumption and various infrastructure projects initiated by the Government to stimulate the economy.

Indonesia faced challenges to maintain macroeconomic stability amid global interest rate hikes and rising oil prices. In 2018, the average oil price rose, increasing the import value of crude oil, and putting pressure on Indonesia's trade balance.

This saw Indonesia's current account deficit rise to USD31.0 billion or 3.0% of GDP from last year's deficit of USD16.2 billion or 1.6% of GDP. Other factors contributing to the larger current account deficit were an increase in the value of imported capital goods used in major development projects, rising raw material imports and increasing domestic consumption.

The FFR increase has led global investors to rebalance their investment portfolios, triggering an outflow of capital from emerging markets, including Indonesia. The US Dollar appreciated by 6.2% against the Rupiah throughout 2018,

translating into a year-end exchange rate of Rp14,390 per USD, compared to Rp13,555 per USD in December 2017.

Anticipating further pressure, the Indonesian government promulgated a number of policies intended to manage the current account deficit and maintain the appeal of the local financial market. In response to rising FFR and US treasury yield over the course of 2018, Bank Indonesia raised its benchmark 7-day reverse repo rate by 175 basis points to 6.0% at year's end. The benchmark rate adjustment was meant to steady Indonesia's domestic financial market in the midst of global uncertainty. As a consequence, the Rupiah outperformed currencies of emerging markets such as Turkey, Brazil, South Africa and India. Furthermore, towards end of 2018 the Rupiah exchange rate bounced back as the impact of weakening USD and expectancy of a slower FFR increase.

The Financial Services Authority (OJK) continues to implement strict regulatory and supervisory measures across the financial industry, while actively reaching out to market participants to anticipate future risks. The success of the Indonesian government and the central bank, Bank Indonesia, in controlling inflation has contributed significantly to macroeconomic stability.

During 2018, national M2 money supply growth slowed, particularly on the part of net foreign assets flow. The growth of third-party funds in the banking industry has been lower than loan growth since the beginning of 2018. Third-party funds in the banking sector grew by 6,4%, while loans grew by 11,8%. The system Loan to Deposit Ratio (LDR) increased from 90.0% to 94,8%, which resulted in tighter banking industry liquidity and competition in the collection of third-party funds to maintain liquidity positions. Overall, time deposit rates in the banking industry increased in 2018. Bank Indonesia is expected to remain proactive in managing the benchmark interest rate by monitoring the movement of interest rates in major economies and domestic liquidity conditions.

The Implementation of BCA's Strategic Policies

We implement strategic policies that are aligned with changing economic conditions and the national banking sector. In 2018, we carried out various business activities, taking into account the increasingly tight liquidity conditions and the trend of rising interest rates, while always maintaining credit quality.

We saw increasingly tight liquidity risk in the banking sector with a high LDR during 2018. Therefore, BCA has aimed to maintain a strong liquidity position by developing its transaction banking franchise. With BCA's excellence in transaction banking, and supported by the provision of comprehensive financial services for customers, Current Accounts and Savings Accounts (CASA) continue to increase and make a major contribution to BCA's total third party funds.

In line with the upward trend in benchmark interest rates during 2018, we raised time deposit rates. The accumulation of these time deposits serves as a counterweight to our liquidity position. We proactively manage our time deposit rates and adjust lending rates prudently. We are cautious that higher lending rates may affect the credit quality of customers. We emphasize prudent lending and risk management disciplines. Maintaining credit quality is our priority.

Continuous development of transaction banking

We continue to strengthen our capability to provide payment settlement services. This enables BCA to accumulate sticky CASA funds as core funding at low-interest cost. Supported by the development of transaction banking as a core business, BCA has a growing customer base and integrated through multi-channel network. Convenience, security, and reliability of transactions, remain our focus in the development of transaction banking infrastructure.

The rapid advancement of technology, along with communities embracing these changes, has encouraged us to adapt and embrace the new opportunities that exist. Digital services have been developed which allow customers to carry out transaction banking digitally. Various methods of payment for online transactions, which relate to e-commerce and cashless payment settlement, continue to be built.

The increasing use of digital services by customers, supported by digital development initiatives, supports BCA's operational efficiency and increases customer satisfaction. In the past few years, we have seen a large transition from traditional transactions to digital networks, especially through the internet and mobile banking. In 2018, the number of transactions carried out over internet banking, mobile banking and ATMs reached 98% of total BCA transaction services. This enormous growth has encouraged BCA to continue to increase the capacity and capability of its information technology infrastructure.

Meanwhile, branch offices still have an important role in building direct relationships with customers and serving customers' needs in a way that digital services are not yet capable of. Cash transactions at branches remain an essential part of BCA's business. Although these transactions only make up 2% of total transactions, they are responsible for 54% of transaction value.

To support the needs of these customers, we continue to increase the number of branches with a focus on the simpler cash office format and BCA Express, a temporary branch, to improve efficiency while maintaining service quality. Automation initiatives, such as self-service machines or through mobile applications, also support the efficiency of business processes in branches. BCA has also continued to develop its ATM network with the addition of the Cash Recycling Machine (CRM) which serves both cash deposits and withdrawals. CRM expansion improves efficiency for BCA's ATM operations.

Through its preeminence in transaction banking, BCA has increased CASA funds each year. In the past decade, BCA has recorded CASA CAGR growth of 11.9%. At the end of December 2018, BCA posted CASA funds of Rp483.0 trillion, an increase of 8.9% compared to the previous year. Overall, CASA funds contributed 76.7% to BCA's total third-party funds.

Growth of loan portfolios

During 2018, BCA saw more loan demand, especially from businesses. This resulted in BCA recording high credit growth in the corporate, commercial, and SME segments. Overall, the corporate segment was the main driver of loan growth. In the corporate segment, lending is tailored to customers' needs and is aimed at corporations that have a good track record. Corporate lending continues to take into account both concentration risk and the business potential of each client. Meanwhile, commercial and SME lending is supported by commercial business centers, SME centers, and branch networks that are spread across business centers in Indonesia.

As for consumer lending, BCA offers products with competitive interest rates and carries out attractive promotional activities and special events. The consumer loan portfolio continues to grow moderately in the face of the challenges presented by rising interest rates. We recorded positive growth in mortgages, vehicle loans and credit cards. Home equity loans contributed significantly to the growth of our mortgage portfolio in 2018.

We consistently improve our credit infrastructure to accommodate overall credit growth. Adequate numbers, along with the improvement of account officers and relationship managers skill sets are important factors in supporting quality loan growth. BCA also utilizes information technology to manage debtor data and information, and for conducting analysis. This allows the Bank to find various loan demand opportunities in different customer segments. We also continue to make efforts to develop credit products, improve credit policies, and strengthen regional business operations.

Board of Directors

Left to right :

Eugene Keith Galbraith
Deputy President Director

Henry Koenaifi
Director

Jahja Setiaatmadja
President Director

Suwignyo Budiman
Director

Armand Wahyudi Hartono
Deputy President Director

Subur Tan
Director

Erwan Yuris Ang
Independent Director

Inawaty Handojo
Director

Rudy Susanto
Director

Lianawaty Suwono
Director

Santoso
Director

Vera Eve Lim
Director

In 2018, BCA posted a loan portfolio of Rp538.1 trillion, an increase of 15.1% compared to the previous year, and maintained a high level of credit quality. In particular, we began to see an increase in demand for higher investment loans in 2018. BCA investment loans grew 22.2%, exceeding the rate of investment credit growth in 2017 by 11.1% and in 2016 by 1.9%. In the past decade, the total BCA loan portfolio has grown by 16.9% CAGR.

The development of comprehensive solutions and services

In line with the development of increasingly diverse customer needs, we continue to strive to provide comprehensive products and services. In recent years, BCA has improved coordination between business units and linked up with subsidiaries to provide comprehensive services to customers in each segment.

In addition to strengthening our lending and transaction banking business, we also continue to develop other financial services, including trade and international business, foreign exchange, cross border remittance, wealth management and bancassurance, and the business lines of subsidiaries. BCA's subsidiaries' businesses include vehicle financing, Sharia banking, securities, general insurance, life insurance, and venture capital companies.

The existing range of products and services has complemented our core transaction banking business and provided cross-selling opportunities to support the overall performance of BCA. The large BCA customer base provides potential for the development of subsidiary businesses, and, conversely, will strengthen BCA's relationships with its customers through the provision of comprehensive financial services.

Financial Performance, Targets and Challenges

BCA and its subsidiaries achieved a solid financial performance in 2018 with net income recorded at Rp25.9 trillion, an increase of 10.9%. Operating income (net interest income and operating income other than interest) reached Rp63.0 trillion, increasing by 10.6%. BCA's performance is supported by solid credit and CASA portfolio growth and sustained credit quality.

Overall, BCA's performance in 2018 exceeded our targets. At the end of 2018, BCA's loan portfolio was Rp538.1 trillion, marking an increase of 15.1%, which exceeded the target of 7–9% set at the beginning of the year. In terms of raising funds, BCA achieved third-party funds growth of 8.4% to Rp629.8 trillion, which was driven by growth in current accounts and savings accounts. The increase of third-party funds also exceeded the initial target of 5%–7%.

BCA recorded Return on Assets (ROA) and Return on Equity (ROE) of 4.0% and 18.8%, respectively. This achievement exceeded the ROA target of 3.5% and met the ROE target of 17%–19%.

Meanwhile, capital and liquidity are both in strong positions, with a Capital Adequacy Ratio (CAR) of 23.4% and a Loan to Deposit Ratio (LDR) of 81.6%.

Analysis of Business Prospects and Strategy in 2019

The Fed's policy of interest rates will affect the monetary policies of central banks around the world, including Indonesia, and will have an impact on the movement of capital flow. Bank Indonesia's benchmark interest rate is expected to move in line with the Fed's interest rate adjustment. Consequently, we need to cautiously monitor volatility, including the risk of tightening national banking liquidity.

Target vs Achievement 2018

	Target	Achievement
Loan growth	7% - 9%	15.1%
Third party funds growth	5% - 7%	8.4%
ROA	≥ 3.5%	4.0%
ROE	17% - 19%	18.8%

We believe that the Indonesian banking sector and its macroeconomic environment will continue to show resilience in the face of dynamic global conditions. Indonesia's positive economic growth is expected to continue in 2019, supported by the completion of infrastructure projects and higher domestic consumption.

Banking sector third party funds and loans are projected to grow moderately in 2019, in line with domestic economic growth expectation. The risk of a decline in loan quality still needs to be monitored, due to higher level of interest rates level and economic conditions that have not yet fully recovered. But, overall, the banking sector has a strong foundation, as the capital adequacy ratio is at a very adequate level and the ratio of non-performing loans is in a tolerable range.

In addition to competition among banks, the sector also faces challenges from fintech companies that rely on technological advances to provide financial services. The growth of fintech companies and the e-commerce business has begun to pose a threat to the transaction banking business, while also providing the banking sector with opportunities for collaboration.

Looking at the dynamic business environment, especially the risk of tightening liquidity and competition from technology-based non-bank institutions, we continue to increase the capability of our core transaction banking business, through measurable network investments and the use of digital technology. BCA will continue to innovate and improve its online payment methods and will expand collaboration with fintech and e-commerce players. To grow the collaboration, BCA continues to develop the Application Programming Interface (API) as a connection platform between strategic partner systems and the BCA payment settlement system.

Some of the latest initiatives are the launch of QR-code-based peer-to-peer transfer services on the BCA Mobile and Sakuku e-wallet. To provide quicker and easier payments for e-commerce transactions, BCA now provides OneKlik services where customers can make online shopping payments with just one click. Before the use of OneKlik, customers must register a one-time payment source from a BCA account. By maintaining transactional banking excellence, individual service development, lending to business segments, and a continuously enhanced payment ecosystem, BCA can continue to raise CASA funds as its main funding source. BCA will also proactively manage time deposit rates according to market conditions, so that an overall liquidity position is maintained.

Regarding lending, we target an increase in our loan portfolio while maintaining the principle of prudence. We estimate that credit growth in 2019 will be further supported by the business segment, compared to the consumer loan segment, due to the higher interest rates compared with previous years. We will strive to capture various business opportunities in each credit segment, especially in prospective and growing industries.

BCA will continue to comprehensively develop financial products and services in response to increasingly diverse customer needs. Innovative initiatives are needed to further strengthen loyalty and relationships with customers. BCA will strengthen cross-selling activities on various products and services such as trade finance, remittance, foreign exchange, bancassurance products, investment instruments, and products from subsidiaries.

We are committed to growing with our subsidiaries by increasing business synergy and supporting capital positions, according to the development of each subsidiary business. We expect the subsidiaries to increase their contributions to the Bank's overall performance, including interest income and fee-based income.

Implementation of Corporate Governance

We emphasize the importance of implementing good corporate governance throughout the organization, from the Board of Commissioners and Directors, to middle management and employees. Good corporate governance plays a role in the Bank's successful business continuity and in minimizing risks.

We implement good corporate governance based on the principles of transparency, accountability, responsibility, independence and fairness. Improving the implementation of corporate governance refers to national and international guidelines, including regulations of the Financial Services Authority (OJK), Bank Indonesia and the ASEAN Corporate Governance Scorecard. It is also based on best practices in the banking industry.

BCA engages in active communication with customers, regulators and the capital market community that ensures transparency with stakeholders. BCA provides a clear division of tasks and responsibilities between work units, and actively applies the principle of checks and balances as part of internal control system implementation.

In 2018, a corporate governance self-assessment placed the Bank into the category of Rank I (Very Good). For its commitment to good corporate governance, BCA was awarded the Most Trusted Company from the Indonesian Institute for Corporate Governance (IICG) and SWA magazine, as well as Best Right of Shareholders from the Indonesian Institute for Corporate Directorship (IICD).

Performance of Committees

For their support in carrying out the duties of the Board of Directors throughout 2018, we express our appreciation to the executive committee; the Asset & Liability Committee (ALCO); the Credit Policy Committee; the Credit Committee; the Risk Management Committee; the Integrated Risk Management Committee; the Information Technology Steering Committee; and the Personal Case Advisory Committee. These committees have contributed to the Bank's business and have provided useful opinions in supporting the Board of Directors in its duties. Each committee conducts regular discussions on work programs in accordance with developments at BCA, as well as prevailing conditions in the wider economy and the regulatory environment.

Strategies for Human Resources' Development

Employees are an important factor in business sustainability and performance. BCA ensures the quality and quantity of its employees, so that it can meet the evolving needs of its customers. Through various training and mentoring programs, BCA has established quality and adaptable human resources that support business growth.

Regeneration and leadership succession are part of BCA's priorities, which ensure a sustainable organization. High potential employees also have a clear career development plan to follow. To improve their competence, performance and skills, employees have the opportunity to continue their education to higher level.

BCA maintains its reputation as an employer of choice in the banking industry and attracts qualified employees and retains talent to continue to contribute to its performance. We always strive to build a positive, encouraging and conducive work environment, which provides opportunities for employees to grow.

Corporate Social Responsibility

BCA is actively involved in various Corporate Social Responsibility (CSR) activities and focuses on making a real contribution to communities. BCA's CSR programs are carried out in collaboration with leading institutions that are experienced and competent in their fields, such as WWF, UNICEF, the Indonesian Red Cross and leading universities in Indonesia. BCA's social activities are focused on education, culture, health, sports and community empowerment.

To improve Indonesia's competitiveness, we run social activities in the education sector. They are carried out through educational programs in the fields of accounting and information technology. BCA also provides educational facilities, scholarships, banking education and financial literacy assistance. In 2018, we provided 376 scholarships

in the field of accounting and sponsored 106 students in the field of information technology. Under the Bakti BCA internship program, we managed 3,981 participants. We also collaborated with 17 schools in Lampung province, Banten and Yogyakarta.

To support the preservation and development of national culture, we collaborate with relevant institutions to introduce Indonesian arts to younger generations. In the health sector, BCA organizes blood donation activities by involving employees and supports health services and facilities for the poor.

For community empowerment, we cooperate with local communities to develop tourist villages that support the local economy. We have cooperated with local communities to develop 12 villages across Indonesia, creating business opportunities and local employment.

We are committed to implementing sustainable financing principles that integrate environmental, social and governmental aspects. To support the OJK initiative on sustainable financing, BCA became one of the First Movers on Sustainable Banking. As a form of commitment to sustainable financing, BCA funds projects that support the environment, energy conservation, and organic agriculture.

Changes to the Board of Directors

A new member joined BCA's Board of Directors in 2018. We welcomed Ms Vera Eve Lim, as approved by the 2018 Annual General Meeting of Shareholders and the OJK. Ms Vera Eve Lim oversees the Finance and Planning Division and the Corporate Secretary. With her experience and competence in the banking industry, we believe that she will contribute to BCA's overall performance.

Appreciation for All Stakeholders

We express our appreciation for the trust of our customers and for the contribution of our employees, who work hard to deliver quality products and services to our customers.

We also appreciate the valued support and guidance of the Board of Commissioners to the Board of Directors in carrying out its duties, which aided BCA's strong performance during 2018. The Board of Directors is very grateful for the support and prudent supervision of the OJK and Bank Indonesia, which help to maintain a stable financial system in Indonesia.

Last, but certainly not least, on behalf of BCA's Board of Directors and management, we would like to express our gratitude to all stakeholders for their support in the growth of BCA's business.

Jakarta, March 2019
On behalf of the Board of Directors,

Jahja Setiaatmadja
President Director

Board of Commissioners' Supervisory Report

Djohan Emir Setijoso
President Commissioner

> **"The implementation of good corporate governance, risk management and internal control is the foundation to support business performance and create added value for stakeholders."**

Dear Shareholders,

In 2018, BCA recorded positive financial performance with an increase of 10.9% in net profit to Rp25.9 trillion. The strong capital and liquidity position and sustained loan quality supported a healthy balance sheet and provided a robust foundation for business growth, allowing the Bank to invest in new business lines.

In 2018, the Board of Commissioners saw a positive performance from the Board of Directors in managing the Bank, with caution and discipline in the face of dynamic economic conditions. BCA continued to make measured investments throughout 2018 in order to strengthen the transaction banking business and credit infrastructure.

Review of Indonesian Economy and Banking Sector in 2018

In 2018, the global economy was still overshadowed by ongoing uncertainty. Economic indicators in the US showed improvements, but China, the world's second largest economy, and some other major economies recorded slowing growth. Raising Fed rates and trade tensions between China and the US were the major issues for the world economy. Global economic conditions impacted Indonesia's economy to a certain extent. Volatile capital flows and a higher current account deficit were major challenges due to the dynamic global environment.

Indonesia's economy showed improving growth, amid pressure from these external factors. The resilience of its macroeconomy was recognized by several of the world's major rating agencies. Fitch Ratings and Standard & Poor's upheld investment grade ratings for Indonesia. Moody's judged that the policies of the government and Bank Indonesia supported the stability of the country's economy. As such, in April 2018, Moody's raised Indonesia's sovereign credit rating from Baa3/Outlook Positive to Baa2/Outlook Stable. Indonesia recorded economic growth of 5.2% in 2018, compared with 5.1% in 2017, driven by ongoing infrastructure development, local capital investments and domestic consumption. It experienced among the highest GDP growth in Asia.

The Indonesian government and Bank Indonesia successfully maintained a stable macroeconomy and national financial system. The policies of Bank Indonesia and the Government were focused primarily on controlling volatile capital flows and the current account deficit. Emergence of trade tensions between China and the US, and the slowing economy in China, affected the value of Indonesia's main export commodities. Imports into Indonesia rose, mostly to meet demand for capital expenditure on large-scale projects and for raw materials.

Board of Commissioners

Left to right :

Sumantri Slamet
Independent Commissioner

Djohan Emir Setijoso
President Commissioner

Raden Pardede
Independent Commissioner

Cyrillus Harinowo
Independent Commissioner

Tonny Kusnadi
Commissioner

These conditions contributed to a current account deficit of USD31.1 billion, 3.0% of GDP in 2018 or up from USD16.2 billion or 1.6% of GDP in 2017. The widening current account deficit, along with fluctuations in foreign capital affected by the rising Fed rates, placed pressure on the Rupiah, which ranged from Rp13,289 to Rp15,238 to the US dollar throughout 2018. Rupiah exchange rate closed at Rp14,390 to the US dollar at the end of 2018.

Responding to these developments, Bank Indonesia increased the 7-day reverse repo rate gradually through 2018, with a total overall rise of 175 bps, reaching 6.0% by the end of the year. Indonesia maintained adequate foreign exchange reserves of USD120.7 billion in 2018, equivalent to the value of 6.7 months of imports, or 6.5 months of imports and servicing government external debt. These reserves were above the international benchmark of 3 months of imports. Low inflation throughout 2018 further supported the economy's resilience.

The recovery of the national economy supported moderate growth in banking sector assets. The national banking industry recorded positive profitability, supported by the growing loan portfolio and third party funds, managed operating expenses increase and controlled provision expenses of non-performing loans. We saw the stability of the national banking sector maintained with a strong capital position and a tolerable NPL level.

Short-term challenges in the banking sector were raised by the industry's increasingly tight liquidity position, reflected in the Loan to Deposit Ratio (LDR), which reached 94.8% by the end of 2018, above the regulator's benchmark. Tighter liquidity encouraged competition among banks for third party funds. The regulator continued to monitor liquidity conditions and relax the minimum reserves requirement, and exercised discipline in setting the 6.5% minimum reserve requirement. These policies afforded industry flexibility in managing liquidity but maintained macroprudence.

Performance of the Board of Directors and Bases of Assessment

The Board of Directors successfully managed BCA business lines, consistent with the nation's economic growth and the condition of the banking sector in 2018. The evaluation of the Directors is based on the annual work plan submitted by the Directors and approved by the Board of Commissioners, and their response to the dynamic business and economic conditions. In our review, the Directors have led BCA to achievements consistent with the Bank's vision and mission and in line with the strategic direction and established work plan.

We appreciate the steps taken by the Board of Directors to strengthen the transaction banking franchise and to engage in prudent lending, achieving a positive financial performance overall. Several programs were undertaken prioritizing the increasingly varied needs of customers. The use of information technology supports the Bank's efforts to maintain its competitive edge, cater to customer demands and increase work process efficiency.

The Directors have received advice from the Board of Commissioners on managing the business with caution and maintaining a balance between making investments, capturing opportunities, and managing risk. BCA also deepened synergy with the subsidiaries to offer better comprehensive banking solutions to customers and strengthen the Bank's business ecosystem. The Board of Commissioners and Board of Directors are committed to the implementation of good governance, careful risk management and internal controls, as foundations for promoting positive business performance and generating added value for customers and stakeholders.

Overall, we achieved strategic targets and sustained financial performance. Net profits increased 10.9% to Rp25.9 trillion in 2018. BCA recorded stronger loan growth in 2018, with an increase of 15.1% to a total portfolio of Rp538.1 trillion. CASA growth of 8.9% brought the total to Rp483.0 trillion, supported by the trust customers have

in the Bank's transaction banking services and ecosystem. Return on Assets (ROA) and return on equity (ROE) exceeded pre-defined targets, and the Bank secured a solid capital and liquidity position, reflected in the Capital Adequacy Ratio (CAR) at 23.4%, Loan to Deposit Ratio at 81.6% and Liquidity Coverage Ratio (LCR) at 278.2%.

Supervision of BCA's Strategy Implementation

In 2018, we conducted our business in line with the annual work plan, vision and mission and strategic direction. Through careful observation of macroeconomic conditions, changes in the business environment and customer behaviour and needs, we were able to adapt and implement strategies relevant to current developments.

BCA maintained its core advantage in the transaction banking business by upgrading capabilities and making measured investments in the Bank's integrated multi-channel network. Developments are always made with security, convenience and reliability in mind. In the current era, digital technology is a central part of everyday living and has had a significant impact on the transaction behaviour of customers. The same developments have also driven the growth of the e-commerce industry and fintech companies. The Bank sees these trends as opportunities and has collaborated with fintech and e-commerce companies to strengthen the BCA payment ecosystem.

Internet and mobile banking services along with app-based services, are continually developed and upgraded in line with the needs of customer transactions through digital services. Digital transactions conducted through internet and mobile channels, as well as ATMs, now account for 98% of the Bank's transaction volume, which supports operational efficiency; 54% of all transaction value is still handled through the branches. The branch network remains an important part of the Bank's infrastructure, especially for handling high-value cash transactions and maintaining close personal relationships with customers. To increase efficiency, investments in branch offices have been focused on simpler branch formats with support from automated systems.

These strategic steps supported growth of Current Accounts and Saving Accounts (CASA), the primary source of the Bank's funds. Aside from collection of CASA, time deposits play an important role in maintaining the Bank's liquidity position. Overall, CASA funds grew 8.9% to Rp483.0 trillion, and time deposits increased 6.8% to Rp146.8 trillion by the end of 2018.

To develop the lending business, we improved the credit infrastructure to support loan processing. Amid relatively high credit demand, the Bank optimized lending to customers with long-term track records in high-potential sectors. A healthy credit portfolio was maintained by implementing the principle of prudence, which minimized NPL ratio, well within the Bank's risk appetite. In 2018, BCA successfully increased its loan portfolio in all segments: corporate, commercial, small and medium-sized enterprise (SME) and consumer. Diversified lending across multiple sectors allows the Bank to minimize concentration risk.

BCA strengthened synergy with its subsidiaries and increased the coordination among the transaction banking unit, lending units and other business units, in order to cater to the customers' needs for comprehensive financial services.

Implementing Good Corporate Governance

BCA ensures the implementation of Good Corporate Governance (GCG) principles throughout the entire organization, represented by the Bank's commitment to transparency, accountability, responsibility, independence and fairness. The implementation of GCG is conducted in accordance with the prevailing local regulations, and is increasingly aligned with the standards of the ASEAN Corporate Governance Scorecard. In 2018, BCA improved its governance guidelines with reference to new provisions from the regulators.

To monitor the quality of the Bank's implementation of GCG, BCA conducts periodical self-assessment of GCG, both as a standalone firm and as a consolidated (integrated) group with its subsidiaries. In 2018, the results of the self-assessment of both individual and integrated GCG were Very Good.

With the implementation of GCG, we have maintained the trust of stakeholders and supported long-term business operations. For its commitment to GCG, BCA has received a number of awards, including The Most Trusted Company from the Indonesian Institute for Corporate Governance (IICG) and SWA Magazine, and Best Right of Shareholders from the Indonesian Institute for Corporate Directorship (IICD).

Board of Commissioners' Whistleblowing Role

The Board of Commissioners provides guidance in the development of a whistleblowing system and supervise its implementation at the Bank as a part of GCG.

To increase the effectiveness of the whistleblowing system in order to detect fraud and other violations committed internally, BCA has implemented a whistleblowing policy. It has a work unit tasked with monitoring the effectiveness of the whistleblowing system implementation, which is responsible directly to the President Director, while maintaining close communication and reporting directly to the Board of Commissioners.

To introduce the whistleblowing system for employees, BCA provides socialization through the e-learning channel. Fraud and other violations can be reported by internal and external parties through the company website. The system enables detection and prevention of fraudulent activity, in turn supporting implementation of GCG.

Supervisory and Advisory Role to Board of Directors

The Board of Commissioners monitors the Directors' management of the business. In 2018, it gave guidance to the Directors regarding policy and strategy. Such guidance is given through meetings or documented by memorandum. In 2018, there were 37 meetings of the Board of Commissioners and 14 joint meetings of the Board of Commissioners and the Directors. The Board of Commissioners also conducted various ad-hoc meetings as needed.

The Board of Commissioners' advice and recommendations to the Board of Directors are as follows.

Topic	Summary
Business strategy and management	• Maintain Bank's performance by increasing cost efficiency, sustaining loan quality and quality growth. • Support innovations and adjustments to keep up with technology and fintech industry developments. • Supervise and provide advice on corporate actions. • Provide advice on optimalization use of liquidity.
Risk management	• Require further review on major risks (strategic impacts) of the Bank and its subsidiaries. • Provide advice on exchange rate risk and its impact on business. • Minimize concentration risk; diversify lending across high-potential sectors. • Provide advice to review the complexity of risks in lending for infrastructure. • Require policies for monitoring of restructured loans. • Approve the update of 2019 recovery plan.
Audit and compliance	• Prioritize auditing for high-risk matters (risk-based audit). • Approve the proposed amendments to the BCA's Articles of Association according to the Law and systematics of Annual General Meeting results. • Approve the proposed amendment to the Audit Committee Charter regarding the recommendation matters for appointment/ dismissal/ replacement of public accountant.

Assessment of Committees Under the Board of Commissioners

We appreciate the contributions of committees to increase the effectiveness of the Board of Commissioners in 2018. The Audit Committee, Risk Oversight Committee, Remuneration and Nomination Committee, and the Integrated Corporate Governance Committee all showed strong performance and upheld high standards of competency and quality.

The Audit Committee ensures the implementation of internal controls and effectively assists the Board of Commissioners in overseeing the implementation of internal and external audit functions, implementation of corporate governance and compliance with prevailing laws and regulations. In carrying out its duties, the committee held 22 meetings, met with the Internal Audit Division 10 times, and reviewed more than 166 internal audit reports in 2018.

The Risk Oversight Committee ensures the Bank's risk management system provides protection against the risks faced by BCA. In 2018, the committee held 10 meetings, reviewing credit portfolios, assessing operational risk, cyber security and business continuity plans, among others.

The Remuneration and Nomination Committee has carried out its duties in providing recommendations to the Board of Commissioners regarding BCA's overall remuneration policy. The committee held six meetings in 2018, including those related to tantiem policy, remuneration and talent mapping.

The Integrated Governance Committee supports the Board of Commissioners in supervising the implementation of integrated corporate governance at BCA and its subsidiaries. In 2018, the committee held four meetings and reported on the implementation of integrated governance to the Board of Commissioners.

Changes to the Board of Commissioners

In 2018, there were no changes to the membership of the Board of Commissioners. The Commissioners' profiles can be found under Company Profile on pages 66-69 in this report. Each member of the Board of Commissioners has carried out supervisory functions and provided advice to the Board of Directors in managing the Bank, in accordance with their respective competency and experience.

Business Prospects and Assessments of the Board of Commissioners

The recovery of the national economy will continue in 2019. The macroeconomy and the banking sector are resilient amidst dynamic global economic conditions, supported by the active role of regulators and the Government.

Nevertheless, possible adjustments of the Fed rate may affect the flow of global capital and the Bank Indonesia benchmark rates. BCA will continue to monitor liquidity conditions in Indonesia, including the liquidity of the banking sector, which is expected to tighten.

Efforts to strengthen the transaction banking business will maintain the confidence of customers placing funds with BCA. Competition in the banking sector is expected to intensify while fintech companies and e-commerce players enter the field, offering new innovations in transaction banking. BCA constantly monitors the development of the business and adapts to maintain its excellence in transaction banking franchise. Efforts to expand the customer base and connect customer businesses with the BCA payment system will further support excellence in transaction banking. Technological developments provide an opportunity for BCA to better analyse customer needs and increase the efficiency of business processes.

Based on the annual work plan submitted by the Board of Directors, and considering economic conditions, the Board of Commissioners agrees with the Bank's strategic direction to maintain a balance between its liquidity position, targeted credit growth and asset quality. Economic recovery is expected to continue with moderate economic growth. Therefore, BCA continues to implement prudent principles in lending as well as maintaining solid financial performance.

To accommodate developing customer needs, BCA will strengthen synergy with its subsidiaries, which ultimately support the business of the BCA group as a whole, and provide opportunities for collecting fee-based income.

BCA continues to maintain the Bank's business continuity through efforts to strengthen the transaction banking franchise, improve quality lending and develop other business lines. BCA's work plan in 2019 is still conscious of the balance between various business opportunities and the risks that they bring with them. BCA will continue to adapt to changes in the business environment while maintaining business continuity and providing added value to stakeholders.

Appreciation of Stakeholders

BCA's achievements in 2018 cannot be separated from the support given by all the Bank's stakeholders. The Board of Commissioners would like to thank all shareholders, customers, business partners, staff and other stakeholders for the trust they have shown in supporting the continuity of BCA's business. We give appreciation to the Board of Directors, who have steered the company to a solid financial position, and to the subsidiaries who have contributed to the overall performance of the BCA group.

We also thank the Indonesian Financial Services Authority (OJK) and Bank Indonesia for carrying out their supervisory functions and supporting the resilience of the national banking business throughout 2018. BCA is committed to providing sustainable value and benefits to customers, stakeholders and the Indonesian community.

Jakarta, March 2019
On behalf of the Board of Commissioners,

Djohan Emir Setijoso
President Commissioner

Corporate Profile

Company General Information

As of 31 December 2018

Name
PT Bank Central Asia Tbk

Line of Business
Commercial Bank

Ownership
PT Dwimuria Investama Andalan 54.94%
Public 45.06%

Establishment
10 October 1955

Legal Basis of Incorporation
Notary Deed No. 38 of Raden Mas Soeprapto dated 10 August 1955.
Approved by the Minister of Justice in Decision Letter
No. J.A.5/89/19 dated 10 October 1955

Authorized Capital
Rp5,500,000,000,000
(88,000,000,000 shares)

Issued and Fully Paid Up Capital
Rp1,540,938,125,000
(24,655,010,000 shares)

Stock Exchange
Shares of PT Bank Central Asia Tbk are listed and traded at the Indonesia Stock Exchange (IDX)

Listing Date
31 May 2000

Share Code
BBCA

ISIN Code
ID1000109507

SWIFT Code
CENAIDJA

Total Employees
24,941

Change of Name
Effective on 2 September 1975 the name of the Bank was changed to PT Bank Central Asia (BCA)

Headquarters:
Menara BCA, Grand Indonesia
Jl. M.H. Thamrin No. 1
Jakarta 10310
Tel. (62-21) 2358 8000
Fax. (62-21) 2358 8300

Networks:
1,249 branches, 17,778 ATMs, and hundreds of thousands EDCs
(Information of branches address can be found in the Branches section on pages 98-100)

Subsidiaries:
- PT BCA Finance
- BCA Finance Limited
- PT Bank BCA Syariah
- PT BCA Sekuritas
- PT Asuransi Umum BCA
- PT Central Santosa Finance
- PT Asuransi Jiwa BCA
- PT Central Capital Ventura

(Information of subsidiaries address can be found in the Information on Subsidiaries section on pages 88-89)

Company Website:
www.bca.co.id
www.klikbca.com

Call Center:
Halo BCA 1500888

Corporate Secretary
- Public Relations
- Investor Relations

Menara BCA
Grand Indonesia, 20th Floor
Jl. M.H. Thamrin No. 1
Jakarta 10310
Tel. (62 21) 2358 8000
Fax. (62 21) 2358 8300
E-mail: humas@bca.co.id
investor_relations@bca.co.id

Line of Business

In 2018, BCA carried out banking business and activities with consideration to the Bank's Articles of Association. Based on Article 3 of its Articles of Association, BCA as a Commercial Bank may engage the following business activities:

a. To collect funds from the public in the form of deposits comprising of clearing account (*giro*), time deposit, deposit certificate (*sertifikat deposito*), savings account an/or any other form equivalent thereto;
b. To provide credit facilities;
c. To issue debt acknowledgment letters;
d. To purchase, sell or guarantee, whether at its own risk or for the benefits of and at the request of its customers, the following:
   i. Drafts, including drafts accepted by bank with a validity period not to exceed that in the normal practice for trading of such instruments;
   ii. Debt acknowledgment letters and other commercial papers, with a validity period no to exceed that in the normal practice for trading such papers;
   iii. State treasury notes and government guarantees;
   iv. Certificates of Bank Indonesia (SBI)
   v. Bonds;
   vi. Commercial papers with a validity period in accordance with the prevailing laws and regulations;
   vii. Other commercial papers with a validity period in accordance with the prevailing laws and regulations.
e. To transfer funds, either for its own benefit or for the benefits of its customers;
f. To place fund at, to borrow funds from, or to lend funds to other banks, whether by letters, telecommunication facilities, or bearer drafts, cheques or other media;
g. To receive payments of receivables from commercial papers and make calculations with or among this parties;
h. To provide safe deposit box for goods or valuable papers;
i. To engage in custody activities for the benefit of any other party under a contract;
j. To conduct a placement of fund from one customer to another customer in the form of commercial papers that are not registered on the stock exchange;
k. To conduct factoring (*anjak piutang*), credit card and trusteeship services;
l. To provide financing and/or conduct business activities under Sharia Law, through either the establishment of a subsidiary or formation of Sharia Business Unit in accordance with the rules and regulations stipulated by Bank Indonesia, or Indonesian Financial Services Authority or other authorized institutions;
m. To carry out business activities in foreign currencies in accordance with the rules and regulations determined by Bank Indonesia, or Indonesian Financial Services Authority or other authorized institutions;
n. To conduct capital participation in banks or other financial companies, such as leasing companies, venture capital companies, securities companies, insurance companies, and a clearance, settlement and depository institutions, subject to rules and regulations stipulated by Bank Indonesia, or Indonesia's Financial Services Authority or other authorized institutions;
o. To conduct temporary capital participation for the purpose of dealing with credit failure, provided that such participation must be later withdrawn, subject to the regulations stipulated by Bank Indonesia, or Indonesia's Financial Services Authority or other authorized institutions;
p. To act as a founder (*pendiri*) or managing executive (*pengurus*) of pension funds in accordance with the existing regulations on pension funds; and
q. To conduct other activities generally conducted by banks to the extent permitted by the prevailing laws and regulations, including among others, any measures pertaining to restructuring or credit rescue, such as buying collateral, whether partially or wholly, at an auction or by other means, in the event that a debtor fails to fulfill its obligations to the bank, provided that such collateral must be cashed immediately.

Milestones

1955

Bank Central Asia (BCA) founded as "NV Perseroan Dagang Dan Industrie Semarang Knitting Factory."

1957

BCA commenced operations on 21 February 1957 with Head Office located in Jakarta.

1970's

Effective on 2 September 1975 the name of the Bank was changed to PT Bank Central Asia (BCA).

BCA strengthens its delivery channels and obtained a license to open as a Foreign Exchange Bank in 1977.

1980's

BCA aggressively expanded its branch network in line with the deregulation of the Indonesian banking sector.

BCA developed its information technology capacity, by establishing an online system for its branch office network, and launches new products and services including the Tahapan BCA savings accounts product.

1990's

BCA develops the Automated Teller Machine (ATM) network as an alternative delivery channel.

In 1991, BCA installed 50 ATM units in various locations in Jakarta.

BCA intensively develops the ATM network and features.

BCA works with well-known institutions, such as PT Telkom and Citibank, allowing BCA's customers to pay their Telkom phone bill or Citibank credit card bill through BCA ATMs.

1997-1998

BCA experiences a bank rush during the Indonesian economic crisis.

In 1998 BCA became a Bank Take Over (BTO) and was placed under the recapitalization and restructuring program operated by the Indonesian Bank Restructuring Agency (IBRA), a Government Institution.

1999

BCA was fully recapitalized with the Government of Indonesia, through IBRA, assuming ownership of 92.8% of BCA shares in exchange for liquidity support from Bank Indonesia and a swap of related-party loans for Government Bonds.

Corporate actions highlights in 2000-2005

2000

IBRA divested 22.5% of its BCA shares through an Initial Public Offering, reducing its ownership of BCA to 70.3%.

2001

In a Secondary Public Offering, 10% of BCA's total shares were made available to the market. IBRA's ownership of BCA decreased to 60.3%.

2002

FarIndo Investment (Mauritius) Limited acquired 51% of BCA's shares through a strategic private placement.

2004

IBRA divested a further 1.4% of its BCA shares to domestic investors through a private placement.

2005

The Government of Indonesia through PT Perusahaan Pengelola Aset (PPA), divested the remaining 5.02% of its BCA shares and no longer has share ownership in BCA.

Note: There has been dilution effect to existing shareholders as new shares were issued in accordance with the Management Stock Option Plan, in which stock options were executable in the period from November 2001 to November 2006

Business development after 2000

BCA strengthens and develops its products and services, especially in electronic banking, by launching Debit BCA, Tunai BCA, KlikBCA internet banking, m-BCA mobile banking, EDCBIZZ, etc.

BCA establishes a Disaster Recovery Center in Singapore.

BCA develops expertise in lending, including expansion into vehicle financing through its subsidiary, BCA Finance.

2007

BCA became a pioneer in introducing fixed-rate mortgage products. BCA launches its stored-value card, Flazz Card, and introduced Weekend Banking to maintain its transaction banking leadership.

2008-2009

BCA proactively manages its lending and liquidity position in the face of unprecedented global turbulence while continuing to strengthen the core transaction banking franchise.

BCA completes the setting up of a mirroring IT system to strengthen business continuity and reduce operational risk.

BCA introduces Solitaire, a new banking service for high net-worth individual customers.

2010-2013

BCA entered new lines of business including Sharia banking, motorcycle financing, general insurance and the capital markets business. In 2013, BCA increased its effective ownership from 25% to 100% in its general insurance arm PT Asuransi Umum BCA (formerly PT Central Sejahtera Insurance and also known as BCA Insurance).

BCA strengthened its transaction banking through further development of innovative products and services, notably with mobile banking applications in the latest smartphones, with payment settlement services through e-commerce, and through a new concept of Electronic Banking Center which equips ATM Centers with additional technology-backed features.

Enhancing the reliability of its banking services, BCA completes a new Disaster Recovery Center (DRC) facility in Surabaya which functions as a disaster recovery backup data center, integrated with the current two mirroring data centers. The new DRC replaced the previous DRC in Singapore.

2014-2016

BCA developed MyBCA, a self-service digital banking outlet; expanded cash recycling machine-based ATM networks; and launched the Sakuku app-based electronic wallet.

The Bank's cash management services for institutional customers were enriched on internet banking platforms, the KlikBCA integrated business solution. This service provides features to meet the needs of business customers.

In January 2014, BCA purchased shares in PT Central Santosa Finance (CS Finance), a two-wheeler financing company, increasing the Bank's effective ownership from 25% to 70%. BCA also obtained permission to provide life insurance services through PT Asuransi Jiwa BCA (BCA Life).

In its role as a major gateway and perception bank, BCA participated in the successful implementation of the government's tax amnesty program from July 2016 to March 2017.

2017-2018

To embrace the growing e-commerce and cashless payment sectors, BCA started to collaborate with fintech and e-commerce companies through the Application Programming Interface (API) platform. This platform facilitates an interconnected system between those companies with the BCA transaction banking system.

BCA continued developing various methods of payment for online transactions. In 2018 BCA launched a peer-to-peer transfer feature using QR code technology, applicable on m-BCA and Sakuku. BCA launched the OneKlik service, a payment feature available at online merchants. OneKlik offers speed and convenience.

In 2018 BCA launched the VIRA virtual assistant, accessible through a number of popular chat apps, utilizing artificial intelligence technology.

The micro, small and medium-sized enterprise (MSME) center pilot project was launched in several branches to increase penetration in the segment amid tight competition.

BCA and PT AIA Financial (AIA Indonesia) renewed their bancassurance agreement in 2017 to expand the scope of their partnership.

BCA increased ownership in its subsidiaries, CS Finance, BCA Sekuritas and BCA Life, in 2017, to further strengthen integration and enhance business cooperation between these subsidiaries and BCA.

Event Highlights 2018

JANUARY

12

BCA Implements the Market Standard for REPO Transactions
As one of the members of the Market Association for Government Securities (HIMDASUN), BCA is taking part in the Publishing of the Market Standard for REPO Transactions regarding Debt Securities as a reference and guide in repo transactions.

15

BCA Channeled Rp25 Billion Worth of Micro-Small-Medium Credits through KlikACC
BCA partnered with KlikACC as the channeling agent for financing micro-small-medium borrowers with a maximum total portfolio of Rp25 billion.

FEBRUARY

3

A Total of 744 Employees in the Jabodetabek Area Joined the BCA Porseni
The Directors of BCA opened the BCA Porseni in the Jabodetabek area last 3 February 2018. The BCA Porseni held 8 sport activities and 3 art activities (dance, vocal groups, and photography).

9

BCA Held an Expoversary to celebrate its 61st Anniversary
BCA Expoversary 2018 featured various fantastic promotions, from property, cars, gadgets, fashion to food & beverage. This three-day event managed to attract more than 50 thousand enthusiastic visitors.

15

BCA Awards as Appreciation for BCA's Internal Best Work Performance
Two Directors of BCA, Inawaty Handojo and Rudy Susanto, delivered appreciations to the Bank's employees during BCA Awards event.

MARCH

13

BCA Received the Taxpayer Compliance Award for its Compliance in Taxation and As a Timely Tax Payer
In compliance with tax reporting and as a timely tax payer, BCA was one of recipients of Taxpayer Compliance Awards at the Directorate-General for Taxation - Large Taxpayer 2018.

16

Supporting Students Development, BCA Organized Public Lecture on The Development of Information Technology in the Financial Technology Era
Vice President Director of BCA, Armand W. Hartono, spoke at Padjadjaran University, discussed "IT Development in Indonesia in the Era of Financial Technology". 600 students attended the campus event.

22

For its Solid Financial Performance, BCA Received the Best Indonesian Retail Bank Award from the Asian Banker
BCA delivered a solid financial performance in 2017 and maintained its title as the Best Retail Bank in Indonesia. The award was given at The Asian Banker International Excellence in Retail Financial Service Awards 2018 in Kuala Lumpur.

APRIL

5

BCA Held its Annual & Extraordinary General Meeting of Shareholders
General meeting of shareholders agreed to pay dividend for 2017 financial year, Rp255 per share including Rp80 per share interim dividend which had been paid previously. This was a 27.5% increase from to the previous year. The general meeting of shareholders appointed Ms. Vera Eve Lim as the Director of BCA. In addition,The Extraordinary General Meeting of Shareholders approved the amendment of Articles of Association, in accordance with the applicable regulations.

16

BCA Launched the New BCA GPN Passport Cards
The launch of the BCA GPN Passport Card is in line with the Government's commitment to integrate various payment instruments and channels in order to create an efficient payment system, improved security and strengthen the independence of the national payment system.

17

BCA Disbursed a Syndicated Loan for Batang-Semarang Toll Section
BCA disbursed a syndicated loan amounting to Rp2 trillion to PT Jasamarga Semarang Batang (JSB) as the subsidiary of PT Jasa Marga (Persero) Tbk. This syndicated loan is to develop the North Coast Toll Road project - Batang-Semarang section. The loan facility represents our commitment to support sustainable economic growth and the Government's efforts to accelerate infrastructure development in Indonesia.

18

BCA Auto Debit Provides Payment Convenience for the Participants of the JKN-KIS Program
BCA and the Social Security Administrative Body for Health (BPJS) signed a Circular Letter regarding the implementation of BCA Auto Debit Service for the premiums payment of the National Health Insurance-Indonesian Health Cards (JKN-KIS) program.

23

Reporting Financial Performance for the First Quarter of 2018
BCA reported solid consolidated financial statement with first quarter net profit growth of 10.4% YoY.

MAY

14

BCA Was The Distribution Partner of SBR003
BCA supported the initial sales of Government securities, Retail Savings Bonds (SBR) SBR003. BCA acted as the official Distribution Partner, appointed by the Ministry of Finance of the Republic of Indonesia.

15

BCA Issued a Phase One of Continuous Subordinated Bond Worth Rp500 Billion
BCA issued debt instrument in the form of subordinated bonds worth Rp500 billion. The bonds issuance was a part of its recovery plan in fullfilling banks' obligation based on the POJK No. 14/2017.

JUNE

7

BCA Supported the 'Perfeq Rider' Program of PT Railink
BCA is committed to increasing its contribution towards Indonesia's economy, one of them is in public transportation. BCA supported the 'Perfeq Rider' program initiated by PT Railink.

27

Again, BCA Won the Best Bank in Indonesia and Asia
The President Director of BCA, Jahja Setiaatmadja, took a picture with his fellow Director Erwan Yuris Ang (left) after the former received the Best Asian Bank award in the 2018 FinanceAsia Country Awards in Hong Kong.

JULY

9

Strengthening its National Identity, BCA Launched its 'Ikat' Uniform
BCA launched the new BCA Corporate Uniform made of 'ikat' weave. In co-operation with IKAT Indonesia, BCA empowered more than 2,500 craftsmen from Troso Village, Jepara in the making of this corporate uniform that will be worn by more than 27,000 employees all over Indonesia. The use of Indonesian traditional cloth will strengthen BCA's national identity.

Event Highlights 2018 - Continued

31

BCA Disburses Syndicated Loans for the Jakarta-Cikampek II Elevated Toll Project
BCA supports the Government's efforts to accelerate infrastructure development in Indonesia by disbursing a syndicated loan worth Rp1.7 trillion to PT Jasamarga Jalan layang Cikampek (JJC). The funds will be used for the construction of the Jakarta-Cikampek II Elevated Toll Project.

AUGUST

20

In Support of the Government, BCA acted as the Distribution Partner for SBR004
Supporting the Government to expand SBN market, BCA was re-appointed as a Distribution Partner for Saving Bond Retail issuance - series 004. Through this co-operation, BCA customers and investors can purchase SBR004 through KlikBCA individual.

27

Public Expose 2018: Maintaining Solid Performance
BCA reported its financial performance through Public Expose - Investors Summit 2018 held by the Indonesia Stock Exchange. BCA maintained its solid balance sheet with the loans portfolio grew 14.2% YoY to Rp494 trillion, with Current Account Savings Account (CASA) grew12.7% to Rp481 trillion.

SEPTEMBER

4

Promoting Enthusiasm in Customer Service, BCA Directors Served customers on National Customer Day
In the spirit of serving our loyal customers with enthusiasm, BCA's Directors participated in serving customers at several branches across Jakarta on National Customer Day.

17

Supporting the Development of the Cipali Toll Road and BIJB Kertajati Airport Link Toll Road, BCA disbursed a Syndicated Loan Worth Rp3.15 Trillion to PT Lintas Marga Sedaya
BCA supports the Government's efforts to accelerate infrastructure development in Indonesia by disbursing a syndicated loan worth Rp3.15 trillion to PT Jasamarga Jalan layang Cikampek (JJC). The funds will be used for the construction of the Jakarta-Cikampek II Elevated Toll Project.

OCTOBER

3

BCA and BCA Syariah Made Donation to ease the Burden of the People of Palu and Donggala
The donation was made in the form of daily requirements and emergency shelters valued at Rp195 million. The donation is part of BCA's Corporate Social Responsibility (CSR) program and BCA Syariah Peduli.

4

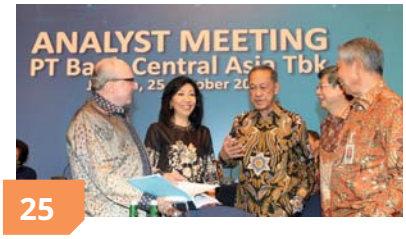
Promoting the Expansion of the Government Investment Instruments, BCA is Ready to Market ORI015
Through this partnership, ORI015 can be purchased with a minimum subscription of Rp1 million, applied to its multiples and a maximum subscription of Rp3 billion per investor. Potential investors who wish to invest in ORI015 can visit the BCA Main Branch (KCU) or Sub-Branch Office (KCP) at Priority Banking.

9

Strengthening Innovation and Digital Transformation Value, BCA Held the Indonesian Knowledge Forum VII
The Grand Celebration of Knowledge, Indonesian Knowledge Forum (IKF) VII 2018 carried the theme of "Fostering Innovation and Creating Value Through Digital Transformation". The 2018 IKF VII presented notable keynote speakers to share their knowledge, experience and inspiration regarding developing innovation and strengthening digital transformation value.

24

BCA Became the First Indonesian Brand to Take a Part in BrandZ Top 100 World Brands
Aside from being in the BrandZ Indonesian Top 50 Most Valuable Brands for 2018, this year BCA also become the first Indonesian brand to feature in the global ranking, took the 99th position in the BrandZ Global Top 100.



25

PT Bank Central Asia Tbk Reported its Financial Performance for the First Nine Months of 2018 - Positioning for Growth
BCA booked higher loan growth of 17% YoY in September 2018, mainly supported by business segment. Loan growth is backed by solid CASA growth of 11% YoY.

NOVEMBER

5

BCA Collaborates with Eastspring Investments Indonesia to Provide Alternative Investment Solutions
BCA collaborates with a credible and trusted Investment Manager, PT Eastspring Investments Indonesia, to provide alternative investment solutions in order to fulfill customers' needs for investments.

14

Through the #BukuUntukIndonesia Movement, BCA distributed books valued at Rp2,553 Billion
Through this movement, BCA disbursed 43,734 books to 111 schools in 60 areas across Indonesia. The total fund raising reached Rp2,452,287,951 and the total disbursed fund amounted to Rp2,553,000,000.

14

Demo Day Finhacks 2018 #DataChallenge to Bring Forth Indonesian Data Scientists
The President Director of BCA Jahja Setiaatmadja was accompanied by Deputy President Director of BCA Armand W. Hartono, Director of BCA Santoso, Director of BCA Lianawaty Suwono and Senior Executive Vice President of Strategic Information Technology Group of BCA Hermawan Thendean after he symbolically awarded the winner of Finhacks #DataChallenge 2018 in Jakarta.

28

BCA Disbursed Loans of Rp7.1 Trillion for Grup Pupuk Indonesia
The loan facility provided to Grup Pupuk Indonesia is a continuance of the partnership that has been established over the past few years.

DECEMBER

3

Promote Sukuk Ritel Sales, BCA won Four Awards from the Indonesia's Ministry of Finance
As a Distribution Partner appointed by the Ministry of Finance of the Republic of Indonesia, BCA's made contribution to the sales of Government securities, and as appreciation from the Ministry of Finance, BCA received four awards: the Best Retail SUN Selling Agent 2017, Primary Dealer with the Best Performance on the Secondary Market 2017, Best Selling Agent Retail State Sukuk coded SR-010 2018, and Best Participant of SBSN Auction 2018.

Corporate Culture

VISION

To be the bank of choice and a major pillar of the Indonesian economy

MISSION

To build centers of excellence in payment settlements and financial solutions for businesses and individuals

To understand diverse customer needs and provide the right financial services to optimize customer satisfaction

To enhance our corporate franchise and stakeholders value

CORE VALUES

The vision and mission statements have been approved by the Board of Directors and the Board of Commissioners of PT Bank Central Asia Tbk through Decree No. 022/SK/DIR/2006 dated 23 February 2006, concerning Vision and Mission of PT Bank Central Asia Tbk. Meanwhile, the core values were approved through Decree No. 079/SK/DIR/2015 dated 18 June 2015, concerning core values of PT Bank Central Asia Tbk.

More detailed information of corporate culture can be found in the Corporate Governance section on pages 476-477.

Products and Services

As of 31 December 2018

Products and Services	Description
Deposits Accounts	Tahapan
	Tahapan Xpresi
	Tahapan Gold
	Tahapan Berjangka
	Tahapan Berjangka SiMuda
	Tapres
	Simpanan Pelajar
	TabunganKu
	Laku
	BCA Dollar
	Deposito Berjangka
	Giro
Transaction Banking Services	Safe Deposit Box
	Transfer
	Remittance
	Collection and Clearing
	Bank Notes
	Travellers' Cheque
	Virtual Account
	Sub Account
	Payment
	Auto Debit
	Payroll Services
	Cash Pick Up
	State Revenue Module Generation 2 (MPN G2)
	Custodian Services
	Business Debit Card (BDC)
	Payment Gateway
Electronic Banking	ATM BCA (multifunction, non cash and cash recycling machine)
	EDC BCA
	Debit BCA
	Tunai BCA
	Flazz
	Autoprint
	EDCBIZZ
	Internet Banking
	KlikBCA Individu - for individual customers needs
	KlikBCA Bisnis - for business needs
	KlikBCA Bisnis Integrated Solution - with a more comprehensive features than KlikBCA Bisnis, for example, to accomodate supply chain services
	Mobile Banking (m-BCA)
	BCA KlikPay
	Call Center (Halo BCA)
	Phone Banking (BCA by Phone Business and BCA by Phone Priority)
	SMS Top Up
	BCA Mobile
	SMS BCA
	Info SMS/Email
	e-Billing (local tax payment: PPN, PPh, and others)

Products and Services	Description
Electronic Banking (continued)	Sakuku
	Duitt
	VIRA chatbot
	Video Banking
	CS Digital
	eBranch
	API BCA
	OneKlik
	Host to Host (H2H) ERP Integration
	MPOS (applications for merchant non cash transactions)
	eService
Cash Management Services	Payable Management / Disbursement
	Receivable Management / Collection (including B2B & B2C)
	Liquidity Management
Credit Cards	BCA Card
	BCA Mastercard
	BCA VISA
	BCA AMEX
Bancassurance Products	Regular Premium Unit Link
	Maxi Infinite Link Assurance
	Maxi Protection
	Maxi Syariah
	Provisa Platinum Syariah
	Provisa Max Assurance
	Single Premium Unit Link
	Provisa Signature Assurance
	Health Protection
	Hospital 100% Refundable
	Bima Proteksi Kesehatanku
	Optima Health Protection
	Optima Cancer Protection
	Optima Medical Care
	Proteksi Penyakit Kritis Maksima (PRIMA)
	Life Protection
	BCA Life Heritage Protection
	b-SAVE Accident Protection
	BCA Life Proteksi Hidupku
	BCA Life Proteksi Jiwa Optima
	Life Protection 100% Refundable
	Corporate Solutions
	Program Pensiun DPLK
	Health Corporate Insurance
	Life Corporate Insurance
	General Insurance
	Fire Insurance
	Property All Risks Insurance (PAR)
	Vehicle Insurance
	Travel Insurance
Mutual Fund Investment Products	Money Market Mutual Fund
	- Bahana Dana Likuid
	- Bahana Dana Kas Maxima
	- Danareksa Gebyar Dana Likuid

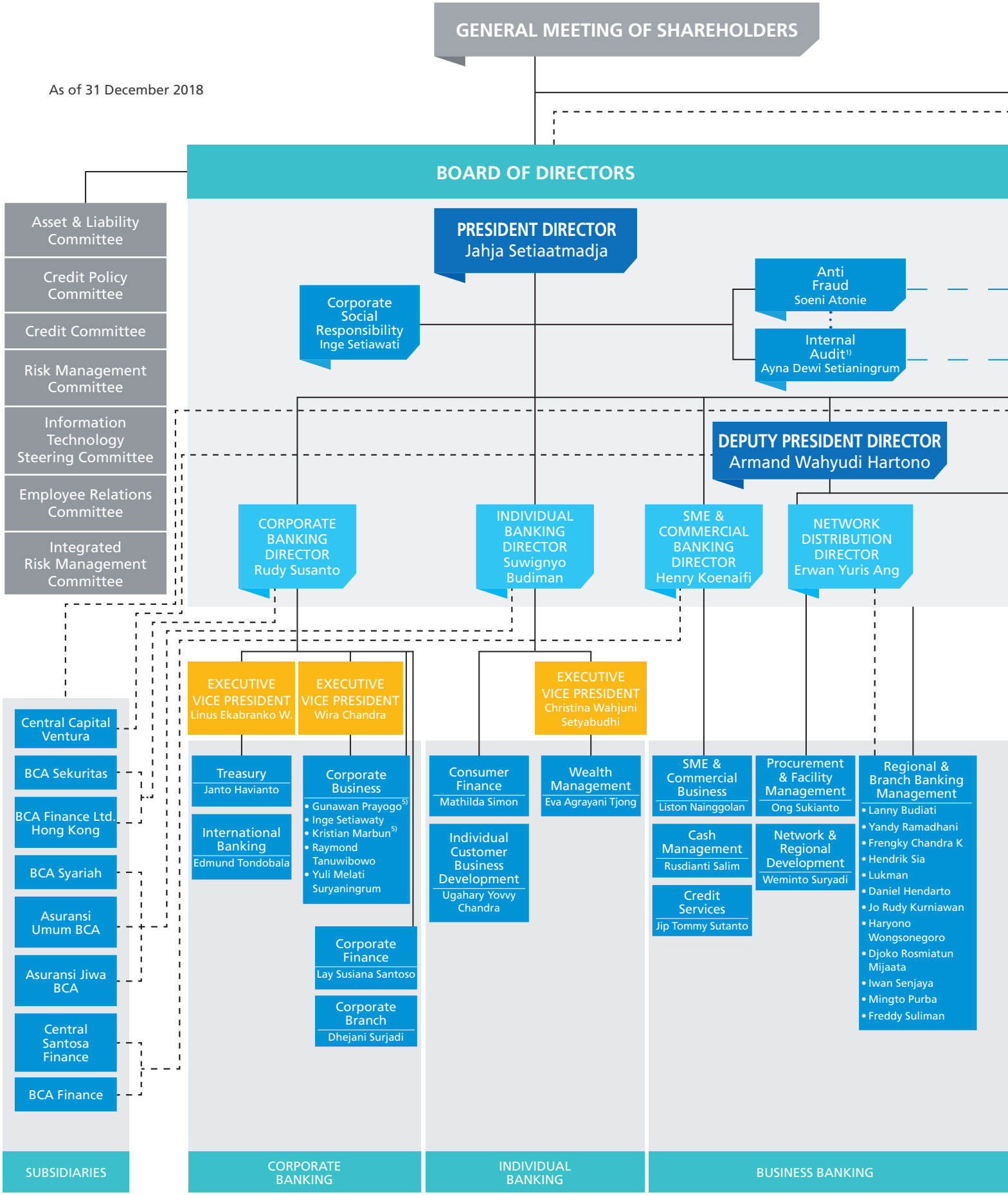
Products and Services	Description
Mutual Fund Investment Products (continued)	- First State Indonesian Money Market Fund*
	- Schroder Dana Likuid
	Protected Mutual Fund
	- Batavia Proteksi Gebyar III
	- Batavia Proteksi Gebyar V
	- Batavia Proteksi Gebyar VI
	- Batavia Proteksi Gebyar VII
	- Batavia Proteksi Gebyar VIII
	Fixed Income Mutual Fund (IDR)
	- Bahana Pendapatan Tetap Makara Prima
	- Batavia Dana Obligasi Ultima
	- BNP Paribas Prima II
	- Danareksa Gebyar Indonesia II
	- Eastspring Investments Yield Discovery
	- Nikko Gebyar Indonesia Dua
	- Panin Gebyar Indonesia II
	- Schroder Dana Mantap Plus II
	- Schroder Prestasi Gebyar Indonesia II
	Fixed Income Mutual Fund (USD)
	- BNP Paribas Prima USD
	- Schroder USD Bond Fund
	Hybrid Mutual Fund
	- BNP Paribas Spektra*
	- Schroder Dana Terpadu II
	- Schroder Syariah Balanced Fund
	Equity Mutual Fund (IDR)
	- Ashmore Dana Ekuitas Nusantara
	- Ashmore Dana Progresif Nusantara
	- Batavia Dana Saham
	- Batavia Dana Saham Optimal
	- BNP Paribas Ekuitas
	- BNP Paribas Pesona
	- BNP Paribas Pesona Syariah
	- Danareksa Mawar Konsumer 10
	- Eastspring Investments Value Discovery
	- First State IndoEquity Sectoral Fund*
	- Schroder 90 Plus Equity Fund
	- Schroder Dana Istimewa
	- Schroder Dana Prestasi
	- Schroder Dana Prestasi Plus
	Equity Mutual Fund (USD)
	- BNP Paribas Cakra Syariah USD
	- Schroder Global Sharia Equity Fund (USD)
Treasury Investment Products	Government Securities
	Conventional Government Securities
	Indonesian Retail Bond (ORI)
	Savings Bond Retail (SBR)
	Fixed Rate Government Bond (FR)
	Foreign Currency Government Bond (INDON)
	Government Sharia Securities

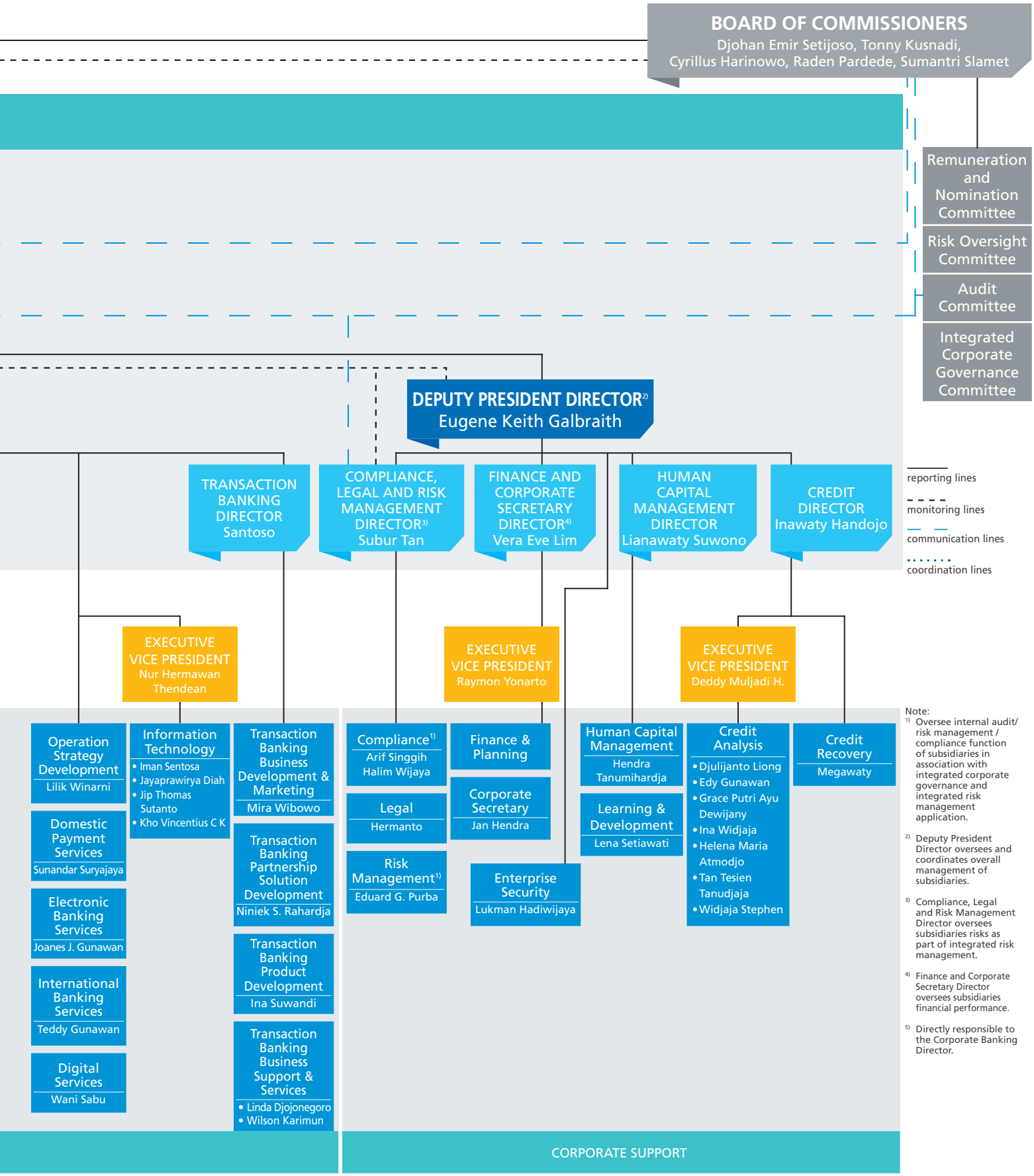
Products and Services	Description
Treasury Investment Products (continued)	Sukuk Negara Ritel (SR)
	Sukuk Tabungan (ST)
	Project Based Sukuk (PBS)
	Obligasi Negara Valas Syariah (INDOIS)
	Certificates of Bank Indonesia (SBI)
	Bank Indonesia Forex Securities (SBBI)
	Money Market Time Deposit (DBMM)
Credit Facilities	Mortgage
	Vehicle Loan
	Working Capital Loan
	Syndication Loan
	Pre-Export Financing
	Trust Receipt
	Investment Loan
	Distributor Financing
	Supplier Financing
	Dealer Financing
	Warehouse Financing
	Showroom Financing
	Investment Financing
	Personal Loan
	Business Personal Loan
Standby LC / Bank Guarantees	Advance Payment Guarantee
	Bid Guarantee
	Counter Guarantee
	Custom Guarantee (P4BM)
	Direct Pay Guarantee
	Financial Guarantee
	Maintenance Guarantee
	Payment Guarantee
	Performance Guarantee
Export Import Facilities (Trade Finance)	Inward Documentary Collection
	LC Confirmation
	LC Discounting
	LC Forfaiting
	LC Issuance
	LC Negotiation
	Letter of Guarantee
	Outward Documentary Collection
	Pre-Export Financing (Export Loan)
	Trust Receipt
Local LC	Letter of Guarantee
	SKBDN Discounting
	SKBDN Forfaiting
	SKBDN Issuance
	Trust Receipt
Foreign Exchange Facilities	Today
	Tom
	Spot
	Forward
	Swap
	Cross Currency Swap
	Interest Rate Swap
	Call Spread Option

* While these mutual fund products are no longer on offer, BCA continue to accept redemption of the mutual funds by customers.

Organization Structure

As of 31 December 2018





Note:
1) Oversee internal audit/ risk management / compliance function of subsidiaries in association with integrated corporate governance and integrated risk management application.
2) Deputy President Director oversees and coordinates overall management of subsidiaries.
3) Compliance, Legal and Risk Management Director oversees subsidiaries risks as part of integrated risk management.
4) Finance and Corporate Secretary Director oversees subsidiaries financial performance.
5) Directly responsible to the Corporate Banking Director.

Board of Directors Profile

Jahja Setiaatmadja
President Director

Indonesian citizen, aged 63. Domiciled in Indonesia. Appointed as the President Director of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on June 17, 2011. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
President Director of BCA responsible for the General Coordination as well as oversight of the Internal Audit Division, the Corporate Social Responsibility Work Unit and the Anti-Fraud Bureau.

Career
Previously served as Deputy President Director of BCA (2005–2011), he was responsible for Branch Banking Business, Treasury Division, International Banking Division and Overseas Representative Offices. He worked as the Director of BCA from 1999 to 2005, and held a variety of managerial positions within the Bank from 1990. Prior to joining BCA, Mr. Setiaatmadja worked as the Finance Director of a leading Indonesian automotive company, PT Indomobil (1989–1990), and held various managerial positions at one of Indonesia's largest pharmaceutical companies, PT Kalbe Farma (1980–1989), with his last title as the Finance Director. Mr. Setiaatmadja started his career in 1979 as an accountant at an accounting company (PriceWaterhouse).

Educational Background and Training
Graduated with a Bachelor's degree in Accounting from the University of Indonesia (1982).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Trading Trends 2018 – BCA – Jakarta, Indonesia.
- Creco Indonesia Outlook 2018 – PT Creco Indonesia – Jakarta, Indonesia.
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- CEO Gathering 2018: The Optimization of Finance Sector Roles in Increasing Economic Growth – Asosiasi Emiten Indonesia (Indonesian Association of Publicly Listed Companies, AEI) – Jakarta, Indonesia.
- Prioritas Table Event: "Developing the Tourism Industry in Indonesia" – BCA – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Summit of Leaders Organizational Committee – Oxford (Europe Business Assembly) – London, England.
- 34th Annual Strategic Decision Conference 2018 – Bernstein – New York, USA.
- IMC Conference – IMC – Washington, USA.
- Bank Indonesia (BI) Dialog Forum: The course of BI's Policy in Maintaining the Stability and Growth of the Economy – BI – Jakarta, Indonesia.
- National Seminar of Indonesian Economist Association (ISEI) "Strengthening the Capital Productivity of Indonesia: The Harmonization of the Formal & Informal Sector" – ISEI – Bandung, Indonesia.
- 3rd Annual Indonesia Conference – Credit Suisse – Singapore, Singapore.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- IBEX: The Next generation of banking in The Fourth Industrial Transformation – Perbanas – Jakarta, Indonesia.
- BI Annual Meetings 2018 "Synergy for Resilience and Growth" – Bank Indonesia – Jakarta, Indonesia.
- Economic Outlook 2019 "Banking in the Digital Era" Risks and Mitigations – Indonesia Banker Association – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Eugene Keith Galbraith
Deputy President Director

USA citizen, aged 66. Domiciled in Indonesia. Appointed as a Deputy President Director of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 25, 2011. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
Deputy President Director of BCA responsible for general supervision of the Compliance, Legal & Risk Management Director, Finance & Corporate Secretary Director, Human Capital Management Director and Credit Director, as well as responsible for the Enterprise Security Work Unit. He also supervises and coordinates the management of the subsidiaries.

Career
Previously served as the President Commissioner of BCA (2002–2011). Prior to joining BCA, Mr. Galbraith served as Vice President Commissioner of PT Bank NISP Tbk (2000–2006), Chairman of Asiawise.com (1999–2001), Managing Director of ABN AMRO Asia (1996–1998), and President Director of HG Asia Indonesia (1990–1996). He also served as an advisor to the Indonesian Ministry of Finance (1988–1990), and as economic planning advisor in East Nusa Tenggara Province, Indonesia (1984–1988).

Educational Background and Training
Graduated in Philosophy (1974), holds an M. Phil in Economic History (1978), and a PhD in Anthropology (1983) from Johns Hopkins University, USA.

In 2018, participated in a number of training programs, seminars and conferences, including:
- Nomura Indonesia All Access 2018 – Nomura – Jakarta, Indonesia.
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Indonesia Corporate Day – Deutsche Bank – London, England.
- Indonesia Conference 2018 – UBS – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Citi Indonesia Investor Conference 2018 – Citigroup Securities – Jakarta, Indonesia.
- 3rd Annual Indonesia Conference – Credit Suisse – Singapore, Singapore.
- Asia Pacific CEO-CFO Conference – JP Morgan – New York, USA.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- 11th Annual dbAccess Indonesia Conference 2018 – Deutsche Bank – Jakarta, Indonesia.
- Refreshment Workshop Risk Management with Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.
- Asia Pacific Summit – Morgan Stanley – Singapore, Singapore.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Armand Wahyudi Hartono
Deputy President Director

Indonesian citizen, aged 43. Domiciled in Indonesia. Appointed as a Deputy President Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on June 21, 2016.

Roles and Responsibilities
Deputy President Director of BCA in charge of general supervision of the Network Distribution Director and the Transaction Banking Director, and responsible for Information Technology Group and operational divisions, namely Operation Strategy & Development, Domestic Payment Services, Electronic Banking Services, International Banking Services and Digital Services Divisions. He also supervises the development of PT Central Capital Ventura, a subsidiary operating in venture capital.

Career
Previously a Director of BCA from 2009. He served as Head of Planning and Regional Development of BCA (2004–2009). Prior to joining BCA, Mr. Hartono held various managerial positions at PT Djarum (1998–2004) including Finance Director, Deputy Purchasing Director and Head of Human Resources Department. Armand Wahyudi Hartono was an Analyst for Global Credit Research and Investment Banking at JP Morgan Singapore (1997–1998).

Educational Background and Training
Graduated from the University of California, San Diego (1996) and holds a Master of Science degree in Engineering Economic-System and Operation Research (1997) from Stanford University, USA.

In 2018, participated in a number of training programs, seminars and conferences, including:
- Asian Leaders in Financial Institutions (ALFI): Alumni Meet – ALFI NUS – Singapore, Singapore.
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Gartner Symposium – Gartner – Barcelona, Spain.
- CCV Workshop – BCA – Jakarta, Indonesia.

Affiliation
Has financial and family relationships with BCA controlling shareholders, Robert Budi Hartono and Bambang Hartono, but has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, and/or fellow member of the Board of Directors.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Suwignyo Budiman
Director

Indonesian citizen, aged 68. Domiciled in Indonesia. Appointed as a Director of BCA at the 2002 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 13, 2002. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
Director of BCA responsible for Individual Banking, comprising the mortgages, auto loans (four-wheeler and two-wheelers), Individual Customer Business Development, and wealth management business. Also supervises the Sharia banking subsidiary, PT Bank BCA Syariah, as well as the general insurance and life insurance subsidiary, PT Asuransi Umum BCA (BCA Insurance), and PT Asuransi Jiwa BCA (BCA Life).

Career
Prior to joining BCA, he started his career as Systems Analyst at Bank Rakyat Indonesia (BRI) since 1975, and subsequently holding various managerial positions, including Head of the Technology Division (1992–1995), special staff to the Board of Directors (1995–1996), Head of Palembang Region (1996–1998), Head of the Operational Division (1998–2000). Suwignyo Budiman's last position at BRI was as Head of the Central Java Region. He was also a member of the Proxy Team of the Board of Directors at BCA (May to July 1998).

Educational Background and Training
Holds a Bachelor's degree from University of Gadjah Mada (1974) and an MBA from the University of Arizona, USA (1986).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- ASEAN Global Leadership Program (AGLP) 2018: Transforming ASEAN Organizations the Leadership Imperative – University of Cambridge – Cambridge, England.
- IBEX: The Next generation of banking in The Fourth Industrial Transformation – Perbanas – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Subur Tan
Director

Indonesian citizen, aged 58. Domiciled in Indonesia. Appointed as a Director of BCA at the 2002 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 13, 2002. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
Director of BCA responsible for the Compliance Work Unit, Legal Group and Risk Management Work Unit.

Career
Worked for BCA since 1986 and held several managerial positions including Head of Credit Department at Operational Head Office (1991-1995), Head of Legal Bureau (1995-1999), and Deputy Head of Legal Division (1999-2000). Prior to being appointed to the Board of Directors, he was Head of BCA's Internal Legal Counsel.

Educational Background and Training
Earned a Bachelor of Law degree from Universitas Sudirman (1986) and completed the Notary Program at Universitas Indonesia Faculty of Law (2002).

Participated in a number of training programs, seminars and conferences in 2018, including:
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking Industry in Embracing The Digitalization of Financial Market – LSPP Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- ASEAN Global Leadership Program (AGLP) 2018: Transforming ASEAN Organizations The Leadership Imperative – University of Cambridge – Cambridge, England.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Henry Koenaifi
Director

Indonesian citizen, aged 59. Domiciled in Indonesia. Appointed as a Director of BCA at the 2007 Extraordinary General Meeting of Shareholders, and approved by Bank Indonesia on February 13, 2008. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
Director of BCA responsible for the SME and Commercial banking, including cash management and credit services. He also supervises BCA's wholly-owned subsidiary, namely PT BCA Finance that works in four-wheeler financing, and PT Central Santosa Finance (CS Finance) that works in two-wheeler financing.

Career
Prior to being appointed to BCA's Board of Directors, Henry Koenaifi was the President Director of PT BCA Finance (2000–2008). He was appointed by the Indonesian Bank Restructuring Agency (IBRA) as the Head of the Management Team of PT Bank Bali Tbk and as a member of the Managing Team of Bank Jaya (1999-2000). He joined BCA in 1989 and has since held various managerial positions both at branches and at the head office. Before beginning his career in the banking industry and joined BCA in 1989, Henry Koenaifi worked for IBM, a global IT company, for six years.

Educational Background and Training
Graduated with a bachelor's degree in Civil Engineering from Parahyangan Catholic University (1984), and continued his studies at the Institut Pengembangan Manajemen Indonesia (Indonesian Management Development Institute, IPMI) in 2000. He holds an MBA degree from Monash University, Melbourne, Australia (2001).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Trading Trends 2018 – BCA – Jakarta, Indonesia.
- Asian Leaders in Financial Institutions (ALFI): Alumni Meet – ALFI NUS – Singapore, Singapore.
- Mark Coopersmith Seminar "Innovation and Entrepreneurship in the Digital Business Era" – PT BCA Finance – Jakarta, Indonesia.
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- ASEAN Global Leadership Program – SRW & Co. – New York, USA.
- Seminar ASEAN Bankers Association "COFFIT Sustainable Finance" – Perbanas – Jakarta, Indonesia.
- The Future of Finance Indonesia 2018 – The Asian Banker – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- IBEX: The Next generation of banking in The Fourth Industrial Transformation – Perbanas – Jakarta, Indonesia.
- SDGs in the 4.0 Industry Era Seminar 4.0 – Indonesian Ministry of National Development Planning (PPN)/Bappenas – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Erwan Yuris Ang
Independent Director

Indonesian citizen, aged 59. Domiciled in Indonesia. Appointed as a Director of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 25, 2011. Later appointed as an Independent Director of BCA on April 7, 2014. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
Network Distribution Director responsible for managing, monitoring and supervising daily regional and branch operations, and in charge of branch support divisions, namely the Procurement & Facility Management and Network & Regional Development Division.

Career
Before, he served as BCA's Head of Regional Office for Jakarta, Surabaya, Medan and Malang (2000–2011). He also served as Branch Manager at BCA Bandung (1995–2000) and at BCA Pekanbaru (1989–1995), and Head of the Credit Department at BCA Pekanbaru (1987–1989). He joined BCA in 1985 as a trainee in the Medan branch.

Educational Background and Training
Holds a Bachelor of Law degree from University Satyagama (2010) and obtained a master's degree in Business Law from Trisakti University (2012).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Creating Organizational Change Trough Blue Ocean Leadership & Creating a Breakthrough Value Proposition – Master Class – Kuala Lumpur, Malaysia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Rudy Susanto
Director

Indonesian citizen, aged 56. Domiciled in Indonesia. Appointed as a Director of BCA at the 2014 Annual General Meeting of Shareholders and approved by the Financial Services Authority (OJK) on July 21, 2014. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Roles and Responsibilities
Director of BCA responsible for the Corporate Banking Group, Corporate Branch, Treasury Division and International Banking Division. Also supervises BCA's wholly-owned subsidiary in remittance service, BCA Finance Limited, and securities subsidiary, PT BCA Sekuritas.

Career
Since joining BCA in 2002 and Rudy Susanto has held several managerial positions, including Executive Vice President of the Credit Risk Analysis Group (2011–2014), Head of the Credit Risk Analysis Group (2004–2011), and Head of the Credit Division (2002–2004). Prior to joining BCA, he worked at the Indonesian Bank Restructuring Agency (IBRA) as Head of the Loan Work Out II Division (2001–2002) and Senior Credit Officer (1999–2001). He also served at PT Bank LTCB Central Asia (a joint venture between the Long-Term Credit Bank of Japan Ltd. and PT Bank Central Asia Tbk) as Vice President of Corporate Finance (1998–1999), Senior Manager of Corporate Finance (1996–1998), Manager of Corporate Finance (1995), and Assistant Manager of Corporate Finance (1994). He started his career at PT Bank Danamon Indonesia Tbk in 1992 as a trainee in the Credit Marketing Program.

Educational Background and Training
Graduated with a bachelor's degree in Civil Engineering from Tarumanagara University (1989), and earned an MBA in Finance from the University of Tennessee, Knoxville, USA (1992).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Trading Trends 2018 – BCA – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Refreshment Workshop Risk Management with Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.
- BI Annual Meetings 2018 "Synergy for Resilience and Growth" – Bank Indonesia – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Inawaty Handojo
Director

Indonesian citizen, aged 67. Domiciled in Indonesia. Appointed as a Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on August 8, 2016.

Roles and Responsibilities
Director of BCA responsible for Credit Analysis and Credit Recovery.

Career
Since joining BCA in 1980, Inawaty Handojo has held various managerial positions in internal audit, including Head of Internal Audit Bureau (1985–1988), Deputy Head of Internal Audit Division (1988–1990), and Head of Internal Audit Division (1990–2008). She then served as a member of the Audit Committee (2008–2016) and the Integrated Governance Committee (2015–2016). Inawaty Handojo was an active lecturer at one university and several internal audit training institutions in Jakarta (2000–2016), while actively serving as a consultant in various internal audit projects (2010–2016). Prior to joining BCA, she served as the Head of Finance at PT Naintex, a textile company (1976–1980).

Educational Background and Training
Holds two bachelor degrees from the Economic Faculty of Parahyangan Catholic University, Bandung in Management (1976) and Accounting (1979) and a Master of Management degree from Prasetya Mulya Business School, Jakarta (2003).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking
  in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- PSAK 71 IFRS 9 – Deloitte Consultant Indonesia – Jakarta, Indonesia.
- Indonesia Sustainability Financial Initiative Launch & CEO Dialogue on Sustainable Financial - WWF Indonesia - Jakarta, Indonesia.
- Media Training for Board of Directors – BCA – Jakarta, Indonesia.
- Bank Assessment Report related to ASEAN 2018 Banking Sustainability Report – WWF Indonesia – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Santoso
Director

Indonesian citizen, aged 53. Domiciled in Indonesia. Appointed as a Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on August 8, 2016.

Roles and Responsibilities
Director of BCA responsible for Transaction Banking Business Development & Marketing, Transaction Banking Partnership Solution Development, Transaction Banking Product Development, and Transaction Banking Business Support & Services.

Career
Previously, he worked as the Head of Consumer Card Business Services & Support Group (2015–2016). His career with BCA began in 1992 as Head of Supporting Administration Department. Throughout his career, he has held various managerial positions, such as Head of Marketing for Non-Jabodetabek II Area (1996–1998), Chief of Area Marketing Bureau (1998–2000), Deputy Head of Consumer Network Division, Deputy Head of Network Services Division, and Deputy Head of Network & Sales (2000–2005), Head of Small & Medium Business Division (2005–2009), Head of Credit Card Business Unit (2009–2012), Head of Merchant and Consumer Credit Card Group (2012–2014). Mr. Santoso was also active as Head of Dana Pensiun BCA, a pension fund company (2003–April 2016), and as Commissioner of PT Abacus Cash Solution, a cash management service provider (2010–April 2016).

Educational Background and Training
Graduated with a degree from the Faculty of Engineering of Trisakti University, Jakarta (1989).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Taksila Banking Forum Leadership Program 2018 : Navigating The Next Wave of Revolution – Kasikorn Bank – Bangkok, Thailand.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Financial Technology and Its Impact on the Culture: Best Practice in BCA – UGM – Yogyakarta, Indonesia.
- IBEX : The Next Generation of Banking in The Fourth Industrial Transformation – Perbanas – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Lianawaty Suwono
Director

Indonesian citizen, aged 52. Domiciled in Indonesia. Appointed as a Director of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on July 27, 2016.

Roles and Responsibilities
Director of BCA responsible for defining strategies and policies on Human Capital Management and Learning & Development.

Career
Before, she was the Head of Human Capital Management Division (2006–2016) and a member of the Remuneration and Nomination Committee (2007–2016). Her career in BCA started in 1991 as a management trainee in the Bank's Management Development Program before being assigned as a Business Analyst (1992–1996) in the Information System Division, handling the Integrated Banking Systems Project, focused on Integrated Deposit Systems and Integrated Loan Systems. After pursuing a career in Information Technology, she started her career in Human Resources with the assignment to develop Human Resource Information Systems. In her career, Lianawaty Suwono has held various managerial positions, such as Function Head of HR Operations Support (1996–1998), Head of HR Operation Systems & Support Bureau (1998–1999), Head of Management Development Program Bureau and Head of Career Development Bureau (1999–2000), Head of HR Resourcing & Development Bureau (2000–2002), and Deputy Head of HR Division (2002–2006). From 2014 to July 2016, Lianawaty Suwono also served as President Commissioner of PT Asuransi Jiwa BCA.

Educational Background and Training
Graduated with a degree in Business Information Computing Systems from San Francisco State University, California, USA (1990).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- International Leadership Conference: "Transformational Leadership in the Next Era: Issues, Challenges and Strategy" – Bank Indonesia – Bali, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Media Training for Board of Directors – BCA- Jakarta, Indonesia.
- The 3rd Asia Pacific HR Forum – Inti Pesan – Bali, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Vera Eve Lim
Director

Indonesian citizen, aged 53. Domiciled in Indonesia. Appointed as a Director of BCA at the 2018 Annual General Meeting of Shareholders and approved by the Financial Services Authority (OJK) on April 20, 2018.

Roles and Responsibilities
Director of BCA responsible for the Finance and Planning Division, as well as Corporate Secretary.

Career
Previously served as Executive Vice President of Finance and Planning and Corporate Secretary. Prior to Joining BCA, she held various Directors and Commissionaires positions, namely the Director and Chief Financial Officer of PT Bank Danamon Indonesia Tbk (2006-2017), Commissioner of PT Adira Dinamika Multi Finance as well as the Director of PT Bank Danamon Indonesia Tbk (2010-2017), Deputy Commissioner of PT Asuransi Adira Dinamika as well as the Director of PT Bank Danamon Indonesia Tbk (2008-2013), and other managerial positions, such as Chief Financial Officer of PT Bank Danamon Indonesia Tbk (2003-2006), Head of Division, and Deputy Head Division in Corporate Planning, Investor Relations, Financial Accounting & Tax, Regulatory Reporting, Management Information System (MIS), and others at PT Bank Danamon Indonesia Tbk (1998-2003). She started her career as a finance manager assistant at PT Asuransi Sinarmas (1987-1988), assistant manager of accounting and finance of PT MBF Leasing (1988-1990). Since 1990, she worked her way up at PT Bank Danamon Indonesia Tbk as the Head of Corporate Planning and Information System.

Educational Background and Training
Graduated from Tarumanagara University with a bachelor's degree in Economy/Accounting (1989), and finished the Executive Program at Stanford Graduate School of Business in 2008.

In 2018, participated in a number of training programs, seminars and conferences, including:
- Digital BCG Asia Pacific Conference 2018 – The Boston Consulting Group – Singapore, Singapore.
- ASEAN Day – Daiwa-Bahana – Tokyo, Japan.
- Media Training for Board of Directors – BCA- Jakarta, Indonesia.
- 3rd Annual Indonesian Conference– Credit Suisse – Singapore, Singapore.
- The Future of Finance Indonesia – The Asian Banker – Jakarta, Indonesia.
- Investor Forum – CLSA – Hong Kong, Hong Kong.
- Study Tour Singapore – ASEAN Banker Association – Singapore, Singapore.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia
- CCV Workshop – BCA – Jakarta, Indonesia.
- Workshop PWC : PSAK Technical Update – BCA – Jakarta, Indonesia.
- Asia Pacific Summit – Morgan Stanley – Singapore, Singapore.

Affiliation
Has no financial, stock ownership, and/or family relationship with any member of the Board of Commissioners, fellow member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Board of Commissioners Profile

Djohan Emir Setijoso
President Commissioner

Indonesian citizen, aged 77. Domiciled in Indonesia. Appointed as the President Commissioner of BCA at the 2011 Annual General Meeting of Shareholders and approved by Bank Indonesia on August 25, 2011. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career
Djohan Emir Setijoso previously served as President Director of BCA (1999-2011) responsible by the end of that period for General Coordination, Internal Audit Division, Financial Planning & Control, and Corporate Affairs. Prior to joining BCA, he worked at Bank Rakyat Indonesia from 1965 to 1998 with his last position being Director, and was President Commissioner of Inter Pacific Bank (1993-1998). Aside from serving as the President Commissioner of BCA, he is actively involved in various organizations.

Educational Background and Training
Graduated from the Bogor Institute of Agriculture (1964).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Creco Indonesia Outlook 2018 – PT Creco Indonesia – Jakarta, Indonesia.
- National Seminar of "Virtual Currency": What and how are the Risks for General Public – Ikatan Sarjana Ekonomi Indonesia (Indonesian Economist Association, ISEI) – Jakarta, Indonesia.
- The Challenge of Good Corporate Governance in the Industrial Revolution 4.0 Era and the Socialization of GCG of the Banking Industry Development Research Result from 2007 to 2017 – Lembaga Pengembangan Perbankan Indonesia (Indonesian Banking Development Institute, LPPI) – Jakarta, Indonesia.
- Asia Pacific CEO-CFO Conference – JP Morgan – New York, USA.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.
- Economic Outlook 2019 "Banking in the Digital Era" Risks and Mitigations – Indonesia Banker Association – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Also serves as a member of the Remuneration and Nomination Committee of PT Bank Central Asia Tbk but holds no position as a member of a Board of Commissioners, a Board of Directors, or executive officer at another bank, company, and/or institution.

Tonny Kusnadi
Commissioner

Indonesian citizen, aged 71. Domiciled in Indonesia. Appointed as a Commissioner of BCA at the 2003 Annual General Meeting of Shareholders and approved by Bank Indonesia on September 4, 2003. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career
Prior to joining BCA, Mr. Kusnadi was a Director at PT Cipta Karya Bumi Indah, a property development and construction company (2001-2002), where he previously served as Commissioner. He also hold several managerial positions before, namely as the President Director of PT Sarana Kencana Mulya, an electronic appliance distributor (1999-2001), the Chief Manager of Corporate Banking for PT Bank Central Asia (1992-1998), General Manager at PT Tamara Indah, an engineering and general supplier company (1988-1992) and General Manager at PT Indomobil, a leading Indonesian automotive company (1987).

Educational Background and Training
Holds a Bachelor's degree in Mechanical Engineering from the University of Brawijaya, Malang (1978).

Participated in several training programs, seminars and conferences in 2018, including:
- Knowledge Sharing: Bank 4.0 "Banking everywhere, Never at a Bank" – BCA – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- ASEAN Global Leadership Program (AGLP) 2018: Transforming ASEAN Organizations The Leadership Imperative – University of Cambridge – Cambridge, England.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Concurrently serving as President Commissioner of PT Sarana Menara Nusantara Tbk.

Cyrillus Harinowo
Independent Commissioner

Indonesian citizen, aged 65. Domiciled in Indonesia. Appointed as an Independent Commissioner of BCA at the 2003 Annual General Meeting of Shareholders and approved by Bank Indonesia on September 4, 2003. He was last reappointed at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career
Prior to joining BCA, Mr. Harinowo served twenty five years with Bank Indonesia as, among others, Director of the Money Market and Giralization, and Monetary Management Department (1994–1998). He also served as an Alternate Executive Director and Technical Assistance Advisor for the Monetary and Exchange Affairs Department, International Monetary Fund (IMF), Washington (1998–2003). He has experience as a delegation member in meetings for the Inter Governmental Group on Indonesia (IGGI), Consultative Group for Indonesia (CGI), IMF and World Bank. He has held several managerial positions in both governmental and nongovernmental institutions, and was Assistant to the Minister of Trade (1988–1989). A lecturer at several major universities in Jakarta, speaker and article writer for domestic and international seminars and media, Cyrillus Harinowo has published books on Indonesia's public debt (2002), the IMF (2004), and the "Musim Semi Perekonomian Indonesia" (2005).

Educational Background and Training
Graduated and received a Doctorate in Accounting from Gadjah Mada University (1977), obtained a master's degree in Development Economics from the Centre for Development Economics, Williams College, Massachusetts (1981), and a PhD in Monetary and International Policy from Vanderbilt University, Nashville, Tennessee, USA (1985).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Creco Indonesia Outlook 2018 – PT Creco Indonesia – Jakarta, Indonesia.
- ASEAN Global Leadership Program – SRW & Co. – New York, USA.
- Executive Risk Management Refreshment Program: "Risk Management as Performance Enabler" – Lembaga Pengembangan Perbankan Indonesia (Indonesian Banking Development Institute, LPPI) – Frankfurt, Germany.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Concurrently serving as Chairman of the Audit Committee of PT Bank Central Asia Tbk.

Raden Pardede
Independent Commissioner

Indonesian citizen, aged 58. Domiciled in Indonesia. Appointed as an Independent Commissioner of BCA at the 2004 Annual General Meeting of Shareholders and approved by Bank Indonesia on June 14, 2004. Since May 15, 2006, he has served as an Independent Commissioner. He was last reappointed as an Independent Commissioner at the 2016 Annual General Meeting of Shareholders for a five-year term.

Career
Mr. Pardede was President Commissioner of State Asset Management Company PPA (2008–2009), after serving as a Vice President Director of PPA (2004–2008). He served both in governmental and nongovernmental institutions, including as Vice Chairman of the National Economic Committee (2010–2014), Special Adviser to Minister of Finance (2008–2010), Chairman of Indonesia Financial Stability System Forum (2007–2009), Secretary of Financial Stability System Committee (2008–2009), Chief of Financing for Indonesian Infrastructure Development (2004–2005), Special Adviser to Coordinating Minister for Economic Affairs (2004–2005), Executive Director of PT Danareksa (2002–2004), Deputy Coordinator of the Assistance Team to the Minister of Finance Republic of Indonesia (2000–2004), Chief Economist and Division Head at PT Danareksa (1995–2002), Founder of Danareksa Research Institute in 1995, Consultant to the World Bank (1994–1995), member of planning staff in the Department of Industry Republic of Indonesia (1985–1990), and Process Engineer at PT Pupuk Kujang Fertilizer Industry in 1985. Raden Pardede is also a guest lecturer at Bandung Institute of Technology, University of Indonesia and Prasetya Mulya Business School.

Educational Background and Training
Graduated in Chemical Engineering from Bandung Institute of Technology (1984) and obtained a Ph.D. in Economic from Boston University, USA (1995).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Creco Indonesia Outlook 2018 – PT Creco Indonesia – Jakarta, Indonesia.
- Knowledge Sharing: Bank 4.0 "Banking Everywhere, Never at Bank" – BCA – Jakarta, Indonesia.
- Workshop Global Initiatives New Economy – Coordinating Ministry for Economic Affairs of the Republic of Indonesia – Hangzhou, China.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Asia Pacific CEO-CFO Conference – JP Morgan – New York, USA.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Annual IMF "World Bank Group Meeting 2018" – IMF – Bali, Indonesia.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 – BCA – Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Concurrently serving as the Chairman of the Remuneration and Nomination Committee of PT Bank Central Asia Tbk, and as Independent Commissioner of PT Adaro Energy Tbk.

Sumantri Slamet
Independent Commissioner

Indonesian citizen, aged 64. Domiciled in Indonesia. Appointed as an Independent Commissioner of BCA at the 2016 Annual General Meeting of Shareholders for a five-year term and approved by the Financial Services Authority (OJK) on July 11, 2016.

Career
Previously served as a member of IT and Risk Management Committee of PT Bursa Efek Indonesia, Audit Committee and Remuneration & Nomination Committee at PT CIMB Niaga Tbk, and the President Commissioner of PT Danakita Investama, an investment manager company. Sumantri Slamet also held various managerial positions and served as Director in several companies, including as the Head of Project Finance and Investor Relations - Strategy and Business Development at PT Medco Energy International Tbk (Medco) and at the same time as the Managing Director of several subsidiaries of Medco outside of Indonesia, namely in Singapore, USA, Oman, Yemen and France (2008-2013). He had also been appointed Director of PT Surya Citra Televisi – SCTV (2005-2008) and Director at PT Surya Citra Media Tbk (2004-2008).

Educational Background and Training
Completed undergraduate study at the Faculty of Mathematics and Natural Sciences, the University of Indonesia (1978) and earned his MSc (1981) and Ph.D. in Computer Science (1983) from the University of Illinois, Urbana Champaign (USA).

In 2018, participated in a number of training programs, seminars and conferences, including:
- Creco Indonesia Outlook 2018 – PT Creco Indonesia – Jakarta, Indonesia.
- Refreshment Risk Management "Cyber Security & Integrating Operation Risk" and the Role of Banking in Welcoming the Digitalization of the Capital Market – LSPP – Jakarta, Indonesia.
- Digital Awareness Program for Executive – BCA – Jakarta, Indonesia.
- Operational Risk – Infopro Digital Risk Limited – London, England
- Integrated Governance: Regulation, Current Practices, and Best Practices – National Committee of Corporate Governance (KNKG) – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Refreshment Workshop Risk Management With Octagon: Trend Risk 2019 - BCA - Jakarta, Indonesia.
- Economic Outlook 2019 "Banking in the Digital Era" Risks and Mitigations – Indonesia Banker Association - Jakarta, Indonesia.

Affiliation
Has no financial, stock ownership, and/or family relationship with fellow member of the Board of Commissioners, any member of the Board of Directors, and/or BCA controlling shareholder.

Dual Functions
Concurrently serving as Chairman of the Risk Oversight Committee and the Integrated Corporate Governance Committee of PT Bank Central Asia Tbk, Independent Commissioner and Head of Audit Committee of PT Multi Bintang Indonesia Tbk, and as a member of the Board of Trustee and Chairman of the Risks Committee of the University of Indonesia.

Audit Committee Profile

Cyrillus Harinowo
Chairman

Cyrillus Harinowo has assumed the position as Chairman of the Audit Committee of BCA since 2015. His last reappointment became effective on June 2, 2016 according to the Decree of the Board of Directors No. 078/SK/DIR/2016. He concurrently serves as an Independent Commissioner. More detailed information can be found at the Board of Commissioners Profile on page 67.

Ilham Ikhsan
Member

Indonesian citizen, aged 68. Domiciled in Indonesia. Has been a member of the Audit Committee of BCA since 2011. His last reappointment became effective on June 2, 2016 according to the Decree of the Board of Directors No. 078/SK/DIR/2016.

Career
Prior to joining BCA, he served at Bank Indonesia for thirty years, most of which time was spent in the Banking Supervisory area, and also as Chief Representative of Bank Indonesia in Singapore (2002-2005), with his last position before retiring from Bank Indonesia was Director of Assets Recovery Special Unit (2005-2008). Following his retirement, he was appointed Finance Director of Bank Indonesia Employee Welfare Foundation or YKK-BI (2008-2010).

Educational Background
Graduated with a Bachelor's degree in Accounting from University of Airlangga (1978) and obtained his Master of Science degree in Economic Development and International Trade from Colorado State University, USA (1984).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- BaRa Risk Forum - Banker Association for Risk management – Bali, Indonesia.
- Institute of Internal Auditor National Conference – IIA Indonesia – Bali, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.

Tjen Lestari
Member

Indonesian citizen, aged 63. Domiciled in Indonesia. Appointed as a member of the Audit Committee of BCA on June 2, 2016 according to the Decree of the Board of Directors No. 078/SK/DIR/2016.

Career
Started her career in 1978 at BCA, and then worked as a system analyst at PT Giwang Selogam, a steel importer & distributor company (1984-1987) and as the finance manager at PT Multi Electrindo Raya (1998-1991). Rejoined BCA as Financial Control Adviser (1991-1995), Accounting Adviser (1995-1998), Financial Support Adviser (1998-2001), Head of Finance I Sub-Division (2001-2010), and as a consultant in the Finance and Corporate Planning Division (2010-2012). Later served as Financial Director at PT Danamas Insan Kreasi Andalan, a subsidiary of BCA Pension Fund Company engaging in human resource development business (2012-2015).

Educational Background
Completed her undergraduate studies at the Economic Faculty of the University of Indonesia in 1982.

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- BARa Risk Forum – Banker Association for Risk management – Bali, Indonesia.
- Indonesia Economic Outlook 2018– UOB Indonesia – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Forensic Audit – Bina Manajemen Center – Jakarta, Indonesia

Risk Oversight Committee Profile

Sumantri Slamet
Chairman

Sumantri Slamet was appointed as Chairman of the Risk Oversight Committee of BCA on September 30, 2016 according to the Decree of the Board of Directors No. 144A/SK/DIR/2016. Currently he also serves as an Independent Commissioner and Chairman of the Integrated Governance Committee. More detailed information can be found at the Board of Commissioners Profile on page 69.

Endang Swasthika Wibowo
Member

Indonesian citizen, aged 57. Domiciled in Indonesia. Has been a member of the Risk Oversight Committee of BCA since 2007. Her last reappointment became effective on September 30, 2016 according to the Decree of the Board of Directors No. 144A/SK/DIR/2016.

Career
Endang Swasthika Wibowo is an academic and researcher in risk management, finance and banking. Previously, she served as Head of the Magister Management Program in Banking at ABFII Perbanas, a trainer of Risk Management (Certified GARP – BSMR), Head of Perbanas Research and Community Development Center (2000-2006), Advisor of Ekuinbank at the Legislation Unit in the People's Representative Council (2000- 2005), Commissioner of PT Putera Lintas Kemas, Air Freight Forwarder Co (2000-2004), and Head of Management Department, STIE Perbanas (1990-1993).

Educational Background
Graduated in Economics from Indonesian Islamic University, Yogyakarta (1985), and earned a Graduate Diploma in Banking & Finance (1996) as well as a Master's degree in Banking from Monash University, Australia (1998).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- BARa Risk Forum – Banker Association for Risk Management – Bali, Indonesia.
- Sustainable Finance: Managing Climate Related Risk – ABA.COFITT, Jakarta, Indonesia

Lianny Somyadewi D.
Member

Indonesian citizen, aged 57. Domiciled in Indonesia. Was appointed as a member of the Risk Oversight Committee of BCA on September 30, 2016 according to the Decree of the Board of Directors No. 144A/ SK/ DIR/2016.

Career
Joined BCA in 1990 as a management trainee in the BCA Management Development Program with initial placement in the Retail Banking Division in 1991 before serving as an Adviser in the Retail Lending Division (1997-2005). Then served as a part of the Risk Management Unit of BCA (2005-2016) with the last position as Credit Risk Management Senior Adviser.

Educational Background
Graduated in Civil Engineering from the University of Trisakti, Jakarta, in 1986.

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- BARa Risk Forum – Banker Association for Risk management – Bali, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia.
- Forensic Audit – Bina Manajemen Center – Jakarta, Indonesia

Remuneration and Nomination Committee Profile

Raden Pardede
Chairman

Raden Pardede has assumed the position as Chairman of the Remuneration and Nomination Committee of BCA since 2007. His last reappointment became effective on August 10, 2016 according to the Decree of the Board of Directors No. 107A/SK/DIR/2016. He concurrently serves as an Independent Commissioner. More detailed information can be found at the Board of Commissioners Profile on page 68.

Djohan Emir Setijoso
Member

Djohan Emir Setijoso has assumed the position as a member of the Remuneration and Nomination Committee of BCA since 2011. His last reappointment became effective on August 10, 2016 according to the Decree of the Board of Directors No. 107A/SK/DIR/2016. He concurrently serves as President Commissioner. More detailed information can be found at the Board of Commissioners Profile on page 66.

Hendra Tanumihardja
Member

Indonesian citizen, aged 46. Domiciled in Indonesia. Appointed as a member of the Remuneration and Nomination Committee of BCA on August 10, 2016 according to the Decree of the Board of Directors No. 107A/SK/DIR/2016. Currently also serves as Head of the Human Capital Management Division since August 1, 2016.

Career
Began his career in BCA in 1990 and has had many experiences in developing the Bank's Human Resources training programs since 1997. Later held various managerial positions including as Deputy Head of the Training and Development Division (2009-2011), Head of the Learning and Development Subdivision (2011-2015), Head of Network and Regional Planning Work Unit (2015-2016), and Head of Human Capital Management Division (2016-present). Once worked in PT Kalbe Farma Tbk as Senior Manager (2006-2008).

Educational Background
Completed his undergraduate studies in Accounting at the University of Tarumanagara in 1995 and earned a Master's degree in Finance from University of Indonesia, Jakarta in 2002.

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- KPI Alignment 2018 – BCA – Jakarta, Indonesia.
- Digital Awareness for Executive – Binus – Bogor, Indonesia
- Digital Awareness for Executive – Insead – Jakarta, Indonesia
- Risk Management Certification – BCA - Bogor, Indonesia
- Tech Savvy Leadership: Accelerating Digital Transformation Journey – Daya Dimensi Indonesia – Jakarta, Indonesia.
- Benchmarking Columbia University & ATD Conference – San Diego, California, USA.

Profile of the Integrated Corporate Governance Committee

Sumantri Slamet
Chairman

Sumantri Slamet had been appointed as Chairman of the Integrated Governance Committee of BCA since 2016. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 109/SK/DIR/2016. Currently he also serves as an Independent Commissioner and Chairman of the Risk Oversight Committee. More detailed information can be found at the Board of Commissioners Profile on page 69.

Wimpie Rianto
Member

Indonesian citizen, aged 71. Domiciled in Indonesia. He was appointed as a member of the Integrated Governance Committee of BCA since 2016. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 109/SK/DIR/2016.

Career
Wimpie Rianto is a banking practitioner with extensive experience including in risk management and finance. He started his career at Citibank N.A. Jakarta from 1972 to 1976, before he held various managerial positions with BCA from 1976 to 1994. Then serving as Deputy President Director of Bank LTCB Central Asia (1994–1997) and President Director of Bank Yama (1997-1999). He rejoined BCA from 1999 to 2002 as Head of Risk Management and Compliance Division. Prior to being appointed to the Integrated Corporate Governance Committee of BCA, he served as Compliance Director (2004-2007) and Independent Commissioner (2007-2014) of Bank Sinar Mas, and a member of the Risk Oversight Committee of BCA (2015-2016).

Educational Background
Earned a Bachelor's degree in Economics from the Catholic University of Atmajaya, Jakarta (1972). Active in attending professional training and skills enhancement programs, among others in risk management, both in Indonesia and abroad.

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.
- Indonesia Knowledge Forum – BCA – Jakarta, Indonesia

Adhi Gunawan Budirahardjo
Member

Indonesian citizen, aged 62. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently he also serves as Independent Commissioner of PT BCA Finance.

Career
Previously served as Head of BCA Branch and Regional Offices including the Main Branch (1991-2000), Regional Office IV Denpasar, Bali (2000-2005), Regional Office VII Malang, East Java (2005-2008), and Regional Office IX Jakarta (2008-2011). Had also served as the Senior Advisor to the Board of Directors of an insurance company, PT ACE Jaya Proteksi (2012-2014).

Educational Background
Completed his Accounting education at Sekolah Tinggi Ilmu Ekonomi Indonesia, Jakarta (1991).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.
- Refreshment Risk Management Level IV Certification, DPP BCA, Jakarta, Indonesia.

Gustiono Kustianto
Member

Indonesian citizen, aged 64. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently he also serves as Independent Commissioner of PT Asuransi Umum BCA since 2011.

Career
Before joining BCA, from the period of 1979-2011, Gustiono Kustianto had held various senior positions, both in financial and nonfinancial industries, among others as VP of Citibank N.A Jakarta, Director of PT Bank Tiara Asia Tbk (later merged to PT Bank Danamon Tbk), Division Head of BPPN Bank Restructuring Unit, Deputy President Director of PT Bank Internasional Indonesia Tbk (now PT Bank Maybank Indonesia Tbk), Director of PT Tri Polyta Indonesia Tbk (now PT Chandra Asri Petrochemical Tbk), CFO of PT Broadband Multimedia Tbk (now PT First Media Tbk), and President Director of PT Indonesia Air Transport Tbk.

Educational Background
Earned a Civil Engineering degree from the Civil Engineering Faculty of the Christian University of Petra, Surabaya (1979), and a Master of Business Administration from Institut Pengembangan Manajemen Indonesia (Indonesian Management Development Institute, IPMI) in 1988.

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Implementing an ERM Process for Insurance Companies – Singapore College of Insurance – Singapore, Singapore
- Integrated Governance Workshop: Regulation, Recent and Best Practices - BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.

Certification:
- Certified in Risk Governance Professional (CRGP) issued by Lembaga Sertifikasi Profesi Manajemen Resiko (LSPMR)
- Certified in Enterprise Risk Governance issued by Enterprise Risk Management Academy (ERMA)

Pudjianto
Member

Indonesian citizen, aged 62. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently he also serves as Independent Commissioner and Chairman of the Audit Committee of PT Asuransi Jiwa BCA, since November 2014.

Career
Before joining BCA, Pudjianto developed his career at PT Asuransi Kesehatan Indonesia (PT Askes - Persero) for 31 years and at PT Asuransi Jiwa InHealth Indonesia for five years. He began his career at PT Askes, Jakarta, as staff in Finance Sector, in 1977. He advanced his career by serving as Finance Manager Assistant (1983-1987), Accounting Manager (1988-1999), and Accounting General Manager (2000-2008). In 2009-2013, Pudjianto held the position as Finance Director, Human Resources and General Affairs of PT Asuransi Jiwa InHealth Indonesia, Jakarta.

Educational Background
Completed his Bachelor's degree in Commercial Administration Department at Universitas Terbuka Jakarta (1990) and Master's degree in Financial Management at Sekolah Tinggi Manajemen IMMI Jakarta (2002).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.
- Insuring sustainable Business Strategy – Asosiasi Ahli Manajemen Asuransi Indonesia, - Semarang, Indonesia.

Suyanto Sutjiadi
Member

Indonesian citizen, aged 64. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently he also serves as Independent Commissioner of PT Bank BCA Syariah since November 2013.

Career
Has worked at BCA for 32 years and at BCA Syariah for 3 years. He began his career at BCA Palembang as a clearing officer in 1978. In 1983, he served at Bank Indonesia as BCA representative as the counterpart for Small Investment Credit (KIK) and Permanent Capital Credit (KMKP). A year later he served at Tabanas and Taska section. Suyanto Sutjiadi was once served as the Authorized Signer of BCA Palembang (1985-1986). Then consecutively from 1987-2004, he served as Head of BCA Branch Offices including the Supporting Branch of Palembang, Pangkal Pinang Branch, Jambi Branch, Hayam Wuruk Branch, Gajah Mada Branch, Wisma Asia Branch, and as Head of Regional Office V Medan. Retired from BCA in 2010. In 2013 was appointed as an Independent Commissioner of BCA Syariah.

Educational Background
Earned a Bachelor's degree in Economics from the University of Sriwijaya, Palembang (1983).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.

Sutedjo Prihatono
Member

Indonesian citizen, aged 50. Domiciled in Indonesia. Has been a member of the Integrated Governance Committee of BCA since 2015. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently he also serves as the member of Syariah Supervisory Board of PT Bank BCA Syariah.

Career
Before joining PT Bank BCA Syariah, he developed his career at PT Bank Muamalat Indonesia Tbk as Senior Corporate Banking (1993-2004), then he held the position as Director of Karim Business Consultant (2004-2014). From 2010-2015, Sutedjo Prihatono served as a member of the Audit Committee and Risk Oversight Committee of PT Bank BCA Syariah.

Educational Background
Earned a Bachelor's degree in Management from the Economics Faculty of University of Krisnadwipayana (1993) and a Master's degree in Management from Binus Business School (2014).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.

Rudy Harjono
Member

Indonesian citizen, aged 60. Domiciled in Indonesia. He was appointed as a member of the Integrated Governance Committee of BCA since 2016. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently also serves as an Independent Director of BCA Finance Limited since January 2016.

Career
Joined BCA in 1984 and has since held various managerial positions including as General Manager and Head of Global Trade and Payment Services (2009-2013), Chief Manager and Deputy Head of International Banking Division (1995-2009), Deputy Chairman of SWIFT Indonesia Association (2007-2009), Senior Manager and Deputy Head of the Sudirman Branch (1990-1995), and Manager of the Asemka Branch (1984-1990).

Educational Background
Completed undergraduate studies in General Management & Marketing at Catholic University of Parahyangan, Bandung (1983).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.

Mendari Handaya
Member

Indonesian citizen, aged 61. Domiciled in Indonesia. He was appointed as a member of the Integrated Governance Committee of BCA since 2016. His last appointment for the next period is effective per September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently also serves as an Independent Commissioner of PT Central Santosa Finance since November 28, 2016, a member of the Audit Committee of PT Asuransi Jiwa BCA since October 1, 2014, and a member of the Audit Committee of PT BCA Finance since August 2015.

Career
Started his career with BCA in 1992 and has since held various positions in lending business units including as Head of Credit Risk Analysis Group (2006-2012), Adviser of Credit Risk Review Work Unit (2000-2006), and Head of Loans Recovery (1992-2000).

Educational Background
Earned a Bachelor's Degree and a Master's Degree in Economics from the University of Mannheim, Germany (1991).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Financing Companies in the Eye of Banking – APPI - Jakarta, Indonesia.
- Integrated Governance Workshop: Regulation, Recent and Best Practices – BCA in partnership with KNKG (National Committee of Corporate Governance) – Jakarta, Indonesia.
- Financing Industry in Capital Market – APPI – Jakarta, Indonesia.

Hendra Iskandar Lubis
Member

Indonesian citizen, aged 52. Domiciled in Indonesia. Was appointed as a member of the Integrated Governance Committee on September 25, 2017 according to the Decree of the Board of Directors No. 119/SK/DIR/2017. Currently also serves as an Independent Commissioner of BCA Sekuritas since 2017.

Career
Currently serves as President Commissioner of PT Dayalima Abisatya since 2012, President Commissioner of PT Karya Griya Bersama since 2009, President Commissioner of PT Graha Investama Bersama since 2011 and Independent Commissioner of PT Pelayaran Nasional Bina Buana Raya Tbk since 2012. Hendra Iskandar Lubis has also been an independent consultant in the area of corporate finance and capital markets (2012-2014, and 2016-present). Previously, he served as President Director of PT Pefindo Riset Konsultasi (2014-2016), Director of Investment Banking & Corporate Finance at PT OSK Nusadana Securities Indonesia (2006-2012), Director of PT Catunilai Finans Adhinarya (2002-2006), Advisor at Lippo Group (2000-2002), and Group Head of Bank Restructuring and Division Head of Asset Management Investment at the Indonesian Bank Restructuring Agency – IBRA (1998-2000).

Educational Background
Completed Bachelor's Degree in Urban & Regional Planning Techniques at Bandung Institute of Technology (1990) and earned a Master of Business Administration degree from George Washington University, USA in 1994.

Corporate Secretary Profile

Jan Hendra
Corporate Secretary

Indonesian citizen, aged 45. Domiciled in Indonesia. Appointed as the Corporate Secretary of BCA on October 1, 2016 based on Decree No. 2235/SK/HCM-KP/A/2016.

Career
Prior to his appointment as Corporate Secretary, Jan Hendra held various managerial positions in the Consumer Card Business Group (BCA Card Center) as Head of Marketing & Product Development (April 2013-September 2016), Head of Consumer Card Portfolio Management (2012-2013), Head of Issuing Portfolio Management (2012), and Head of Business Development (2009-2012). Before joining BCA in 2005, Jan Hendra served as Technical Assistant at Cisco Systems (2000-2005).

Educational Background
Earned a Bachelor's degree in Electrical Engineering from Trisakti University, Jakarta (1997), and completed his Master's degree in Software System Engineering at the University of Melbourne, Australia (2000).

Training and Certification
In 2018, participated in a number of training programs, seminars and conferences, including:
- Indonesia All Access – Nomura Indonesia - Jakarta, Indonesia.
- CXO Executive Summit – Google – California, USA.
- Investor Forum - Mandiri Sekuritas – Jakarta, Indonesia.
- Indonesia Conference - UBS Securities Indonesia – Jakarta, Indonesia.
- Indonesia Investor Conference – Citi Group Sekuritas Indonesia – Jakarta, Indonesia.
- Annual Indonesia Conference – CGS–CIMB Sekuritas Indonesia – Bali, Indonesia.
- 3rd Annual Indonesian Conference- Credit Suisse – Singapore, Singapore.

Senior Officers

As of 31 December 2018

Name	Position
Lanny Budiati	Head of Regional Office I, Bandung
Yandy Ramadhani	Head of Regional Office II, Semarang
Frengky Chandra Kusuma	Head of Regional Office III, Surabaya
Hendrik Sia	Head of Regional Office IV, Denpasar
Lukman	Head of Regional Office V, Medan
Daniel Hendarto	Head of Regional Office VI, Palembang
Jo Rudy Kurniawan	Head of Regional Office VII, Malang
Haryono Wongsonegoro	Head of Regional Office VIII, Pondok Indah, Jakarta
Djoko Rosmiatun Mijaata	Head of Regional Office IX, Matraman, Jakarta
Iwan Senjaya	Head of Regional Office X, Pluit, Jakarta
Mingto Purba	Head of Regional Office XI, Balikpapan
Freddy Suliman	Head of Regional Office XII, Wisma Asia, Jakarta
Arif Singgih Halim Wijaya	Head of Compliance
Ayna Dewi Setianingrum	Internal Audit Division Head
Christina Wahjuni Setyabudhi	Executive Vice President of Wealth Management Division
Deddy Muljadi Hendrawinata	Executive Vice President of Credit Risk Analysis Group
Dhejani Surjadi	Head of Menara BCA Corporate Branch Office
Djulijanto Liong*	Head of Commercial & SME Credit Risk Analysis Group
Edmund Tondobala*	International Banking Division Head
Eduard Guntoro Purba	Head of Risk Management
Edy Gunawan*	Head of Corporate Credit Risk Analysis Group
Eva Agrayani Tjong*	Wealth Management Division Head
Grace Putri Ayu Dewijany*	Head of Corporate Credit Risk Analysis Group
Gunawan Prayogo	Head of Corporate Banking Group
Helena Maria Atmodjo*	Head of Corporate Credit Risk Analysis Group
Hendra Tanumihardja	Human Capital Management Division Head
Hermanto	Head of Legal Group
Iman Sentosa*	Head of IT Architecture & Service Quality Group
Ina Suwandi	Transaction Banking Product Development Division Head
Ina Widjaja*	Head of Commercial & SME Credit Risk Analysis Group
Inge Setiawati	Head of Corporate Social Responsibility
Inge Setiawaty*	Head of Corporate Transaction Group
Jan Hendra*	Corporate Secretary
Janto Havianto*	Treasury Division Head
Jayaprawirya Diah*	Head of Digital Innovation Solution Group
Jip Thomas Sutanto*	Head of IT Infrastructure & Operation Group
Jip Tommy Sutanto	Head of Credit Services
Joanes Justira Gunawan	Head of Electronic Banking Services

As of 31 December 2018

Name	Position
Kho Vincentius Chandra Khosasih*	Head of Data Management & IT Management Office Group
Kristian Marbun	Head of Corporate Banking Group
Lay Susiana Santoso	Head of Corporate Finance Group
Lena Setiawati	Learning and Development Division Head
Lilik Winarni	Operation Strategy & Development Division Head
Linda Djojonegoro	Head of Credit & Consumer Card Services Group
Linus Ekabranko Windoe	Executive Vice President of Treasury & International Banking Division
Liston Nainggolan	Commercial & SME Business Division Head
Lukman Hadiwijaya	Head of Enterprise Security
Mathilda Simon	Consumer Credit Division Head
Megawaty	Head of Credit Recovery
Mira Wibowo	Transaction Banking Business Development & Marketing Division Head
Niniek Surijanti Rahardja	Transaction Banking Partnership Solution Development Division Head
Nur Hermawan Thendean	Executive Vice President of Strategic Information Technology Group
Ong Sukianto	Logistic & Building Division Head
Raymon Yonarto	Executive Vice President of Finance & Corporate Planning and Corporate Secretary Division
Raymond Tanuwibowo	Head of Corporate Banking Group
Rusdianti Salim	Cash Management Division Head
Soeni Atonie	Head of Anti Fraud Bureau
Sunandar Suryajaya	Head of Domestic Payment Services
Tan Tesien Tanudjaja*	Head of Corporate Credit Risk Analysis Group
Teddy Gunawan	Head of Global Trade & Payment Services
Ugahary Yovvy Chandra	Head of Individual Customer Business Development Division
Wani Sabu	Head of Digital Services
Weminto Suryadi	Network & Regional Development Division Head
Widjaja Stephen*	Head of Commercial & SME Credit Risk Analysis Group
Wilson Karimun	Head of Transaction Banking Business Support Group
Wira Chandra	Executive Vice President of Corporate Banking & Corporate Finance
Yuli Melati Suryaningrum*	Head of Corporate Banking Group

* Reports to the Executive Vice President

Number of Employees and Competence Development

Number of Employees

At the end of 2018, BCA had 24,941 employees, representing a decrease of 2.0% compared to 25,439 employees in 2017

Employee by Organization Level

	2018	2017
Non Staff	1,181	1,187
Staff	19,330	19,994
Managers	4,346	4,176
Senior Officers (Including the Board of Commissioners and Directors)	84	82
Total	**24,941**	**25,439**

Employee by Seniority

	2018	2017
≤ 1 Year	1,177	1,712
> 1 – 5 Year	6,967	7,048
> 5 – 10 Years	2,626	1,802
> 10 – 15 Years	773	621
> 15 – 20 Years	1,712	1,936
> 20 Years	11,686	12,320
Total	**24,941**	**25,439**

Employee by Age

	2018	2017
≤ 25 Years	2,740	3,387
> 25 – 30 Years	6,128	5,706
> 30 – 35 Years	2,060	1,629
> 35 – 40 Years	1,203	1,595
> 40 – 45 Years	3,712	4,278
> 45 – 50 Years	5,375	5,429
> 50 Years	3,723	3,415
Total	**24,941**	**25,439**

Employee by Education Level

	2018	2017
Up to Senior High School	4,357	4,868
Diploma and Undergraduate	19,741	19,771
Graduate and Doctorate	843	800
Total	**24,941**	**25,439**

Employee by Status

	2018	2017
Permanent	23,833	24,343
Non Permanent*	1,108	1,096
Total	**24,941**	**25,439**

* including contract employee, probationary and trainee

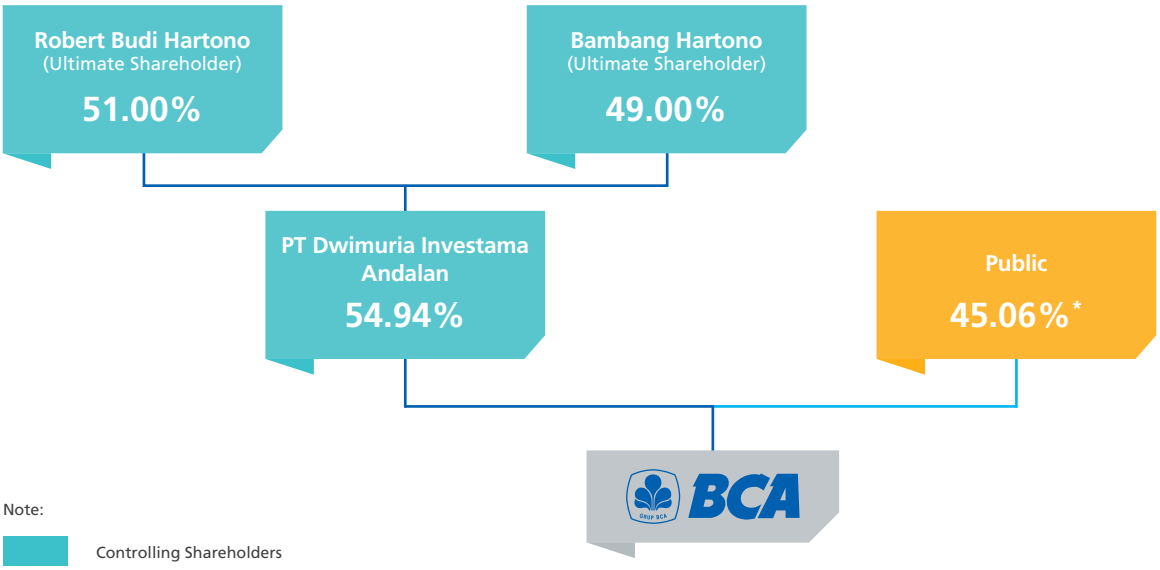
Employee Competence Development

More detailed information regarding competence development can be seen in this Annual Report under the Human Resources chapter on page 226-231.

Shareholder Composition

BCA Ultimate Shareholder

As of 31 December 2018



Note:

Controlling Shareholders

Controlling Line

* Of the portion of shares belonging to public shareholders, 2.49% is owned by affiliated parties of PT Dwimuria Investama Andalan, 1.76% is owned by Anthoni Salim and 0.19% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.

Details of 20 Largest Shareholders

As of 31 December 2018

No	Shareholders	Number of Shares (in millions)	%
1	PT Dwimuria Investama Andalan	13,546	54.94
2	Bank Julius Baer Co Ltd, Singapore S/A Anthoni Salim	340	1.38
3	CS AG Singapore TR AC Client PT TRICIPTA MND GMLNG-2023904042	263	1.07
4	GIC S/A Government Of Singapore	263	1.06
5	CS AG Singapore TR AC Client PT CATURGWRTN SMPL-2023904041	252	1.02
6	JPMCB NA RE - Europacific Growth Fund	247	1.00
7	HSBC Bank PLC S/A Saudi Arabian Monetary Authority	184	0.75
8	JPMCB NA RE - Vanguard Emerging Markets Stock Index Fund	150	0.61
9	JPMCB NA RE - Vanguard Total International Stock Index Fund	146	0.59
10	PT Prudential Life Assurance - REF	136	0.55
11	LGT Bank AG	133	0.54
12	JPMBL SA Ucits CLT RE - JPMorgan Funds	115	0.47
13	BBH Luxembourg S/A Fidelity Fd, Sicav-Emerg Mkts Fd	114	0.46
14	JPMCB NA RE - Oppenheimer Developing Markets Fund	112	0.46
15	JPMCB NA AIF CLT RE-Stichting Depositary APG EME MRKT EQ Pool	110	0.45
16	JPMCB NA RE-T.Rowe Price Emerging Markets Stock Fund	108	0.44
17	DJS Ketenagakerjaan Program JHT	107	0.43
18	BNYMSANV RE BNYMLB RE Employees Providentfd Board - 2039844119	105	0.43
19	JPMCB NA RE - New World Fund,Inc	103	0.42
20	BBH Boston S/A Matthews Pacific Tiger Fund	101	0.41
Total		**16,635**	**67.47**

Source: Indonesian Central Securities Depository (KSEI)

Note:
Several of the listed institutions act as custodians for shareholders

Details of Shareholders with More than 5% Share Ownership

As at 31 December 2018, there are no shareholders with more than 5% shareownership, except PT Dwimuria Investama Andalan as the controlling shareholder of BCA.

Public Shareholders with Less than 5% Shares Ownership

	Composition*
Individual	**3.3%**
Local	3.2%
Foreign	0.1%
Institution	**41.8%**
Local	7.4%
Foreign	34.4%
Total	**45.1%**

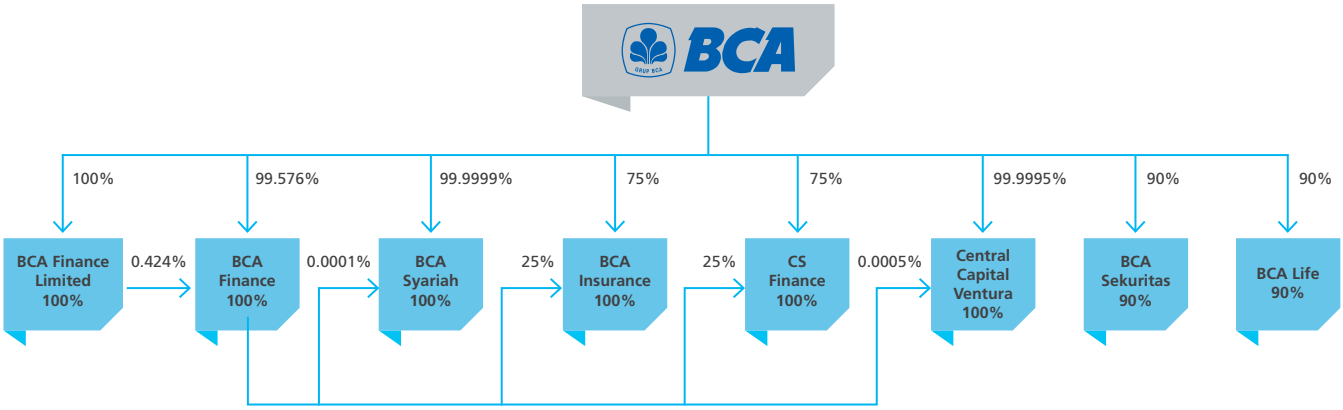
	Composition*
Local Shareholder	**10.6%**
Individual	3.2%
Limited Liability Company	3.0%
Insurance	2.1%
Danareksa	1.8%
Foundation	0.5%
Cooperative	0.0%
Foreign Shareholders	**34.5%**
Individual	0.1%
Foreign Entity	34.4%
Total	**45.1%**

* Calculated based on total number of BCA outstanding share amounting to 24,655,010,000.
Source: Indonesian Central Securities Depository (KSEI) and PT Raya Saham Registra

Share Ownership Percentage of Commissioners and Directors

As at 31 December 2018, the Board of Commissioners and Board of Directors of BCA hold on aggregate 0.19% of the shares of BCA. Details of the share ownership of individual Commissioner and Director are presented in the section on Consolidated Financial Statements on page 638-639.

BCA Group Structure and Subsidiaries Ownership



Subsidiaries Business

PT BCA Finance	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorized agency
BCA Finance Limited	Remittance and money lending
PT Bank BCA Syariah	Sharia Banking
PT BCA Sekuritas	Securities brokerage dealer and underwriter for issuance of securities
PT Asuransi Umum BCA (BCA Insurance)	General insurance
PT Central Santosa Finance (CS Finance)	Investment financing, working capital financing, multipurpose financing, operating lease, other financing activities based on approval from authorized agency
PT Asuransi Jiwa BCA (BCA Life)	Life insurance
PT Central Capital Ventura (CCV)	Venture capital company

Record of BCA Share and Other Securities Listing

PT Bank Central Asia Tbk (BCA) held Initial Public Offering (IPO) on 11 May 2000. The IPO was listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange on 31 May 2000 (Currently both exchanges were merged into the Indonesia Stock Exchange).

Record of BCA Share Listing at the Indonesia Stock Exchange

Date	Description		Number of Outstanding Shares	Total par Value (in Rupiah)
11 May 2000	Initial Public Offering (IPO)	2,943,986,000	2,943,986,000	500
15 May 2001	Stock split I with ratio of 1:2	x 2	5,887,972,000	250
2001	Shares issued in accordance with the Management Stock Option Plan (MSOP)	58,025,000	5,945,997,000	250
2002	Shares issued in accordance with the Management Stock Option Plan (MSOP)	71,526,000	6,017,523,000	250
2003	Shares issued in accordance with the Management Stock Option Plan (MSOP)	113,611,500	6,131,134,500	250
8 June 2004	Stock split II with ratio of 1:2	x 2	12,262,269,000	125
2004	Shares issued in accordance with the Management Stock Option Plan (MSOP)	40,944,500	12,303,213,500	125
2005	Shares issued in accordance with the Management Stock Option Plan (MSOP)	15,888,000	12,319,101,500	125
2006	Shares issued in accordance with the Management Stock Option Plan (MSOP)	8,403,500	12,327,505,000	125
31 January 2008	Stock split III with ratio of 1:2	x 2	24,655,010,000	62.5

Note:
The Extraordinary General Meeting of Shareholders on 12 April 2001 decided to increase the issued capital by issuing 147,199,300 shares through the Management Stock Option Plan (MSOP). The MSOP was executable from 10 November 2001 up to 9 November 2006. Shares issued in accordance with the MSOP program above were taken into account for the effect of the stock split.

Record of Other Securities Listing

In 2018 BCA has issued subordinated bonds, which detail can be seen in the Bonds Highlights on page 17

Information on Subsidiaries

As of 31 December 2018

Company Name	Share Ownership			Type of Business
PT BCA Finance	PT Bank Central Asia Tbk BCA Finance Limited Total	: : :	99.576% 0.424% 100%	Investment Financing; Working Capital Financing; Multipurpose Financing Activities; Operating Lease; Other Financing Activities based on approval from authorized agency
BCA Finance Limited	PT Bank Central Asia Tbk	:	100%	Remittance and Money Lending
PT Bank BCA Syariah	PT Bank Central Asia Tbk PT BCA Finance Total	: : :	99.9999% 0.0001% 100%	Sharia Banking
PT BCA Sekuritas	PT Bank Central Asia Tbk Chandra Adisusanto Total	: : :	90% 10% 100%	Securities Brokerage Dealer and Underwriter for Issuance of Securities
PT Asuransi Umum BCA (BCA Insurance)	PT Bank Central Asia Tbk PT BCA Finance Total	: : :	75% 25% 100%	General Insurance
PT Central Santosa Finance (CS Finance)	PT Bank Central Asia Tbk PT BCA Finance Total	: : :	75% 25% 100%	Investment Financing; Working Capital Financing; Multipurpose Financing Activities; Operating Lease; Other Financing Activities based on approval from authorized agency
PT Asuransi Jiwa BCA (BCA Life)	PT Bank Central Asia Tbk Chandra Adisusanto Total	: : :	90% 10% 100%	Life Insurance
PT Central Capital Ventura (CCV)	PT Bank Central Asia Tbk PT BCA Finance Total	: : :	99.9995% 0.0005% 100%	Venture Capital Company

Brief Profile	Total Assets (in billion Rupiah)	Company Address	Operational Status
PT BCA Finance was established in 1981 and currently provides vehicle financing, particularly 4-wheeler or more. BCA became a major shareholder in 2001.	8,127	Wisma BCA Pondok Indah 2nd Floor, Jl. Metro Pondok Indah No. 10 Jakarta 12310 Tel. : (021) 29973100	Operating
BCA Finance Limited was established in 1975, and currently holds a business license as a money lender with a focus on fund remittance services. BCA became a major shareholder in 1996.	772	Unit 4707, 47/F, The Center, 99 Queen's Road Central, Hong Kong Tel. : (852) 28474249	Operating
PT Bank BCA Syariah (formerly PT Bank UIB) was established in 1991 and currently operates as a sharia bank. BCA became a major shareholder in 2009.	7,064	Jl. Jatinegara Timur No. 72 Jakarta 13310 Tel. : (021) 8505030, 8505035, 8190072	Operating
PT BCA Sekuritas (formerly PT Dinamika Usaha Jaya) was established in 1990 with business lines as securities brokerage and investment bank. BCA became a major shareholder in 2011.	626	Menara BCA, Grand Indonesia 41th Floor, Suite 4101 Jl. M.H. Thamrin No. 1 Jakarta 10310 Tel. : (021) 23587222	Operating
PT Asuransi Umum BCA (formerly PT Central Sejahtera Insurance) was established in 1988 as an insurance company particularly engaged in general or loss insurance activities. BCA through PT BCA Finance held a 25% shares ownership in 2010 and increased its direct and indirect ownership to 100% in 2013.	1,745	Gedung Sahid Sudirman Center 10th Floor Unit 10F Jl. Jend. Sudirman No.86 Jakarta 10220 Tel. : (021) 27889588	Operating
PT Central Santosa Finance was established in 2010 and currently provides consumer financing, factoring and finance leasing business. BCA through PT BCA Finance held a 25% shares ownership in 2010. In 2014, BCA became a direct and major shareholder in PT Central Santosa Finance with 45% shares ownership. On 22 November 2017, BCA again increased its direct shares ownership in PT Central Santosa Finance to 75%.	1,405	WTC Mangga Dua 6th Floor Blok CL No. 001 Jl. Mangga Dua Raya No. 8 Jakarta 14430 Tel. : (021) 29648200	Operating
PT Asuransi Jiwa BCA was established in 2013 as a life insurance company and began its operation in 2014. In 2017, BCA became a direct shareholder in PT Asuransi Jiwa BCA with 90% shares ownership, whereas previously BCA has indirect shareholding through PT BCA Sekuritas and PT Asuransi Umum BCA.	903	Chase Plaza 22nd Floor Jl. Jend. Sudirman Kav. 21 Jakarta 12920 Tel. : (021) 21888000	Operating
PT Central Capital Ventura, was established in 2017 as a venture capital company.	205	Gedung Office 8, 16th Floor Unit F SCBD Lot 28 Jl. Jend. Sudirman Kav. 52-53 Jakarta 12190	Operating

Capital Market Supporting Institution

As of 31 December 2018

Public Accounting

Tanudiredja, Wibisana, Rintis & Rekan
(a member of the PricewaterhouseCoopers network of firms)
WTC 3
Jl. Jend. Sudirman Kav. 29-31
Jakarta 12920
Indonesia
Tel. (62-21) 521 2901
Fax. (62-21) 529 05555, 529 05050
Website: www.pwc.com/id

Share Registrar

PT Raya Saham Registra
Gedung Plaza Sentral, 2nd Floor
Jl. Jend. Sudirman Kav. 47-48 Jakarta 12930
Tel. (62-21) 252 5666
Fax. (62-21) 252 5028
Website: www.registra.co.id

Securities Rating Agency

Fitch Ratings Singapore Pte Ltd
One Raffles Quay
South Tower #22-11
Singapore 048583
Tel. (65) 6796 7200
Website: www.fitchratings.com

PT Fitch Ratings Indonesia
DBS Bank Tower, 24th Floor, Suite 2403
Jl. Prof. Dr. Satrio Kav 3-5
Jakarta 12940
Tel. (62-21) 2988 6800

Moody's Singapore Pte Ltd
50 Raffles Place #23-06
Singapore Land Tower
Singapore 048623
Website: www.moodys.com

Notary

Dr. Irawan Soerodjo, S.H., MSi.
Jl. K.H. Zainul Arifin No. 2
Komp. Ketapang Indah Blok B-2 No. 4-5
Jakarta 11140
Tel. (62-21) 630 1511
Fax. (62-21) 633 7851
Website: www.notarisirawan.com

Law Firm Consultant

Hadiputranto, Hadinoto & Partners
Pacific Century Place, Level 35
Sudirman Central Business District Lot 10
Jl. Jendral Sudirman Kav. 52-53
Jakarta 12190
Indonesia
Tel. (62-21) 2960 8888
Fax. (62-21) 2960 8999
Website: https://www.hhp.co.id/

Awards and Certifications

KSEI Award

1

KSEI (The Indonesia Central Securities Depository Agency)
- Issuer with The Highest Value of Scriptless Securities
- Investor Fund Account Administrator (RDN) Bank with The Largest Number of Clients

The 7th SPS Indonesia Inhouse Magazine Awards (InMA) 2018

2

Serikat Perusahaan Pers (Pers Association)
- The Best of Private Company - Inhouse Magazine (InMA) 2018 - **Info BCA**
- The Best of Private Company - E-magazine - Inhouse Magazine (InMA) 2018 - **Info BCA**

Mitra Channel Award 2018

3

Telkomsel
2nd Best Performance - Channel Banking

Indonesia Wow Brand

4

MarkPlus Insight
Gold Champion
- Internet Banking - **Klik BCA**
- ATM - **ATM BCA**
- Electronic Money - **Flazz BCA**
- Mobile Banking - **mBCA**
- Credit Card - **Kartu Kredit BCA**
- Call Center - **Halo BCA**

Silver Champion
- Savings Account - **Bank BCA**

Bronze Champion
- Mortgage - **KPR BCA**

Indonesia Branding Campaign of The Year

5

MarkPlus Insight
Brand for Good Club Member 2018

Appreciation & Award of Taxpayer

6

Ministry of Finance - Directorate of Taxation
Kanwil DJP Wajib Pajak Besar
"Our Tax is The Real Contribution for Indonesia"

The Best Ratio Performance

7

PT Rintis Sejahtera PRIMA
Cash Withdrawal

Obsession Awards 2018

8

Obsession Media Group
Best Company - Enterprise Achiever

Women's Obsession Awards 2019
Best Achiever in Women Professional - **Lianawaty Suwono**

Indonesia Corporate PR Awards 2018

9

Warta Ekonomi
Top 8 Popular Companies in Banking Sector
Category: Banking

Awards and Certifications - Continued

Contact Center Service Excellence Award (CCSEA) 2018

10

Carre – Center for Customer Satisfication and Loyality (Carre – CCSL) and Majalah Service Excellence
- Call Center - Priority Banking
- Call Center - Regular Banking
- Call Center - Platinum Credit Card
- Call Center - Mortgage
- Call Center - Personal Loan
- Call Center - EDC
- Call Center - Life & Health Insurance
- Email Center - Banking Finance Insurance
- Twitter - Banking Finance Insurance
- Facebook - Banking Finance Insurance
- Call Center - Sharia Banking
- Call Center - Regular Credit Card
- Call Center - Automotive Financing

Digital Popular Brand Award 2018

11

TRAS n CO Indonesia
INFO BRAND (Indonesia #1 Brand Media)
IMFocus (DigiMarketing Consultant)
- Credit Card - **BCA**
- Internet Banking - **Klik BCA**
- Stored Value Card - **Flazz BCA**
- Mobile Banking - **M-BCA**
- Car Leasing - **BCA Finance**
- Call Center Bank - **Halo BCA**
- Time Deposit - **Bank BCA**

7th Infobank Digital Brand Awards 2018

12

Infobank
Sisentia
Rank I
- Conventional Commercial Bank Category
- Conventional Commercial Bank Time Deposit Category
- Conventional Commercial Bank Debit Card Category
- Flazz Brand E-money Category
- Vehicles Financing Conventional Commercial Bank Category

Rank II
- Credit Card Cateogry, Conventional Commercial Bank Category, BCA Credit Card Product
- Wealth Management Category, Conventional Commercial Bank, BCA Prioritas

Rank III
- Savings Account - Conventional Commercial Bank Category, Tahapan BCA product

2017 Asian Banking 300

13

Yazhou Zhoukan
Highest Return on Assets Award

HR Excellence Award 2018

14

Majalah SWA & Lembaga Manajemen-FEUI
- Recruitment Strategy (Rating A)
- Retention Strategy (Rating A)
- Learning & Development Strategy (Rating A)

EXCELLENT GROWTH Bisnis Indonesia Award 2018

15

Bisnis Indonesia
Private Commercial Bank - Foreign Exchange

15th Indonesia Most Admired Company Award

16

Warta Ekonomi
- Top 5 Indonesia Most Admired Companies 2018 in Bank Category

Investor Awards Best Listed Companies 2018

17

Majalah Investor
Top Performing Listed Companies 2018
Market Capitalization >Rp10 Trillion

Infobank Satisfaction Loyalty Engagement Awards 2018

18

Infobank
MRI-Marketing Research Indonesia
Rank I
- Overall Satisfaction Loyalty Engagement (SLE) - Conventional Commercial Bank
- Net Promotor Score - (NPC) Conventional Commercial Bank
- Experience Index 2018 - Conventional Commercial Bank
- Engagement Index - Conventional Commercial Bank
- Satisfaction Index 2018 - Conventional Commercial Bank Security Staffs
- Satisfaction Index 2018 - Customer Service Conventional Commercial Bank
- Satisfaction Index 2018 Satisfaction Index 2018 - Conventional Commercial Bank Teller
- Satisfaction Index 2018 Physical Conventional - Commercial Bank

Rank II
- Satisfaction Index 2018 - Conventional Commercial Bank

Rank III
- Loyalty Index 2018 - Conventional Commercial Bank
- Satisfaction Index 2018 ATM - Conventional Commercial Bank

Indonesia Digital Innovation Award 2018

19

Warta Ekonomi
- Innovative Company in Digital Transaction and Customer Services
- National Private Foreign-Exchange Commercial Bank

Indonesia's Top 100 Most Valuable Brands 2018

20

Majalah SWA
Rank 4

Banking Service Excellence Awards 2018

21

Majalah Infobank & Marketing Research Indonesia (MRI)
- 1st Best Mobile Banking Bank Umum - Commercial Bank
- 1st Best Digital Branch - Commercial Bank
- 2nd Best Chatbot - Commercial Bank
- 2nd Best Opening Account Mobile Application - Commercial Bank
- 3rd Best CRM (Mesin Setor Tunai) - Commercial Bank
- 5th Best Overall Performance - Commercial Bank

Corporate Image Award 2018

22

Majalah Marketing
Frontier Consulting Group
Indonesia's Most Admired Companies
Kategori Bank Nasional

FinanceAsia Country Awards for Achievement 2018

23

FinanceAsia
- Best Asian Bank
- Best Bank in Indonesia

Investor Best Bank Award 2018

24

Majalah Investor
Berita Satu - Media Holding
Best Bank with Core Capital > Rp30 Trillion Category

Awards and Certifications - Continued

Yayasan Keanekaragaman Hayati Indonesia (KEHATI)

KEHATI

25

Constituent Of Sustainable Responsible Investment (SRI)-KEHATI Index

ASEAN Best Public Companies: SWA 100 Best Wealth Creator

26

SWA
- The 3rd - The Best Public Companies Based on WAI™ (Overall) 2018
- The 4th - ASEAN The Best Public Companies Based on WAI™ (Overall) 2018
- The 2nd - The Best Public Companies Based on WAI™ 2018 (Industry Category: Banks)
- The 3rd - ASEAN The Best Public Companies Based on WAI™2018 (Industry Category: Banks)

Indonesia Best Public Company Awards 2018

27

Warta Ekonomi
Category: Finance

Euromoney Awards for Excellence

28

Euromoney
Indonesia's Best Bank

Service Quality Awards 2018

29

Majalah Service Excellence
Majalah Marketing, Carre Center for Customer Satisfaction & Loyalty (Carre CCSL)
- BCA Prioritas - Priority Banking
- Bank Central Asia - Regular Banking
- Bank Central Asia - Banking for Corporate Customers
- Bank Central Asia - Gold Credit Card
- Bank Central Asia - Platinum Credit Card
- BCA Syariah - Sharia Banking
- BCA Finance - Financing Automotive AW

Infobank Awards 2018

30

Infobank
- Excellent Predicate
- Excellent Predicate for 15 Consecutive Years

Contact Center World (CCW) Asia Pacific Award 2018

31

Contact Center World
Gold
- Incentive Scheme
- Best Use of Social Media
- Green Contact Center
- Best Design
- Customer Loyalty
- Community Spirit
- Best In Customer Service

Silver
- Recruitment Campaign
- Helpdesk
- Self Service Technology
- Technology Innovation

Bronze
- Direct Response

Dream Team (Special Mention)

Indonesia Banking Award 2018

32

Tempo Media Group
Indonesia Banking School
- Best Parenting Bank, Conventional Commercial Bank Category
- Most Reliable Bank, Conventional Commercial Bank with Assets of Rp100 trillion & Above Rp100 trillion Category
- Most Efficient, Conventional Commercial Bank with Assets of Rp100 trillion & Above Rp100 trillion Category

B A - BRAND ASIA 2018

33

Markplus Inc
Nikkei BP Consulting, Inc.
Gold Champion
Category Banking

Contact Center World (CCW) Award 2018

34

Contact Center World
Gold
Individual
- Sales Manager
- Quality Auditor
- IT Support
- Project Manager
- CS Professional
- Sales Professional

Corporate
- Incentive Scheme
- Best Use of Social Media
- Recruitment Campaign
- Green Contact Center
- Contact Center Design
- Customer Loyalty
- Community Spirit
- Technology Innovation
- Best in Customer Service

Silver
Individual
- Operational Manager
- Trainer

Corporate
- Self Service Technology

Bronze
Corporate
- Help Desk

Industry Champion Corporate
Industry Champion Individual

Social Business Innovation Award 2018 & Green CEO Award 2018

35

Warta Ekonomi
- Top 5 Social Business Innovation Companies 2018 - **Category Banking**
- CEO of PT Bank Central Asia Tbk - **Category Banking**

Most Valuable Indonesian Brands 2018

36

BrandZ
- Rank No. 1 of Top 50 Most Valuable Indonesian Brands 2018
- Rank No.99 Top 100 Most Valuable Global Brands 2018

Indonesia Corporate Secretary Awards 2018

37

Warta Ekonomi
Top 10 GCG Issues in Banking Sector

Indonesia PR of The Year 2018

38

Mix Marketing & Communication & SWA
Corporate Secretary Team of The Year 2018

Indonesia Living Legend Companies 2018

39

SWA
Indonesian Living Legend Companies

ASEAN Business Awards 2018

40

ASEAN Business Advisory Council
Winner - Priority Integration Sector - Sub Category Finance

Awards and Certifications - Continued

The Largest Book Donation for Students of Public Schools

41

Museum Rekor Dunia Indonesia

Bank Indonesia Award

42

Bank Indonesia
- Supporting Bank - The Best in Monetary Control for Rupiah and Foreign Currency
- Supporting Bank - The best in In-depth Financial Market (Support Group in Financial Deepening - Rupiah)

The Best CEO 2018

43

SWA & Dunamis Organization Services
1st Rank - The Best CEO 2018
(Jahja Setiaatmadja)

Forbes Indonesia Best of The Best Awards 2018

44

Forbes Indonesia
Top 50 Companies of 2018

Indonesia Best Banking Award 2018

45

Warta Ekonomi
Bank with "healthy" predicate - 4th quarter with asset above Rp500 trillion

Forbes Global 2000 2018

46

Forbes Global
- Forbes Global 2000 2018 #574
- Forbes Global Best Regarded Company 2000 2018 #148
- Forbes Global World's Best Employers 2000 2018 #32

Indonesia Most Admired CEO 2018

47

Warta Ekonomi

Good Corporate Governance Award 2018 - Indonesia Most Trusted Companies 2018

48

SWA & Indonesian Institute for Corporate Governance
- Most Trusted Company - Based on Corporate Governance Perception Index (CGPI) - Very Trusted Category

The 10th IICD Corporate Governance Conference and Award

49

Indonesian Institute for Corporate Directorship (IICD) & Kontan
- Top 50 Big Capitalization - Public Listed Companies
- Best Right - Shareholders

50

Indonesian Ministry of Finance
- Best Performance - Retail Sales Agent
- First Best SBSN Sales Agent

Branches

As of 31 December 2018

REGION I

Address :
Jln. Asia Afrika 122-124
Bandung 40261
Tel. (022) 4236303

Number of Branches :
11 Main Branches
67 Sub Branches
12 Cash Offices

Locations :

Bandung	Cirebon	Majalengka	Subang
Banjar	Garut	Ngamprah	Sukabumi
Ciamis	Indramayu	Purwakarta	Sumber
Cianjur	Karawang	Singaparna	Sumedang
Cimahi	Kuningan	Soreang	Tasikmalaya

REGION II

Address :
Jln. Pemuda 90-92
Semarang 50133
Tel. (024) 3510575

Number of Branches :
13 Main Branches
82 Sub Branches
27 Cash Offices

Locations :

Banjarnegara	Karanganyar	Purbalingga	Sukoharjo
Bantul	Kebumen	Purwodadi	Surakarta
Batang	Kendal	Purwokerto	Tegal
Blora	Klaten	Purworejo	Temanggung
Boyolali	Kudus	Rembang	Ungaran
Brebes	Magelang	Salatiga	Wates
Cilacap	Mungkid	Semarang	Wonogiri
Demak	Pati	Slawi	Wonosari
Jepara	Pekalongan	Sleman	Wonosobo
Kajen	Pemalang	Sragen	Yogyakarta

REGION III

Address :
Jln. Raya Darmo 5
Surabaya 60265
Tel. (031) 5618921

Number of Branches :
13 Main Branches
89 Sub Branches
34 Cash Offices

Locations :

Bangkalan	Jombang	Pamekasan	Sumenep
Bojonegoro	Lamongan	Sampang	Surabaya
Gresik	Mojokerto	Sidoarjo	Tuban

REGION IV

Address :
Jln. Hasanudin 58
Denpasar 80119
Tel. (0361) 431012-14

Number of Branches :
13 Main Branches
61 Sub Branches
19 Cash Offices

Locations :

Ambon	Kupang	Palu	Sungguminasa
Bau Bau	Luwuk	Pare Pare	Tabanan
Bitung	Makassar	Pinrang	Ternate
Denpasar	Manado	Praya	Timika
Gianyar	Manokwari	Ruteng	Tomohon
Gorontalo	Mataram	Selong	Watampone
Jayapura	Mengwi	Semarapura	
Kendari	Negara	Singaraja	
Kotamobagu	Palopo	Sorong	

REGION V

Address :
Jln. Diponegoro 15
Medan 20112
Tel. (061) 4155800 / 4575800

Number of Branches :
13 Main Branches
55 Sub Branches
21 Cash Offices

Locations :

Banda Aceh	Bukittinggi	Medan	Sei Rampah
Bandar Seri Bentan	Dumai	Padang	Tanjung Balai
Batam	Kisaran	Payakumbuh	Tanjung Balai Karimun
Bengkalis	Lhokseumawe	Pekanbaru	Tanjung Pinang
Binjai	Limapuluh	Pematang Siantar	Tebing Tinggi
Bireuen	Lubuk Pakam	Rantau Prapat	Tembilahan

REGION VI

Address :
Jln. Kapten A. Rivai 22
Palembang 30129
Tel. (0711) 312244

Number of Branches :
10 Main Branches
38 Sub Branches
33 Cash Offices

Locations :

Bandar Lampung	Kepahiang	Menggala	Pangkalan Balai
Bangko	Koba	Mentok	Prabumulih
Baturaja	Kotabumi	Metro	Pringsewu
Bengkulu	Kuala Tungkal	Muara Bungo	Sekayu
Curup	Lahat	Muara Enim	Sungai Liat
Gunung Sugih	Lubuk Linggau	Pagar Alam	Tanjung Pandan
Jambi	Manggar	Palembang	Toboali
Kalianda	Martapura	Pangkal Pinang	

REGION VII

Address :
Jln. Jend. Basuki Rachmat 70-74
Malang 65111
Tel. (0341) 358500

Number of Branches :
11 Main Branches
49 Sub Branches
15 Cash Offices

Locations :

Banyuwangi	Kediri	Malang	Probolinggo
Batu	Kepanjen	Mejayan	Situbondo
Blitar	Kraksaan	Nganjuk	Trenggalek
Bondowoso	Lumajang	Ngawi	Tulungagung
Jember	Madiun	Pasuruan	
Kanigoro	Magetan	Ponorogo	

REGION VIII

Address :
Wisma BCA Pondok Indah
Jln. Metro Pondok Indah No.10
Jakarta 12310
Tel. (021) 29973488

Number of Branches :
11 Main Branches
96 Sub Branches
25 Cash Offices

Locations :

Cibinong	Depok	Purwakarta	Tangerang (South)
Cikarang	Jakarta (Central, South, East, & North)	Tangerang	Tigaraksa

Branches - Continued

REGION IX

Address :
Jln. Matraman Raya 14-16
Jakarta 13150
Tel. (021) 8581259

Number of Branches :
12 Main Branches
108 Sub Branches
25 Cash Offices

Locations :

Bekasi	Cibinong	Depok	Karawang
Bogor	Cikarang	Jakarta (Central, South, East, & North)	

REGION X

Address :
Jln. Pluit Selatan Raya
Komplek Perkantoran Landmark Pluit
Blok A No.8, Jakarta 14450
Tel. (021) 6601718

Number of Branches :
10 Main Branches
89 Sub Branches
4 Cash Offices

Locations :

Jakarta (Central, North & West)

REGION XI

Address :
Jln. Jend. Sudirman 139
Balikpapan 76113
Tel. (0542) 735252

Number of Branches :
8 Main Branches
36 Sub Branches
7 Cash Offices

Locations :

Balikpapan	Martapura	Sambas	Tanjung
Banjarbaru	Mempawah	Sampit	Tanjung Redeb
Banjarmasin	Palangkaraya	Sangatta	Tarakan
Batulicin	Pangkalan Bun	Singkawang	Tenggarong
Bontang	Pontianak	Sintang	
Ketapang	Samarinda	Sungai Raya	

REGION XII

Address :
Wisma Asia I
Jln. S. Parman kav.79
Jakarta 11420
Tel. (021) 5638888

Number of Branches :
11 Main Branches
95 Sub Branches
25 Cash Offices

Locations :

Cilegon	Pandeglang	Serang	Tangerang (South)
Jakarta (Central & West)	Rangkasbitung	Tangerang	Tigaraksa

NON REGION OFFICE

Address :
Menara BCA, Grand Indonesia
Jakarta 10310
Tel. (021) 23588000

Number of Branches :
1 Main Branch

Locations :

Jakarta (Central)

REPRESENTATIVE OFFICE

Singapore	Hong Kong
Address : 360 orchard road #06-06A International building Singapore 238869	**Address :** Unit 4707, 47/F The Center 99 Queen's Road Central Hong Kong

Information on Company's Website

To deliver easier access for any information related to the company, BCA provides a website at https://www.bca.co.id/

Information provided on the website includes banking solutions for individuals, business needs, information about BCA, including information addressed to investors or related to corporate governance. The company's website is also one of marketing tools for introducing new products and services.

In addition, Halo BCA Chat service also available via company website to communicate with BCA team through online chat, should there be any questions regarding BCA products and services or any input to the company.

Training and/or Education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Information regarding training and/or education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit is presented in the section on Corporate Profile, pages 54-79 and Corporate Governance, pages 248-513 in this Annual Report.

1.36
0.10
0.63
0.00
0.11
0.63
0.00
37.85
1.95
1.21

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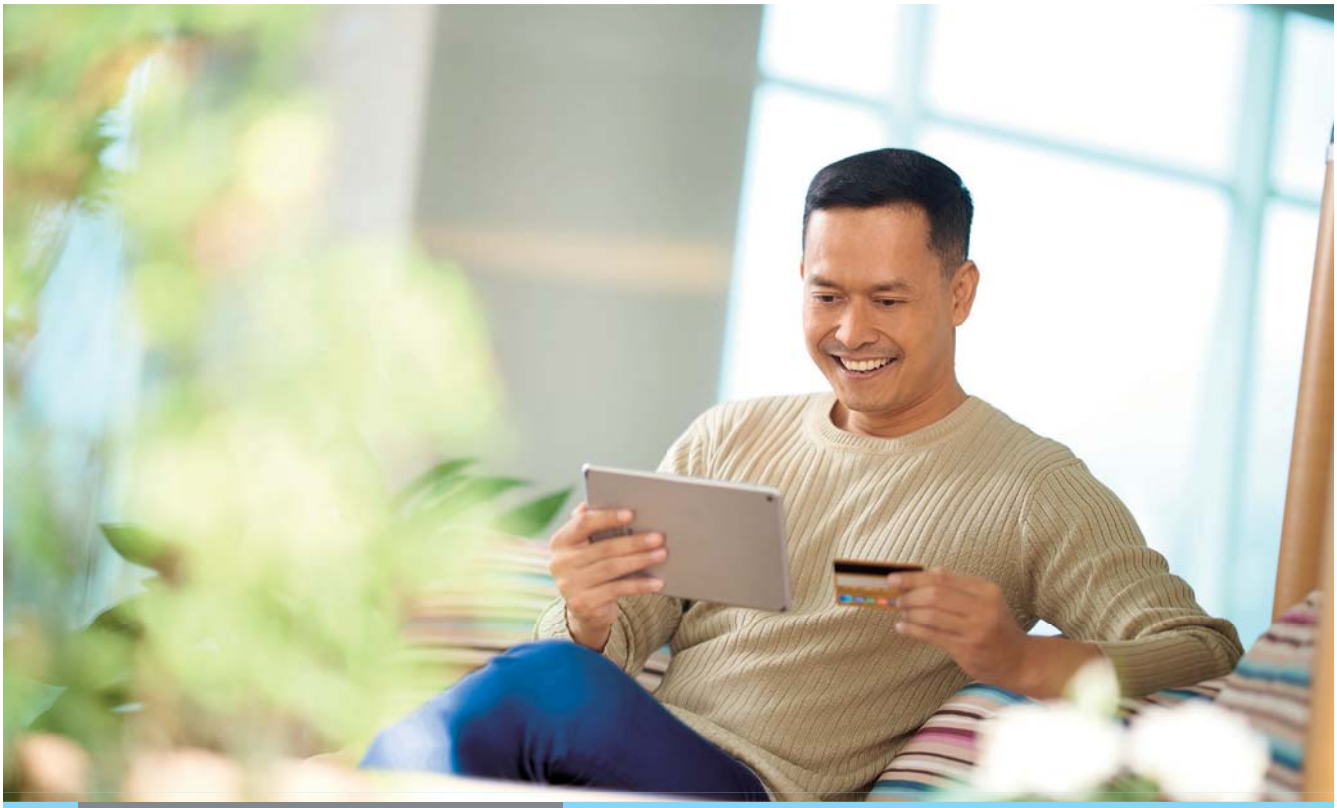
Business Review

Transaction Banking



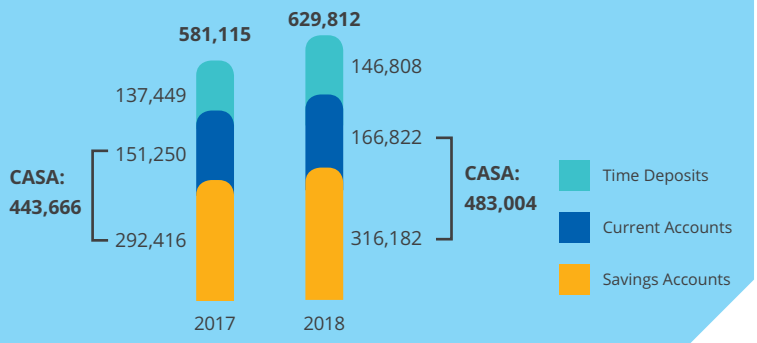
Transaction Banking in 2018

Rp **483.0** trillion
CASA

>17 million
Customers' average transactions per day

Third Party Funds

(in billion Rupiah)



To maintain sustainable business growth, BCA has consistently maintained its excellence in transaction banking by developing an integrated multi-channel network, as well as developing its products and services in line with customer and community behavior in general. BCA, as a bank with a large number of customers and high transaction frequency, optimizes its use of technology to innovate and invest in transaction banking. Factors such as customer transaction convenience and security and maintaining reliable banking services are BCA's main focus in innovation.

> "Transaction banking is the main driver of the growth of Current Accounts and Savings Accounts (CASA). We continue to proactively innovate new transaction banking products and services in line with customer needs and the development of digital technology."

In this digitalization era, BCA's transaction banking has expanded its collaboration with strategic partners - public service institutions, financial technology (fintech) companies, and e-commerce business - in developing its cashless society ecosystem. In expanding this ecosystem, we leverage on the latest technology, such as the Application Program Interface (API), to facilitate connectivity between various payment systems, and to enhance customer experience.

With support from our core transaction banking business, customer trust and the provision of a comprehensive financial solution, Current Accounts and Savings Accounts (CASA) grew 8.9% to Rp483.0 trillion from Rp443.7 trillion the previous year. As of December 2018, CASA was the main contributor at 76.7% of total third party funds.

Excellent Products and Services

BCA has widely used transaction banking products and services, such as debit cards, credit cards, electronic money, and various payment features based on internet banking, mobile banking and collaboration platforms with strategic merchants. The debit and ATM cards are connected to customer savings accounts and can be easily accessed via internet and mobile banking facilities.

We developed various savings products to cater to the diverse and dynamic customer needs, both in the organization and individual segment. For the individual segment, Tahapan BCA remains the top product with the most significant contribution in third party funds. Tahapan is developed in accordance with customer needs, such as the Tahapan Xpresi that is aligned with a more expressive youth lifestyle and comes with various promotions and unique ATM card designs. BCA also has the Tapres product for the customer who seeks a savings account with a higher interest rate.

For business needs, BCA has the Tahapan Gold product that provides complete and detailed transaction information for an easier business operation process. BCA also offers current accounts for business customers available in 9 currencies. The current account customer will get cheque payment facilities, as well as electronic banking services including internet and mobile banking. These facilities are offered to fulfill payment needs of business customers. BCA also provides a notification feature for every transaction the current account customer does via SMS (short message service) and email, which makes it easy for customers to track their business transactions.

Business Review

Transaction Banking

To support customers who want to fulfill their long term plans, BCA offers Tahapan Berjangka (Tahaka), with a monthly routine deposit mechanism. This comes with BCA Life insurance protection. The opening of a Tahaka account can be done via branch office, video facility at MyBCA, and internet banking. In 2018, BCA provided Tahaka SiMuda, initiated by the Financial Services Authority (OJK), to encourage the young generation to routinely save with lower monthly deposits than Tahaka.

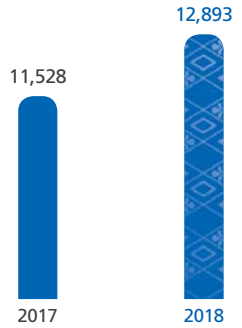
BCA collaborated with MasterCard to launch a debit co-branding card, which can be used for transactions in all MasterCard ATMs and merchants all over the world, and is aligned with the National Standard Indonesian Chip Card Specification (NSICCS). BCA also actively participated in supporting government policies regarding the National Payment Gateway (NPG), by encouraging customers to exchange their debit card for one with the NPG logo.

To facilitate customer transaction needs for cashless payment, we continue to expand debit and credit card acceptance with a widespread EDC network placed at strategic merchants throughout Indonesia. To expand the scope of debit card utilization internationally, we worked with MasterCard, Maestro, and Cirrus international networks; and for credit card acquiring services, we cooperate with international networks such as Visa, MasterCard, American Express, JCB, NETS, and China UnionPay International (UPI).

For credit card issuance, BCA cooperated with various international networks, such as Visa, MasterCard and American Express. To capture new opportunities from society's growing lifestyles in regard to overseas travel, in 2018 BCA launched the BCA Singapore Airlines KrisFlyer Infinite credit cards - the third co-branding products with Singapore Airlines. This card gives the benefit of faster accumulation of KrisFlyer miles for each

Credit Card Outstanding

(in billion Rupiah)



transaction, and a monthly spending bonus according to transaction accumulations. BCA also developed other co-branding cards through a strategic alliance with company partners, such as Matahari Department Store and Indomaret. Not only does BCA affiliate with international credit card networks, it is also the only bank in Indonesia with a private label credit card, or proprietary card - BCA Card - which can be used in Indonesia and several outlets in Singapore.

To reach a broader customer base and to strengthen customer loyalty, BCA has a number of promotional partnership programs for customers that use various transaction banking products and services throughout different segments, such as discounts or the use of Reward BCA for offline merchants, as well as 0% installments for both online and offline merchants. Collaborations with strategic partners are made in order to strengthen the transaction banking product value proposition according to their target market, for instance, partnerships with Starbucks, McDonald's, Cinema XXI, CGV, and Singapore Airlines. BCA also has promotional partnership programs with e-commerce partners including Tokopedia, Blibli.com, Tiket.com, Lazada and with other e-commerce companies in various programs, such as BCA 12.12 online shopping day, and regular programs such as Monday e-promotion. To strengthen EDC BCA customer loyalty, the Bank held the lucky draw for merchants that use EDC BCA, in order to push the acceptance of BCA products.

Business Review

Transaction Banking

In addition to debit and credit cards, we also offer the e-money Flazz card, which is mostly used to facilitate small value payments that require speed. Flazz is very practical for use for payments in the mass public transport sector, including toll roads, commuter lines, Transjakarta buses, parking facilities and transactions at convenience markets, fast food and beverage outlets.

Integrated Multi-Channel Network

To support the use of products and services for business and the individual customer, we consistently develop an integrated multi-channel network. BCA's integrated multi-channel network is a synergy of the physical network of the branch offices with various digital networks, to facilitate easy access to transaction banking services at all times. In 2018, we served over 19 million customers through 1,249 branches, 17,778 ATMs and hundreds of thousands EDCs, as well as internet and mobile banking networks. The average number of transactions grew to over 17 million per day in 2018, from 14 million in 2017.

Development in digital network continues as customer transaction preferences shift to the digital channels, with 98% of BCA's transactions in 2018 conducted through internet banking, mobile banking and Automatic Teller Machine (ATM) services. The increase in digital transaction preference is in line with BCA's efficiency in transaction operations. The growth of digital transactions is supported by the increase in internet and mobile banking use. The addition of new service features on digital channels continued in 2018, so the customer can have a convenient and easy experience in transaction banking.

Number of Distribution Channels (unit)

	2018	2017
Number of Branches (including cash offices)	1,249	1,235
Number of ATMs	17,778	17,658

Delivery Channels Transactions

	2018		2017		Increase / (decrease)	
	Total	Composition	Total	Composition	Total	Percentage
Branch						
Number of Transactions (in million)	156	2.4%	160	3.0%	(4)	-2.5%
Transaction Value (in trillion Rupiah)	14,866	53.8%	14,131	56.6%	735	5.2%
ATM						
Number of Transactions (in million)	2,030	31.8%	1,911	36.3%	119	6.2%
Transaction Value (in trillion Rupiah)	2,303	8.3%	2,178	8.7%	125	5.7%
Mobile Banking						
Number of Transactions (in million)	1,932	30.3%	1,161	22.0%	771	66.4%
Transaction Value (in trillion Rupiah)	1,389	5.0%	970	3.9%	419	43.2%
Internet Banking						
Number of Transactions (in million)	2,264	35.5%	2,040	38.7%	224	11.0%
Transaction Value (in trillion Rupiah)	9,107	32.9%	7,694	30.8%	1,413	18.4%
Total						
Number of Transactions (in million)	6,382	100.0%	5,272	100.0%	1,110	21.1%
Transaction Value (in trillion Rupiah)	27,665	100.0%	24,973	100.0%	2,692	10.8%

The branch network has a role in handling large amount cash transactions, considering that 54% of BCA transactions value were handled by branch offices. The branch network still plays an essential role in building customer relationships, as well as providing financial solutions through direct interaction in banking product and service education. BCA continues to invest in branch office human resources through development programs and continuous training. The expansion of BCA's branch network is focused on trade area, commercial and residential with rapid development along with local economic development and infrastructure growth.

We pay great attention to the customer experience so they can get the best service from branches or other channels. Thus, we always do considerable investment in expanding branch offices. In 2018, we opened 14 new branches and 19 BCA Express, a temporary branch equipped with electronic services and managed by an officer. We provide special branch services for affluent and high net-worth individual customers (Solitaire and Prioritas) and the BCABIZZ service for small and medium-sized enterprises, and the Weekend Banking service available for customers during the weekend.

The expansion of the Bank's ATM network is focused on investment in Cash Recycling Machines (CRM), which facilitate both cash withdrawals and cash deposits, improving operational efficiency and reducing cash handling costs. In 2018, we continued to convert our conventional ATMs into CRMs. By the end of December 2018, the number of CRM ATMs grew to 5,595 units and contributed to 31.5% of the total amount of BCA's ATMs.

Since 2014, we have developed MyBCA, a digital banking service booth located in strategic shopping centers that comes with various digital media that can be used independently (self-service), as well as developing a hybrid office - a combination of conventional office with MyBCA. In total, we operated 11 MyBCA and hybrid offices by the end of December 2018.

Adapting to the Digital Era and Endless Innovation

The advancement of digital technology has risen to demand for a variety of transaction banking services, with ease of use and convenience. We have captured this opportunity and use digital technology to develop various initiatives in transaction banking services.

We continue to develop our internet banking service 'KlikBCA', mobile banking 'm-BCA', and server-based electronic wallets 'Sakuku' through the development of various features in these online channels. The cardless cash withdrawal service is now available through a one-time password facility in m-BCA. Through m-BCA, customers can also submit applications to raise credit card limits and block cards without having to visit the branch office or contact the call center. With internet banking, BCA has provided an e-statement facility - a type of electronic checking account.

BCA never ceases to innovate for customer satisfaction. In 2018, BCA launched a transfer feature using the Quick Response (QR) code between BCA customers through the m-BCA and Sakuku applications. This product was introduced as 'QRku' and, in the future, its function will be expanded as a shopping payment system with various merchants.

Business Review

Transaction Banking

Along with the increase of e-commerce transactions, in recent years we have strengthened our online payment capability and built a cashless society ecosystem through partnerships with various merchants, including e-commerce and fintech partners. BCA is one of the first banks to use the Application Programming Interface (API) to build connectivity with e-commerce and fintech companies payment systems. The transfer payment method via virtual accounts, payments via BCA credit cards, and the 'KlikPay' payment facility embedded in merchant websites have supported the e-commerce transaction needs of customers.

In 2018, we launched the OneKlik service, a payment feature in online merchants that focuses on transaction speed by simplifying the payment steps that are integrated into the online merchant application. We will continue to build partnership and collaboration with rapid growing e-commerce and fintech.

We have also launched the Virtual Assistant (VIRA) chat banking service. VIRA is a chat-based banking service that can be accessed by the user via smartphone. With VIRA, the customer can seek information regarding BCA products and services, the latest promotions and access to banking services, such as balance inquiry, account transaction details, and credit card registration and information. We continue to develop VIRA, which is available in popular chatting applications by using chatbot technology and machine learning.

Education programs play an important role for customer acceptance of digital service innovation. Using various media, including digital and social media, BCA markets its digital services to introduce the ease of the aforementioned services. HaloBCA call center plays an important role in helping customers to use BCA services, as well as receiving customer suggestions and complaints. HaloBCA also facilitates long-distance one-on-one with customers via video call at the MyBCA counter. Besides telephone and video calls, HaloBCA can also be accessed via chat on the BCA website.

We always provide the latest banking products and solutions for our customers from different generations. Thus, we continue to innovate and give ease, convenience and benefit to our customers.

Looking Ahead

Transaction banking has the potential to grow further given the low penetration of banking products in the mass segment and high prospect of growth in the upper mass, affluent and high net-worth individual segments.

In line with the rapid advances in digital and information technology and the evolution of consumer behavior, we remain committed to innovating transaction banking products and services. The use of digital technology will support product development initiatives as well as the provision of secure, convenient and reliable transaction banking services, which are easily accessed from various customer touch points as well as creating a product value proposition and transaction banking services that are stronger and relevant in this digital era.

In the future, we will continue to develop a less cash society through cooperation and collaboration with both private institutions and the government, to provide a payment system solution for various communities. This will be supported by numerous promotional, marketing and sustainable education programs, so BCA will always be one of the community's main preferences for all banking services and solutions.

Guided by its commitment to be Always by Your Side, BCA continues to adapt to changing customer behavior and developing technology. We always strengthen our branding and customer experience by using the personal touch to increase customer loyalty. We expect CASA will grow accordingly with the sustainable growth of the BCA transaction banking franchise.

Business Review

Corporate Banking

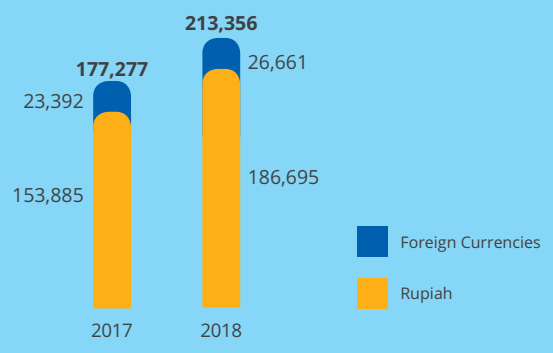
Corporate Banking in 2018

Rp **213.3** trillion
Corporate Loan Portfolio

20.4 %
Corporate Loan Growth

Corporate Loan Portfolio

(in billion Rupiah)



We saw increased demand for corporate credit in 2018, driven primarily by the increase in interest rates, making bank financing more attractive than alternative sources of credit on the bond market. The tightening of liquidity in the banking sector further impacted other banks' ability to provide corporate credit.

We maintained our position as one of Indonesia's main providers of corporate credit by leveraging our ample liquidity and capital positions. In 2018, BCA recorded a 20.4% growth in corporate loans of Rp213.3 trillion. Corporate loan is the primary driver of the Bank's overall credit growth. Aside from working capital loans, in 2018

> “Corporate Banking was the driving force behind growth in the BCA loan portfolio in 2018. The Bank was able to successfully meet the loan demands of its customers while maintaining healthy credit quality.”

we saw acceleration in the growth of investment loans at 20.6%, compared with 5.3% the year before. Lending for ongoing Government infrastructure projects also contributed the overall growth in corporate loans. BCA continues to benefit from the opportunities and potential presented across economic sectors by providing lending, while maintaining a healthy risk profile.

In support of corporate loan growth, we continue to strengthen credit infrastructure by ensuring a competent and sufficient workforce. The high level of competency among the Bank’s employees is achieved through training, primarily focused on relationship building and deep knowledge of customer businesses and sectors. We also leverage digital technology to assess the potential of our customers and to monitor the loan application process in order to best understand customer needs.

Development in corporate banking is further directed at strengthening transaction banking and the provision of banking solutions to large-scale companies. BCA has established a special business unit, the Corporate Transaction Group, to facilitate corporate customer transactions. BCA collaborates with a number of prospective institutions in various sectors, including e-commerce and fintech companies, in its development of corporate payment solutions.

Quality Corporate Lending

Corporate lending is prioritized for industry leaders with reliable track records and positive, long-term relationships with the Bank. Through the cultivation of these relationships, BCA is able to understand customer financial needs and, in turn, provide loans and banking solutions needed to support their business development. BCA continues to improve the capability of its relationship manager team grouped according to their understanding of the respective sectors, hence, it is able to provide the best service to corporate customers.

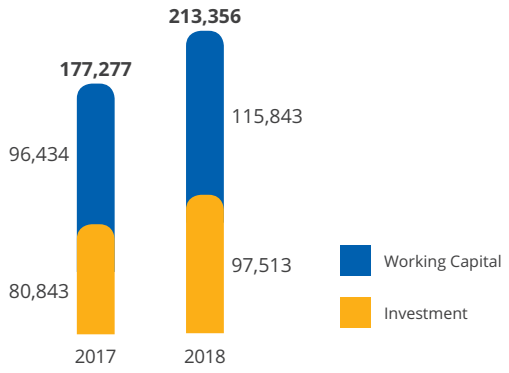
In 2018, we looked at prospective new industry potential, explored opportunities to participate in the provision of credit for the infrastructure industry, and collaborated with other work units to comprehensively meet the financial needs of corporate customers. We strengthened the synergy between corporate loans and commercial and SME loans through a value chain financing approach (distributor financing and supplier financing) and focused on companies in developing industries.

Business Review

Corporate Banking

To minimize concentration risk, we provide lending to diversified economic sectors. As of the end of 2018, the 10 biggest corporate loan portfolios contributed 65.8% to BCA's total corporate credit, with each sector having an exposure below 15% of the total corporate credit. The growth of the corporate sector was supported by both working capital and investment loans. In line with the increase of interest rates in the banking sector, BCA adjusted the corporate loan portfolio interest rate.

Corporate Loan by Facilities
(in billion Rupiah)

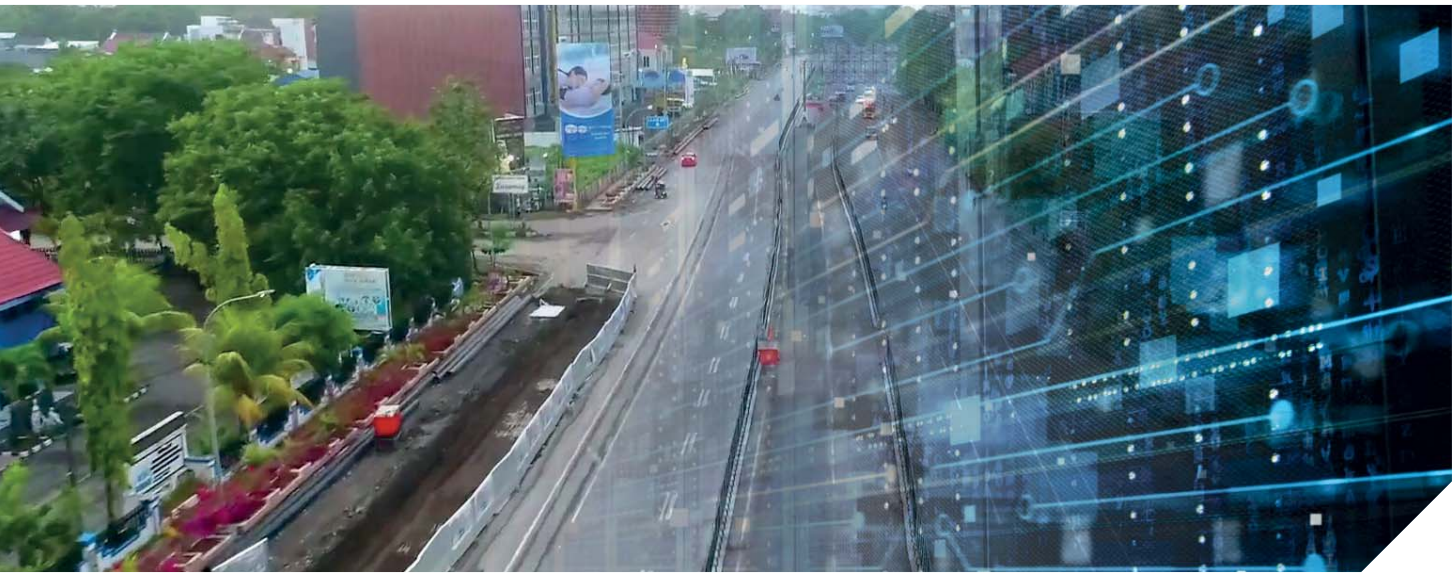


To offset the core source of funding of BCA, using mostly the Rupiah, the majority of corporate lending is given in Rupiah. BCA has a maximum limit of foreign currency credit exposure in the Bank's portfolio, to minimize exchange rate risk. Corporate loans in foreign currency are given to customers whose revenue is in foreign currency.

Implementation of the lending prudence principle has supported the quality of corporate loans, with NPL's at 1.3%, within the Bank's risk appetite, and with adequate reserves.

Syndicated Loans

We play an active role in the development of syndicated loans, which supports the growth of corporate credit portfolio. Over the years, BCA has improved its role in syndicated loans, as lender, lead arranger, facility agent, a collateral agent administrating the collateral; and an escrow account agent managing and monitoring the escrow account for lending. Aside from generating interest income, through the Bank's role as lead arranger and agent, syndicated loans are also a source of fee-based income.



In 2018, together with other banks, we participated in a syndicated loan project worth Rp83.1 trillion. The portion booked by BCA was Rp19.7 trillion, 12.2% growth from Rp17.5 trillion the previous year. The growth of BCA's syndicated credit in 2018 was also supported by the channeling of syndicated loans dedicated for the development of infrastructure, in line with the government's program.

We are committed to support infrastructure development in Indonesia through syndicated loans for toll road development, electricity, and clean water processing. Syndicated loans in 2018 were also given to other sectors, including poultry and property development.

Top 10 Corporate Loan Portfolios by Industry Sectors

Industry Sector	2018	2017
Financial Services*	14.8%	10.6%
Plantation and Agriculture	11.8%	12.6%
Power Generation	6.8%	7.3%
Telecommunications	5.9%	5.5%
Property and Construction	4.9%	4.9%
Edible Oil	4.8%	3.6%
Building Material and Other Construction Related	4.6%	4.8%
Consumer Financing	4.3%	6.3%
Infrastructure for Transportation	4.0%	3.2%
Chemicals and Plastics	3.9%	4.3%
Total	**65.8%**	**63.1%**

* Including credit facilities to other banks

Business Review

Corporate Banking

Developing Services Focusing on Customers

The development of corporate customer business creates an increase in credit needs and various financial solution needs, which constitutes a business opportunity for BCA to provide suitable financial solutions according to the debtor's business profile. BCA corporate banking synergizes with other business units for the opportunity of the cross selling of various financial solutions such as treasury, trade finance, remittance, cash management and capital market funding.

Together with commercial and SME banking, corporate banking has developed a value chain financing business and focuses on companies in developing industries. The corporate cash management service is the platform which connects the customer's business along the business chain, starting from supplier to the distributor in various business communities. BCA constantly holds seminars, business matching, and gatherings for corporate customers in certain business sectors or communities to strengthen the relationship between customers and BCA and with fellow customers. With this, BCA strengthens its customer community network and creates bigger business opportunities.

In line with the development of technology, we also look at other potential business sectors including e-commerce and fintech. To meet the needs of customers working on digital-based e-commerce and startups, we offer the Virtual Account solution to enable payment from customers and provide Application Programming Interface (API), a platform enabling fintech or e-commerce players to be connected with our banking services. The provision of a cash management service for customers of a certain community can be tailored with their financial needs, from the aspect of system, product and service.

Going Forward

Corporate banking will play an important role in the BCA's overall loan growth in 2019. We always maintain a close relationship with customers and study potential sectors for future opportunity for corporate lending and other banking solution provisions.

We ensure the relationship manager has competence in serving and providing suitable financial solutions. BCA will improve information technology to support the Bank in understanding the needs of corporate customers in order to provide comprehensive financial solutions.

Corporate banking will reinforce cooperation with other work units to create cross selling opportunities of BCA's various financial solutions, and especially strengthen the franchise of BCA's transaction banking.

Business Review

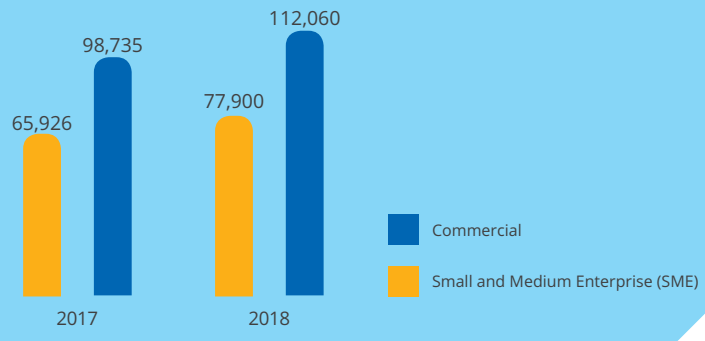
Commercial and SME Banking

Commercial and SME Banking
in 2018

Rp **190.0** trillion
Commercial and SME Loan Portfolio

15.4 %
Commercial and SME Loan growth

Commercial and SME Loan Portfolio
(in billion Rupiah)



In 2018 BCA recorded 15.4% growth in commercial and Small and Medium Enterprises (SMEs) loans to Rp190.0 trillion, a higher rate than the previous year. The increase in the commercial and SME loan portfolio was driven by a rise in credit demand.

In its efforts to optimize commercial and SME lending, BCA continues to strengthen credit infrastructure, including by increasing capability of human resources and utilizing technology to improve process efficiency. The work plans of commercial and SME lending are supported by a broad network of branch offices.

> "We continue to strengthen our capabilities in commercial and SME lending, as well as cash management solutions. Efficiency and quality of service are a primary focus in the development of processing systems for commercial and SME loans."

At the same time, we made developments to cash management services in accordance with the specific needs of customers and supported by the latest technological advancements. The role of cash management is increasingly important in supporting growth of current accounts and savings accounts, and increasing fee-based income.

Commercial and SME Loans

BCA distributes commercial loans with limits ranging from Rp15 billion to Rp500 billion, while SME loans cover loan facilities with nominal values below Rp15 billion.

Growth of the commercial and SME portfolio was achieved by prioritizing lending to those customers with a good track record, although we also process credit requests from new customers who demonstrate quality and have positive business prospects. Through the use of technology and a large customer base, BCA identifies potential quality customers who are currently not debtors, while also exploring the credit needs of existing debtors. We achieved commercial and SME credit growth of 15.4% to Rp190.0 trillion. This growth was supported by the rise in demand for credit, especially in building material and other construction related credit, as well as consumption and the household sector. In 2018, investment loans for the commercial and SME segments showed higher growth compared to the previous year.

To support commercial loan growth, we continue to strengthen our lending infrastructure, including by increasing the role of the commercial business center. In 2018, BCA served its commercial customers through 14 commercial business centers located in Indonesia's central business areas and trade cities, such as Jakarta, Semarang, Bandung, Surabaya and Malang, as well as a number of cities outside Java. In 2018, BCA recorded 13.5% growth in commercial loans, with the portfolio standing at Rp112.1 trillion by the end of the year.

BCA also achieved solid SME loan growth with an 18.2% increase to Rp77.9 trillion. This growth came mainly from distributors, wholesalers and retailers. Most of the Bank's SME customers are family business owners, shop and restaurant owners, and small-scale factory owners. BCA's SME lending is supported by a branch network spread strategically through trade and urban centers in Indonesia.

We continue to implement initiatives to grow credit portfolio, including the development of special credit products and schemes aligned with the needs of SME customers, such as trade area credit programs, business communities (like showroom financing schemes), warehouse ownership, and mortgage loans for commercial investment. These credit schemes underpinned positive achievements in 2018.

For SME lending below Rp500 million, BCA works with institutional partners who have specialized capabilities, such as rural banks and cooperatives, through channeling programs. BCA also built upon synergy with its subsidiary, BCA Syariah, to better serve the needs of SME customers. Continuing on from the previous year, we developed

Business Review

Commercial and SME Banking

centers for Micro, Small and Medium-sized Enterprises (MSME) whereby, at the end of 2018, we had MSME centers in seven regions. The loan portfolio managed by the MSME center showed promising growth with solid asset quality. The MSME centers play a core role in centralized credit processing, especially in acquiring new quality debtors based upon analytical data. In addition, MSME centers can also accelerate credit processing up to credit realization. These MSME centers allow branch offices to focus more on improving relationships with debtors.

BCA's commercial and SME credit growth is inseparable from the contribution of reliable relationship managers and account officers. Relationship managers and account officers support and maintain relationships between BCA and its customers. We always ensure the quantity and quality of relationship managers and account officers to grow commercial and SME lending. Our team is equipped with product and service knowledge as well as information on the customers' business development, to explore potential credit needs of customers.

In 2018, BCA commercial and SME banking continued to strengthen its synergy with corporate banking through value chain financing. Development of distributor and supplier financing continued, focusing on a number of companies with clear potential. We held regular workshops, outreach programs and updates for customers on the latest business solutions, as well as hosting business gatherings to enhance insight and strengthen relationships amongst community members. By building close relationships within the business community, we can strengthen the BCA banking franchise as a whole, with regard to lending, transaction banking services and various other financial solutions.

We proactively adjust interest rates in line with benchmark rate trends. The Bank continues to exercise prudence in its lending activities and implements prudent risk management, supporting sound credit quality with a commercial and SME Non-Performing Loans (NPL) ratio of 1.6%, relatively better compared to the previous year's 1.8%. Lending is focused on customers who have clear business potential and demonstrate resilience.

Cash Management

In meeting the needs of the business chain for cash management solutions, we provide cash management services supported by the latest technology, extensive network infrastructure and products and services that are continuously refined in accordance with customer needs. The role of cash management is increasingly important in generating fee-based income and funds. The provision of cash management services connects customer businesses with the BCA payment system, and supports the Bank's efforts in strengthening its transaction banking business. BCA offers comprehensive cash management services for business segments.

Through cash management, we facilitate the Business-to-Business (B2B) and Business-to-Consumer (B2C) transactions of companies from various industrial sectors. In 2018, the number of commercial and SME companies using BCA cash management solutions was more than 150,000.

BCA cash management takes the form of a community, namely a group of companies that are related to one another through their business chain, from suppliers to distributors. Communities managed by BCA include the capital market, futures market, oil and gas, digital businesses and telecommunications. In the capital market community, BCA has collaborated with the Indonesian Central Securities Depository (KSEI) for the role of customer fund account (RDN) administration bank and payment bank. We have opened RDN for 92 securities companies, with total managed accounts reaching more than 420,000, a major RDN market share. In the oil and gas community, more than 80% of gas stations in Jakarta are now BCA merchants, and most of them make payments to their principals through the BCA system. BCA also accepts payment from customers for LPG, lubricants, aviation, and petrochemicals, as well as purchase orders from the agent to the LPG hubs. BCA has also incorporated fleet cards to substitute cash needed by fleets when distributing oil and gas fuel to gas stations. In the public sector, BCA collaborates

Business Review

Commercial and SME Banking

with strategic partners like government agency BPJS to facilitate payments for social security scheme and health insurance program. At present, BCA facilitates BPJS Social Security payments for around 32,000 customers and BPJS Health Insurance payments for more than 180,000 customers.

The Bank's virtual account service has become an important feature of cash management. With a virtual account, merchants can receive information on their customer payments and simplify the transaction reconciliation process. In 2018, BCA saw a significant increase in the use of virtual account services from 3,500 companies in the previous year to over 5,000 companies, largely due to the growth in e-commerce business.

The trend of digital business development drove us to continue to innovate and seek opportunities for collaboration with these companies. To meet customer needs in the field of e-commerce and digital startups, we develop Application Programming Interface (API). Through the API platform, fintech and e-commerce companies can connect their systems with BCA banking services. Currently, more than 700 companies are using BCA's API service. To introduce API services, we actively disseminated information regarding the use of APIs to customers throughout 2018.

One important factor in the success of cash management services is the quality of employees. We develop and brief employees in branch offices and regional offices regarding cash management solutions to further improve the quality of the service delivered to customers.

Looking Ahead

We will continue to explore potential in lending to commercial and SME customers who demonstrate strong business potential. Efficiency in processing loan applications will continue to be improved, while maintaining healthy credit quality remains a focus. We increasingly use technology and analytics to grow our credit customer base and to provide banking solutions that are appropriate to the needs of customers.

Commercial and SME banking continues to strengthen synergies with other business units, including corporate and individual banking, in the provision of comprehensive financial services and solutions. BCA believes this close synergy will support the Bank's efforts to strengthen long-term relationships with customers throughout the business chain.

To support the growth of commercial and SME loans going forward, we will continue to make measured investments in credit infrastructure. The role of the commercial business centers and MSME centers will continue to be optimized as the Bank's credit activities develop. We consistently enhance competency and maintain adequate human resources in order to support the effective provision of commercial and SME credit services.

Commercial and SME banking will examine potential sectors and work with other business units to offer total solution in cash management. We always strive to understand the specific needs of each business community and provide suitable cash management solutions.

Business Review

Individual Banking

Individual Banking in 2018

Rp **131.7** trillion

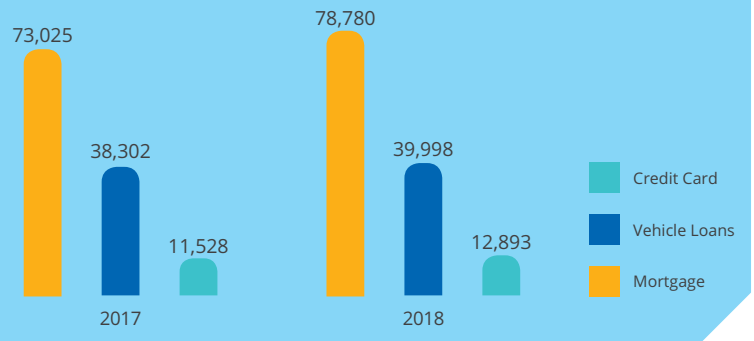
Consumer Loan Portfolio

7.2 %

Consumer Loan Growth

Consumer Loans Portfolio

(in billion Rupiah)



Individual banking continues to grow in line with the growing middle class, both from business and professional backgrounds. Growing customer numbers in various segments create an increasing need for individual banking solutions, which drove the individual banking business in 2018. We offer a wide range of individual banking products and services, including mortgages, vehicle loans, credit cards, deposits, bancassurance, and an array of investment products. The Bank's large customer base provides great potential for BCA to offer individual banking products. BCA also leverages technological advancement by using analytic tools to better understand customer needs and offer suitable solutions for individual banking.

> "The Bank's large customer base provides great potential for BCA to offer individual banking products and services in accordance with the needs and preferences of each segment."

In 2018, we held attractive promotional events for consumer loans to stimulate demand. Consumer loans are one of the fundamental parts of BCA's business, supporting efforts to build long-term relationships with customers and open new opportunities in offering individual banking products and services. Despite the rising interest rates challenge, the consumer loan portfolio saw positive growth, recording an increase of 7.2% to Rp131.7 trillion by the end of 2018, at 24.5% of overall credit. BCA implements prudence in its consumer lending activities, which helps the Bank maintain a healthy loan portfolio.

Mortgage-base lending represents one of the main pillars of our consumer loan portfolio. Mortgage-base lending also caters for productive activities or business use such as lending for commercial properties.

All of our mortgage-base products emphasize on collateral quality and repayment capacity. BCA implements prudence in its lending activities, which helps the Bank maintain a healthy loan portfolio.

Priority and Solitaire Banking, and Wealth Management

We have offered BCA Prioritas, a premium service dedicated to affluent customers, since 1996. In 2009, we introduced BCA Solitaire service, for high net-worth individual customers. We made continuous improvement in every aspect, including infrastructure, products, services and other benefits specially offered to Prioritas and Solitaire customers. The growing number of customers in the affluent and high net-worth individual segments raises the performance of individual banking products, including mortgages, vehicle loans, premium credit cards and wealth management, such as bancassurance and a range of investment products.

We offer exclusive lounges for Prioritas customers to conduct banking transactions in comfort by visiting any of 169 Prioritas areas in branches throughout cities across Indonesia, and two Solitaire lounges in Thamrin and Kelapa Gading, premium areas of Jakarta. We collaborate with trusted business partners in health, education, networking, travel and lifestyle to offer exclusive services for Prioritas and Solitaire customers. We also offer special services for priority customers to better facilitate them in conducting transactions both in Indonesia and overseas.

Prioritas customers get special access to HaloBCA Prioritas, a premium 24-hour call center, as well as a special exclusive information feature in BCA Mobile. BCA also offers a channel for communicating and interacting within the business community, synergize more with fellow customers and enhance relationships with BCA, including through the Online Business Forum which is available on the BCA Prioritas website. A number of facilities are also provided for Solitaire customers, including exclusive services from personal bankers. The personal bankers are equipped with interaction skills, product and services knowledge, and an understanding of the customer's business to offer comprehensive solutions for Solitaire customers.

Business Review

Individual Banking

To meet customer needs for insurance products, BCA partners with AIA and synergizes with subsidiaries BCA Life and BCA Insurance. We also continue to strengthen bancassurance infrastructure at branches, including by improving online applications and developing the competencies and knowledge of our employees. In 2018, we started to work with institutional customers, from both the corporate and commercial segments, to offer insurance and pension fund management for their employees.

We work with leading investment managers in Indonesia to offer access to mutual funds. In 2018, we conducted attractive promotional activities for investment products, launched a new auto-subscription feature for mutual funds investment, and a feature for product switching. We also supported the government by selling Indonesian retail bonds (ORI), Islamic retail bonds (SR), retail savings bonds (SBR) and Islamic savings bonds (ST).

Leveraging on technology advancement, we have developed a customer relationship management system to better understand customer needs and deliver suitable solutions for customers. In offering individual banking products, we take into consideration the needs of each customer segment.

Consumer Financing Leader

At the end of 2018, BCA consumer loans reached Rp131.7 trillion, 24.5% of the Bank's total credit. Despite rising interest rates, BCA maintained positive consumer loan growth. In the last decade, consumer loans grew by a 20.2% Compound Annual Growth Rate (CAGR). Consumer loans are focused on mortgages, vehicle loans and credit cards.

Mortgages

Mortgages are one of the Bank's leading products, to build long-term relationships with customers and create opportunities for providing other financial products. Despite increasing interest rates, the demand for home ownership remains high and the penetration of mortgages is still low in Indonesia. Our large customer base provides great potential for the Bank to offer mortgages to quality customers.

In 2018, BCA recorded 7.9% growth in mortgage loans, reaching Rp78.8 trillion. The mortgage portfolio accounts for 59.8% of total consumer loans. BCA is one of the largest providers of mortgages in Indonesia, with a market share of 16.9%. This position is supported by effective promotional programs with attractive interest rates and special events. For BCA's 61st birthday, the Bank held a special BCA Expoversary event in Tangerang. BCA Expoversary offered various promotions for individual banking products, including mortgages. BCA also held marketing events for individual banking products in major cities of Indonesia, including Greater Jakarta, Surabaya, Bandung, Semarang and Makassar, which generated significant mortgage demand.

In early 2018, we offered low-rate mortgages featuring a fixed rate of 5.61% for two years and a capped maximum rate of 6.61% for the following three years, with five times the initial installment as the retained balance. In line with rising benchmark rates, we gradually increased mortgage interest rates to 8.25% fixed rate for three years and 10% for capped rate for the following two years, by the end of the year.

Growth in mortgages was driven by our large customer base and facilitated by our extensive branch network and consumer loan centers in major cities in Indonesia. The majority of mortgages were processed from branch referral, and the rest supported by BCA collaboration with property developers and agents. We continue to strengthen relationships with developers and agents and develop our loan infrastructure, including by enhancing and simplifying mortgage processing.

BCA mortgages are primarily directed to quality customers and focused on financing for landed houses in prime residential areas. On average, outstanding mortgages reached Rp783 million per account, with a loan to value ratio of 50%–60% for new bookings. The quality of the Bank's mortgage loan portfolio is reflected in the NPL ratio of 1.1%, which has been at a relatively low level for several years.

BCA received the Indonesia WOW Brand 2018 from Markplus Inc. for its achievements in the development and service of mortgages, and an award from Service Excellence Magazine and Care – CCSL for its call center services related to mortgages.

Business Review

Individual Banking

Vehicle Financing

BCA manages vehicle financing facilities through joint financing with its subsidiaries - BCA Finance for cars, and Central Santosa Finance (CS Finance) for motorcycles. Joint financing allows BCA subsidiaries to offer competitive pricing while supporting stable low cost of funds structures. A joint marketing strategy through BCA branches has supported BCA Finance and CS Finance in expanding their customer bases.

In recent years, the automotive and financing industries have shown moderate growth in line with economic conditions. In 2018, car sales increased 6.6% to 1.2 million units, while motorcycle sales reached 6.4 million units, an increase of 8.4%. Rising interest rates were also a challenge for consumer loan demand, and raised the potential of non-performing loans. This led the Bank and financing institutions to be more prudent in lending. Although faced with these challenges, four-wheeler financing recorded a positive performance. In 2018, the overall four-wheeler credit portfolio (joint financing of BCA and BCA Finance) increased 4.3%, reaching Rp44.6 trillion with an estimated market share of 15.5%. Within this portfolio, BCA's share was Rp37.9 trillion, an increase of 6.2%.

We strive to improve service quality, accelerate credit processing, and strengthen relationships with dealers and showrooms. We continue to develop products and services to meet customer demand and introduce attractive promotions. In 2018, through the BCA Expoversary event, we offered a competitive fixed interest rate of 3.61% for three years.

In line with the latest technological developments, BCA Finance implemented IT solutions to increase efficiency and support marketing processes. By using mobile apps, partners can interact, conduct transactions, and receive information on BCA Finance products. BCA Finance's internal team also has access to a mobile-based application which makes credit processing more efficient. In support of customer needs, we offer a weekend service. Customers wishing to learn more about our financing solutions can also access information through the HaloBCA call center. To facilitate the payment of installments for four-wheeler financing, we offer payment channels such as through autodebit, virtual accounts, and ATM services.

We consistently monitor and manage loan quality, including by implementing high down payments and focusing on financing for the most popular and successful vehicle brands. The NPL ratio for four-wheel vehicles was maintained at 0.9%.

BCA (joint financing with CS Finance) recorded a 24.2% decline in motorcycle financing, at Rp3.3 trillion. This portfolio includes Rp2.1 trillion of BCA's portion which declined 19.6%. CS Finance focused on maintaining quality and improving the existing loan portfolio, including by enhancing the effectiveness of the collection process for non-performing loans. CS Finance conducted marketing activities through online channels, in line with the high adoption of technology in Indonesia, to extend the reach of its marketing efforts. CS Finance has also implemented mobile-based apps to improve efficiency in credit processing.

Credit Cards

BCA achieved a strong performance in the credit card business, and is trusted as one of Indonesia's leading credit card issuers with a wide range of products and services. In supporting both acceptance and issuance services, BCA possesses an extensive EDC network and works with a number of leading international networks.

BCA also has its own proprietary card, the BCA Card, which is not affiliated with any other local or international networks. The BCA Card is one of BCA's main credit card products and a well-known card among the Indonesian public.

In 2018, BCA managed 3.6 million credit cards with a transaction value of Rp69.7 trillion from a total of 89.7 million transactions. Transaction value increased 14.5% in 2018, reaching a market share of 22.2%. The Bank's credit card portfolio stood at Rp12.9 trillion in 2018, an increase of 11.8% from the previous year. Credit quality was well maintained, shown by the low NPL ratio of 1.9% at the end of 2018.

More information regarding credit card performance can be found in the Transaction Banking section of this report.

Looking Ahead

We are confident that demand is still high for individual banking products. The growth of the middle class and professionals will continue to drive demand for banking solutions for mortgages, vehicle financing, bancassurance, wealth management and other financial products.

With the Bank's large customer base, extensive branch network and implementation of digital technology, BCA will continue to capture new opportunities for business growth in individual banking in the coming years.

We will continue to strengthen our human resources, both from the perspective of quantity and quality, and further leverage the use of technological solutions to improve efficiency in individual banking services. Ongoing analysis of the needs and behavior of customers will play an increasingly important role in the future, as BCA seeks to provide more valuable individual banking solutions, striving always to develop the best products and offer competitive prices.

Business Review

Treasury and International Banking

Treasury and International Banking in 2018

Rp **147.1** trillion

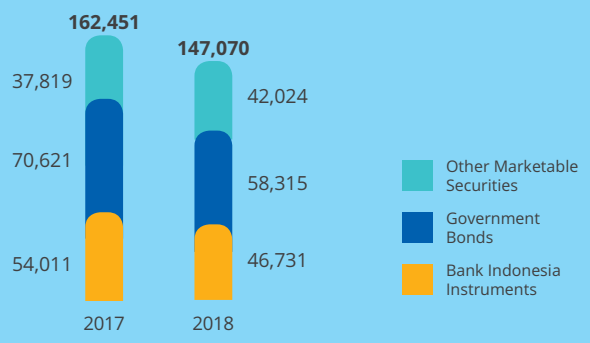
Investment funds managed by Treasury (Treasury Portfolio)

17.8 %

Treasury Portfolio to Total Assets

Treasury Portfolio

(in billion Rupiah)



TREASURY

In its role managing the Bank's liquidity position, BCA Treasury carefully monitors economic and banking sector conditions. Throughout 2018, BCA Treasury observed increasing Fed rates, which impacted the volatility of capital flows in emerging markets, including Indonesia, and affected the Rupiah exchange rates against the US dollar. The change of Fed policy led to a tighter liquidity position across the national banking sector.

In response to these conditions, we carefully maintained a balance between short-term placements and long-term earning assets, as well as optimizing returns from

> "BCA Treasury proactively manages its liquidity position, while also optimizing return. International Banking focuses on the development of remittance and trade finance services."

the portfolio. Treasury managed its investment portfolio by monitoring interest rates and making placements within the Bank's risk appetite.

By the end of 2018, investments managed by BCA Treasury (consolidated) reached Rp147.1 trillion, lower than Rp162.5 trillion the previous year, due to higher loan growth. The majority of investments were placed in short to medium term instruments to support a strong liquidity position and give flexibility for a shift in portfolio composition.

Placement of funds focused on risk-free instruments issued by the Government and Bank Indonesia, to minimize risk and maintain liquidity. For placements shorter than one year, BCA allocated the majority of its funds with Bank Indonesia term deposits, Bank Indonesia deposit certificates, and securities purchased under agreements to resell (reverse repo). For longer-term placements, we primarily invested in government bonds, quality mutual funds and other instruments with a tenor of one to three years. In the beginning of 2018, a large number of our investments in government bonds were mature. Throughout the dynamic market in 2018, we managed the timing for repurchase of government bonds. BCA placed the funds in short-term instruments in early 2018 and gradually re-invested in government bonds as the bond market showed an increasing yield.

Our liquidity position is mainly supported by current accounts and savings accounts. Transaction banking as our core business provided us low cost funds from current accounts and savings accounts. We lowered saving interest rates to manage the overall cost of funds. Time deposits funds became a balancing component for our third party funds position. We adjusted the time deposit rates in line with increasing benchmark rates. Since April 2018, BCA gradually increased time deposit rates by a total of 175 basis points.

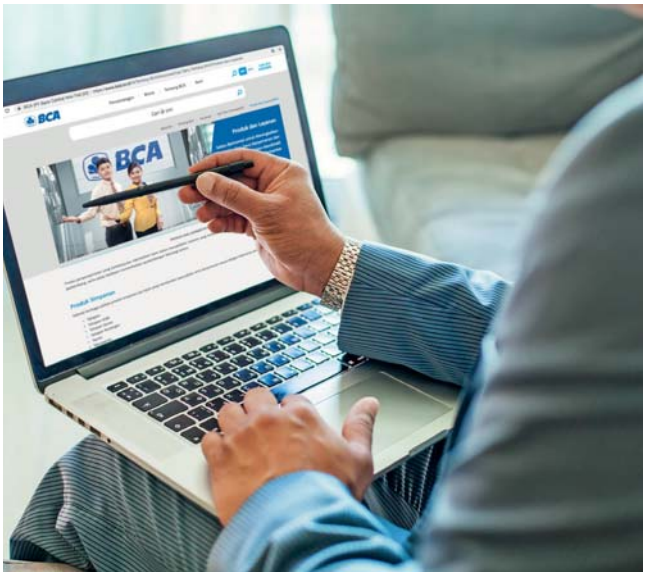
The size of the current accounts and savings accounts to total third party funds supports our efforts to manage cost of funds. At the end of 2018, interest expense decreased 3.9% to Rp11.5 trillion, while third party funds increased 8.4%. Cost of funds was 1.8% compared to 2.0% the previous year.

We recorded a Net Interest Margin (NIM) of 6.1% in 2018, supported by the optimization of returns on earning assets and managed cost of funds. NIM improved since the third quarter, but average NIM in 2018 was lower than the previous year.

In line with the Bank's solid liquidity position and increasing demand on foreign exchange hedging, Treasury placed foreign exchange funds in Bank Indonesia and hedged the funds through swap market. These swap transactions brought returns, which increased treasury income, as the spread of swap premiums became wider. The return was recorded in the trading income account including the realized gains on spot and derivatives, and unrealized gains from the fair value of financial assets held from trading. In 2018, combined revenue from those accounts rose 97.4% to Rp2.1 trillion.

Business Review

Treasury and International Banking



BCA Treasury implements the prudence principle in its management of foreign currency exposures, and maintains its foreign currency liquidity position by considering cash flow and being within the risk appetite. The Net Open Position (NOP) was a healthy 0.5% of capital, far below the maximum limit of 20% as set by Bank Indonesia, in order to minimize exchange rate risk.

Facilitating Customer Needs

We continue to provide solutions to customer needs for foreign currency transactions, capital markets and custodian services. In meeting demands across all segments, BCA Treasury maintains synergy with Corporate Banking and Commercial and SME Banking, as well as working closely with the frontliners in all BCA branches.

To facilitate individual customer demands on foreign currency transactions, BCA leverages digital services, such as internet and mobile banking facilities, as well as branch banking services. Through electronic platforms, BCA offers an e-rate, which is more competitive than the rate offered at the branches, to facilitate customers in online foreign currency transactions. For corporate customers, BCA offers special facilities for foreign currency transactions through the KlikBCA Bisnis internet banking platform, as well as providing channels for customers to communicate and negotiate rates directly with the BCA Treasury team. For e-commerce and fintech customers, BCA provides access to exchange rate information through the Application Programming Interface (API).

In fulfilling customer investment needs and to support the Government's fund raising, BCA facilitates the sale of government securities, such as Indonesia retail bonds (Obligasi Ritel Indonesia – ORI), retail savings bonds (SBR), Islamic retail bonds (Sukuk Ritel – SR), and Islamic saving bonds (Sukuk Tabungan – ST). BCA is a trusted sales agent for government securities, and in 2018 facilitated sales of Rp3.8 trillion in ORI, Rp3.6 trillion in SBR, Rp1.4 trillion in SR, and Rp1.9 trillion in ST on primary markets. For the first time, we offered a facility for purchasing SBR through internet banking to improve ease of transaction for customers. The Bank's efforts in the sale of government securities also contributes to fee-based income. In appreciation of the Bank's commitment to selling government securities, we consistently receive awards from the Ministry of Finance, including Top Government Securities Agent of 2017,

Government Securities Agent with Best Performance on the Secondary Markets of 2017, Best Sales Agent of Retail State Sukuk, and Best Participant of Government Sharia Securities (SBSN) Auction 2018.

We also offer custodian services, including the safekeeping of securities and the administration of mutual funds for both individual and institutional customers. Through these services, BCA Custodian guarantees that assets administered by the Bank are managed properly and the rights of the asset holders, such as the distribution of dividends or the receipt of bond coupons, are fulfilled. BCA Custodian recorded total managed assets equivalent to Rp110.2 trillion and over 75,000 securities accounts in 2018. Securities managed by BCA Custodian include time deposits, Bank Indonesia instruments, corporate bonds, shares and others. BCA Custodian also offers safekeeping services for foreign currency instruments.

INTERNATIONAL BANKING

BCA International Banking continues to develop the trade finance and international remittance business in line with customer business growth. Through these services, BCA supports customers' business operations while also contributing to the Bank's fee-based income collection.

In line with Asian trade flow development, BCA International Banking is active in establishing and maintaining strategic partnerships with Asian banks. To support foreign direct investment flow, we expanded our partnerships with banks in the Philippines and Japan in providing banking solutions to foreign investors entering Indonesia.

Trade Finance Services

2018 saw ongoing challenges caused by global economic uncertainty, including the increasing tension between China and America and the slowing growth among Indonesia's trade partners. These conditions affected Indonesia's trade leading to more moderate growth in its exports, while imports saw relatively high growth consistent with large domestic consumption and rising demand for capital goods. BCA continued to explore customer needs to offer quality trade finance services, leading to positive growth in trade finance transactions in 2018. Domestic trade also made a significant contribution to BCA International Banking, primarily from the steel, coal, forestry, pharmaceutical, paper and chemical industries. Overall, domestic transactions experienced a 32.9% increase from the previous year.

Business Review

Treasury and International Banking

In 2018, BCA supported a Bank Indonesia initiative along with Bank Negara Malaysia and Bank of Thailand in implementing Local Currency Settlement. BCA is a trusted member and Appointed Cross Currency Dealer (ACCD). As a part of the ACCD program, BCA facilitates international trade transactions using local currencies with Malaysia and Thailand. To promote this new service to customers, BCA engaged in socialization activities in major cities across the nation.

With its broad customer base and synergy with other business units, the trade finance business saw solid performance, which in turn generated fee-based income. BCA continues to improve the quality of its trade finance services and develop its human resources in line with the developing needs of customers and the changing business landscape.

Remittance

BCA continues to build close relationships with correspondent banks in order to fulfill customer remittance needs. A wide network of correspondence banks gives BCA flexibility in facilitating remittance transactions in a range of currencies. Supported by its wide network of correspondence banks, BCA offers multi-currency services that allow customers to remit money in 124 foreign currencies throughout the world.

BCA offers a service for same-day transfer of funds to China in US dollars, and regular remittance to China in Yuan. BCA also offers a same-day service for transfers in Australian dollars and a service that ensures transfers made in Euros will be received in the full amount.

In 2018, in collaboration with Bank Indonesia, BCA held a remittance seminar for customers under the theme Local Currency Settlement to educate customers with regard to bilateral transactions using Rupiah and Ringgit or Baht. Local Currency Settlement is a direct exchange without having to settle through US dollars.

In order to receive incoming foreign currency transfers, BCA offers inward remittance to customer accounts at BCA, other banks or in cash. The Bank continues to develop its web-based service, Fire Cash BCA, which also benefits from the BCA correspondence bank network. Since 2007, Fire Cash BCA has been rolled out in countries which are popular for the Indonesia overseas workforce. Funds received through inward remittance on the Fire Cash BCA platform can be received at various outlets throughout Indonesia, namely branch offices and a number of local partners, including the post office network and selected convenience stores. BCA also receives remittance funds from overseas partners, including MoneyGram, Xpress Money and TransFast.

Looking Ahead

BCA consistently monitors developments in the overall business landscape and the developments of customer businesses to offer solutions best suited to customer needs. The Bank will continue to explore these needs and develop products and services offered by the treasury and international banking.

The large customer base and business growth of those customers will provide ongoing opportunities in foreign currency transactions, trade finance, remittance and custodian services. BCA will continue to improve the quality of services and maintain business relations with banks overseas. The business communities affiliated with BCA, along with its partner banks throughout Asia, provide the basis for BCA to develop its referral and business matching schemes, introducing local customers to partner banks and opening up new mutual opportunities.

In line with technological developments and the high adoption rates among the Indonesian people, BCA will continue to enhance the Bank's e-channels to support treasury and international banking services. Product and service improvements along with system enhancement will be the priorities in the provision of safe, convenient and reliable banking solutions.

Business Support

Risk Management

> "The disciplined implementation of risk management serves as a supporting factor for the Bank to achieve quality business growth."

We implement risk management that strikes a balance between business opportunities and potential risks. Faced with the risks inherent in its overall banking business and operations, BCA has implemented an Integrated Risk Management Framework, comprising a strategy, organization, set of policies and procedures, and the relevant infrastructure, to ensure that any possible risk is properly identified, measured, monitored, managed and reported.

BCA's risk management implementation adheres to the latest regulations and international best practices. In line with organization development, regulation changes and business environment conditions, BCA continues to adjust its internal risk management policy. Risk awareness continues to be improved through training programs.

RISK MANAGEMENT FOCUS IN 2018

BCA's risk management activities in 2018 focused on credit quality, liquidity position, and being attentive to operational risk which is important to transaction banking as the Bank's core business. Exchange rate risks were a particular concern, with the Indonesian rupiah fluctuating against other currencies. In response to this, we managed exposure of our financial position in foreign currency according to our risk appetite.

We periodically conduct stress tests to evaluate the impact of macroeconomic factors to NPL level, profit, liquidity, and capital. Based on arranged scenarios, stress test results show that, in general, BCA has adequate capital and liquidity to anticipate estimated losses from potential risks.

Loan Quality

With the economy still recovering and seeing an upward trend in benchmark interest rates, we monitored its impact on loan quality and business resilience of debtors. The banking industry's ratio of Non-Performing Loans (NPL) improved from 2.9% in 2016 to 2.6% in 2017 and 2.4% in 2018, while the ratio of special mention loans was high at 4.5% in 2018.

Through disciplined implementation of risk management, BCA recorded quality loan growth with an NPL ratio of 1.4% in 2018, within the Bank's risk appetite and relatively low compared to the banking industry. BCA established additional reserves for NPL of Rp2.6 trillion, up slightly from Rp1.8 trillion the previous year. The ratio of loan loss reserves to NPL remained at a comfortable level at 178.7%.

We continuously exercise prudence and monitor loan quality for managing the credit risk. Consistently, we carefully monitor the deterioration risk of asset quality and implement an early warning system to evaluate the changes of debtors' loan repayment capabilities, and to carry out appropriate measures in preventing any loans from becoming non-performing. BCA periodically conducts assessments of the business prospects and financial performance of its customers, and promptly takes necessary action upon any sign of business and financial distress. We prudently conduct a loan restructuring process for customers showing positive long-term business prospects. There was an increase in restructured loans in 2018, particularly in the current and special mention collectability categories.

Restructured Loan Outstanding (non consolidated, in billions Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Performing Loan	**5,650**	**4,371**	**1,279**	**29.3%**
Current	2,903	3,141	(238)	-7.6%
Special Mention	2,747	1,230	1,517	123.3%
NPL	**2,336**	**2,197**	**139**	**6.3%**
Substandard	1,168	726	442	60.9%
Doubtful	173	274	(101)	-36.9%
Loss	995	1,197	(202)	-16.9%
Total Restructured Loan	**7,986**	**6,568**	**1,418**	**21.6%**
Total Loan Portfolio	**537,914**	**467,620**	**70,294**	**15.0%**
% Restructured Loans to Total Loans Portfolio	**1.5%**	**1.4%**	**na**	**na**

We have a diversified loan portfolio, which minimizes exposure to a particular industry, customer group, or market segment. The majority of BCA's loan portfolio is in Rupiah, in line with the Bank's rupiah-based main source of funding. BCA limits its overall exposure to loans in US dollars by limiting the disbursement of US dollar loans to customers whose main revenue is in US dollars. BCA also implements prudent lending for infrastructure projects and focuses on projects showing higher feasibility. We observe potential sectors for loan disbursement as well as potentially distressed sectors.

Top 10 Industry Sectors in Corporate, Commercial and SME Segment (based on the Bank's internal classification)*

	2018	2017
Financial Services	8.0%	5.6%
Plantation and Agriculture	7.5%	7.9%
Building Material and Other Construction Related	6.7%	6.8%
Distributor, Wholesaler and Retailer	6.6%	7.6%
Properties and Construction	5.2%	5.0%
Automotive and Transportation	5.0%	5.7%
Food and Beverages	4.5%	4.9%
Textile and Garment	4.5%	4.5%
Chemicals and Plastics	4.2%	4.4%
Transportation and Logistics	3.7%	4.1%
Total	**55.9%**	**56.5%**

* Excluded consumer and employee loans
Note: The above loan categories are based on industry sectors used internally by BCA, different with the loan groupings in the Commercial Bank Report which is based on regulator's criteria.

Liquidity Position

Indonesia's banking sector saw a tightening in liquidity throughout 2018, which in turn led to more competition in obtaining third party funds. Growth in lending outpaced the increase in third party funds, which led to a higher banking sector loan to deposit ratio to 94.8% in 2018, compared to 90.0% the previous year. The average of banking sector time deposits rate saw an upward trend in the second semester of 2018.

In the midst of tightening liquidity in the banking sector, we maintain an adequate liquidity position and monitor the balance between short-term liabilities and short-term funds. We ensure an adequate amount for placement in short-term, liquid, and low-risk instruments, primarily on free-risk Bank Indonesia securities.

The majority of BCA's liquidity comes from solid and low interest Current Accounts and Savings Accounts (CASA), which were 76.7% of BCA's total third-party funds in 2018. BCA's loan to deposit ratio was maintained at a healthy level at 81.6%, below the banking industry average.

BCA's liquidity coverage ratio was solid at 278.2%, and its net stable funding ratio at 154.3%. We proactively review time deposit rates to sustain our overall third party funds position according to liquidity needs.

Capital Position

BCA's Capital Adequacy Ratio (CAR) for 2018 was 23.4%, sufficient to support business growth. The solid capital position supported the Bank's lending business and its subsidiaries.

BCA's capital requirements were met from organic capital growth, supported by healthy profitability. In compliance with Financial Services Authority Regulation (POJK) No. 14/POJK.03/2017 about Recovery Plan for Systemic Bank, in 2018 BCA issued Rp500 billion subordinated bonds to meet the Bank's obligation in issuing bonds with capital characteristics. The bonds issuance was approved by shareholders.

Exchange Rate Risks

BCA manages its foreign currency exposure by maintaining its Net Open Position (NOP) within conservative levels. As of December 2018, its NOP ratio was 0.5%, far below the maximum limit of 20% set by the regulator, showing that foreign currency related market risk has been properly mitigated.

BCA continues to monitor foreign exchange transactions in adherence to its internal policies and regulations, and regulations from Bank Indonesia and the Financial Services Authority. All transactions processed through branches are monitored, recorded and reported to the Treasury Division as the coordinator managing overall foreign exchange transactions. Each branch is required to square its foreign exchange risk at the end of each working day with limited NOP tolerance in the branch network.

Operational Risks

BCA's transaction banking core business puts operational risk as its main concern, be it human error, inadequate internal processes, system failures, and/or external events. BCA has solid infrastructure to support operational risk management implementation through the Operational Risk Management Information System (ORMIS) web-based application, which includes risk control self-assessment, loss event database, and key risk indicator.

BCA seeks to enhance coordination among relevant work units in evaluating or reviewing processes, systems, and procedures to develop and refine its business process, thereby increasing control and mitigating the increasing threat of both internal and external operational risks. On a regular basis, BCA disseminates risk management implementation to work units to develop a risk culture for all employees.

Information technology plays an important role in managing operational risk. In line with the Financial Services Authority regulation regarding risk management implementation in the use of information technology by commercial banks, BCA has internal policies regarding the use of information technology, which consider the reliability, security, availability and timeliness of services delivered to customers. Operational risk management aims to prevent loss and protect the Bank from, but not limited to, cyber crime.

To ensure the sustainability of banking transaction operations, BCA runs two data centers on a redundancy basis. BCA also manages a Disaster Recovery Center (DRC) in Surabaya as part of its business continuity management, and it is intended to operate as a crisis and command center in the event of disturbance or natural disaster in Jakarta.

INTEGRATED RISK MANAGEMENT

In accordance with POJK No. 17/POJK.03/2014 dated 18 November 2014 regarding the Implementation of Integrated Risk Management for Financial Conglomerates (KK), BCA as the Main Entity of the Financial Conglomerate has implemented an integrated risk management protocol designed to mitigate the risks faced by BCA and its subsidiaries. BCA monitors and manages 10 types of risks defined by the Financial Services Authority. These risks consist of eight risks which have been managed by BCA: credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk, and two additional risks: intra-group transaction risk and insurance risk.

In accordance with the Financial Services Authority Regulation No. 26/POJK.03/2015, at the conglomeration level, BCA and subsidiaries have maintained a solid ratio of Integrated Minimum Capital Requirement at 239.9%, above the minimum requirement set at 100%.

BCA carefully observes that the risk exposure of financial conglomeration can be well mitigated and managed. The implementation of integrated risk management in BCA refers to four main pillars outlined in the following table.

Four Pillars of Integrated Risk Management

1. Active Supervision of BCA Financial Conglomerate by the Board of Directors and the Board of Commissioners of the Main Entity	• Ensuring the implementation of: - Integrated risk management is in accordance with the characteristics and complexity of the BCA Financial Conglomerate; - Risk management at each of the subsidiaries.
2. Adequacy of Policies, Procedures, and Determination of Integrated Risk Management Limits	• Formulate policies and procedures, and limit determination of integrated risk management, according to the Bank's risk appetite and risk tolerance.
3. Adequacy of Identification, Measurement, Monitoring and Control of Integrated Risks, as well as the Integrated Risk Management Information Systems	• Implement an integrated risk management system that generates reports or information concerning: - Risk exposures; - Compliance with the implementation of integrated risk management and comparison to the existing policies and procedures; - Compliance with regard to limit determination.
4. Comprehensive Internal Control System concerning the Implementation of Integrated Risk Management	• Implement an internal control system to ensure: - Compliance with internal policies and regulations, including prevailing legislation; - Availability of financial and management information that is complete, accurate, useful and timely; - Effectiveness of risk culture at the overall Financial Conglomerate organization

Through these four pillars, risk management implementation can be exercised effectively for the BCA Financial Conglomerate. Further information about integrated risk management implementation can be found on page 141-142.

INTERNAL CONTROL

Implementation of BCA's risk management and internal control system complies with circular letter of the Financial Services Authority No. 35/SEOJK.03/2017 dated 7 July 2017 regarding Guideline of Internal Control Standard for Commercial Bank. Implementation of the risk management and internal control system is the responsibility of all management and employees of BCA. Risk awareness continues to be embedded at every level of the organization and is an integral part of the Bank's culture.

BCA applies the concept of three lines of defenses for risk management, where risk management is conducted across all organizational lines and overseen by the Board of Commissioners and the Board of Directors. The concept of three lines of defenses is as follows:

- All business units and support units serve as the first line of defense, which manages the risks related to their respective work units.
- The Risk Management Work Unit (SKMR) and the Compliance Work Unit serve as the second line of defense, monitoring the implementation of corporate risk management policies and guidelines.
- The Internal Audit Division is the third line of defense, assigned to provide independent assurance to the adequacy and effectiveness of risk management implementation at BCA.

RISK ASSESSMENT OF BCA RISK PROFILE AND SUBSIDIARIES

Based on the self-assessment results in 2018, the risk profile of BCA, both individually and integrated with the subsidiaries, is "low to moderate". The risk profile level is the result of an inherent risk assessment of "low to moderate" and a "satisfactory" implementation of risk management.

DISCLOSURE OF RISK MANAGEMENT

The disclosure of BCA's risk management principles and risk exposure, including the capital position, are reported in accordance with OJK Circular Letter No. 43/SEOJK.03/2016 dated September 28, 2016 regarding Transparency and Publication of Reporting for Conventional Commercial Banks.

I. BCA's Application of Risk Management

Guidelines for the implementation of BCA's risk management policies are based on POJK No. 18/POJK.03/2016 dated 16 March 2016 on the Implementation of Risk Management in Commercial Banks and is summarized as below:

I.A. Active Supervision by the Board of Commissioners and the Board of Directors

1. In carrying out its risk management function, the Board of Commissioners has defined duties and responsibilities, including:
   - Approving risk management policies, including risk management strategy and frameworks, implemented in accordance with BCA's risk appetite and risk tolerance.
   - Ensuring the effective implementation and integration of the overall risk management policies and processes.
   - Evaluating:
     - Risk management policies and strategies, at least once a year, or on a more frequent occasion if there are significant changes in factors affecting BCA's business activities.
     - The responsibility of the Board of Directors to ensure the effective management of BCA's activities and risks and to ensure the provision of guidance by the Board of Directors on improving the implementation of risk management policies on a regular basis.
     - Requests from the Board of Directors related to transactions that require the approval of the Board of Commissioners and making decisions on such requests.
2. In carrying out the risk management function, the Board of Directors has defined duties and responsibilities, including:
   - Establishing comprehensive and fully documented risk management policy, strategy and frameworks, including risk limit as a whole and for each type of risk, taking into account the Bank's risk appetite and risk tolerance according to the condition of BCA and the impact of risk to capital adequacy. After obtaining approval from the Board of Commissioners, the Board of Directors establishes risk management policy, strategy and framework.
   - Organizing, assigning and updating:
     - Procedures and tools for identifying, measuring, monitoring, and controlling risks.
     - Transaction approval mechanisms, including those that exceed the limits and authority for each level of position.
   - Evaluating and/or updating risk management policies, strategies and frameworks at a minimum of once a year, or at a more frequent occasion as necessary, if there are any significant changes in factors affecting BCA's business activities, risk exposure and/or risk profile.
   - Establishing an organizational structure, including clear authorities and responsibilities at each level of position related to the implementation of risk management.
   - Responsible for the implementation of risk management policies, strategies and frameworks approved by the Board of Commissioners; and evaluating and providing guidance based on reports submitted by the Risk Management Unit, including risk profile reports.

- Ensuring:
  - All material risks and impacts from such risks have been followed up, and have been submitted regularly to the Board of Commissioners, including reports on progresses and issues of material risk-related with corrective actions that have been, are, and will be carried out.
  - Implementation of corrective actions towards problems or irregularities in BCA's business activities identified by the Internal Audit Division.
  - Adequacy of human resource support to manage and control risks.
  - Independent implementation of risk management functions, which is reflected, among others, in the separation of functions between the Risk Management Unit, which identifies, measures, monitors, and control risks with work units that conduct and complete the transactions.
- Developing a risk management culture, including risk awareness across all levels of the organization, including adequate communication to all levels of the organization on the importance of effective internal control.
- Evaluating and deciding on transactions that require the approval of the Board of Directors.
- Conducting periodic reviews to ensure:
  - Accuracy of risk assessment methodology.
  - Adequacy of implementation of risk management information system.
  - Accuracy of risk management policies and procedures and risk limits.
- Declaring when BCA is in an emergency condition, and, if necessary, the Board of Directors may request opinions from the Risk Management Committee or the Assets and Liabilities Committee or other related committees. Under emergency conditions, control of authorities is under direct coordination of the Board of Directors.

3. Active supervision by the Board of Commissioners and the Board of Directors (Management) includes the following mechanisms:
   - Supervision by the Board of Commissioners is conducted in accordance with their duties and responsibilities as stipulated in the Articles of Association and relevant regulations.
   - The Audit Committee, the Risk Oversight Committee, the Remuneration and Nomination Committee, and the Integrated Corporate Governance assist in the supervisory duties of the Board of Commissioners.
   - The Board of Commissioners maintains constructive communications with the Board of Directors.
   - The Board of Commissioners actively provides recommendations to the Board of Directors in determining strategic actions that they believe should be implemented.
   - The Board of Directors is assisted by Assets and Liabilities Committee (ALCO), Credit Policy Committee, Credit Committee, Risk Management Committee, Information Technology Steering Committee, and the Integrated Risk Management Committee.
   - The Board of Directors actively engages in discussion, provides input and monitors the internal conditions and the development of external factors that directly or indirectly affect the Bank's business strategy.

I.B. Adequacy of Risk Management Policies, Procedures, and Determination of Risk Limits

1. BCA has an adequate organizational structure to support the implementation of sound risk management and internal control that consists of the Internal Audit Division, Risk Management Unit, Compliance Unit and Risk Management Committee and Integrated Risk Management Committee.
2. BCA's risk management policy, as detailed in the Bank Business Plan and the Annual Budget and Work Plan, is in line with the vision, mission, business strategy, capital adequacy, human resources competencies, and risk appetite of the Bank. This policy is reviewed regularly and adjusted in line with both internal and external developments.
3. Policies, procedures, and determination of risk management limits, have been fully documented in writing and are regularly reviewed and updated.
4. In conducting its business activities, BCA has developed a Bank Business Plan and Annual Budget and Work Plan that addresses BCA's overall strategy, including business direction. The strategy has been determined with consideration of the possible impact of the strategy on the Bank's capital, capital projection and the Capital Adequacy Ratio (CAR).

I.C. Adequacy of Risk Identification, Measurement, Monitoring and Mitigation Processes and Risk Management Information System

1. BCA has identified, measured, monitored and controlled risks as part of the process of implementing risk management.
2. Risk exposure is monitored regularly by SMKR by comparing the actual risk against set risk limits.
3. Reports on risk trends, including Risk Profile Reports, Credit Portfolio Reports and Business Plan Progress Reports, are submitted to the Board of Directors on a regular basis.

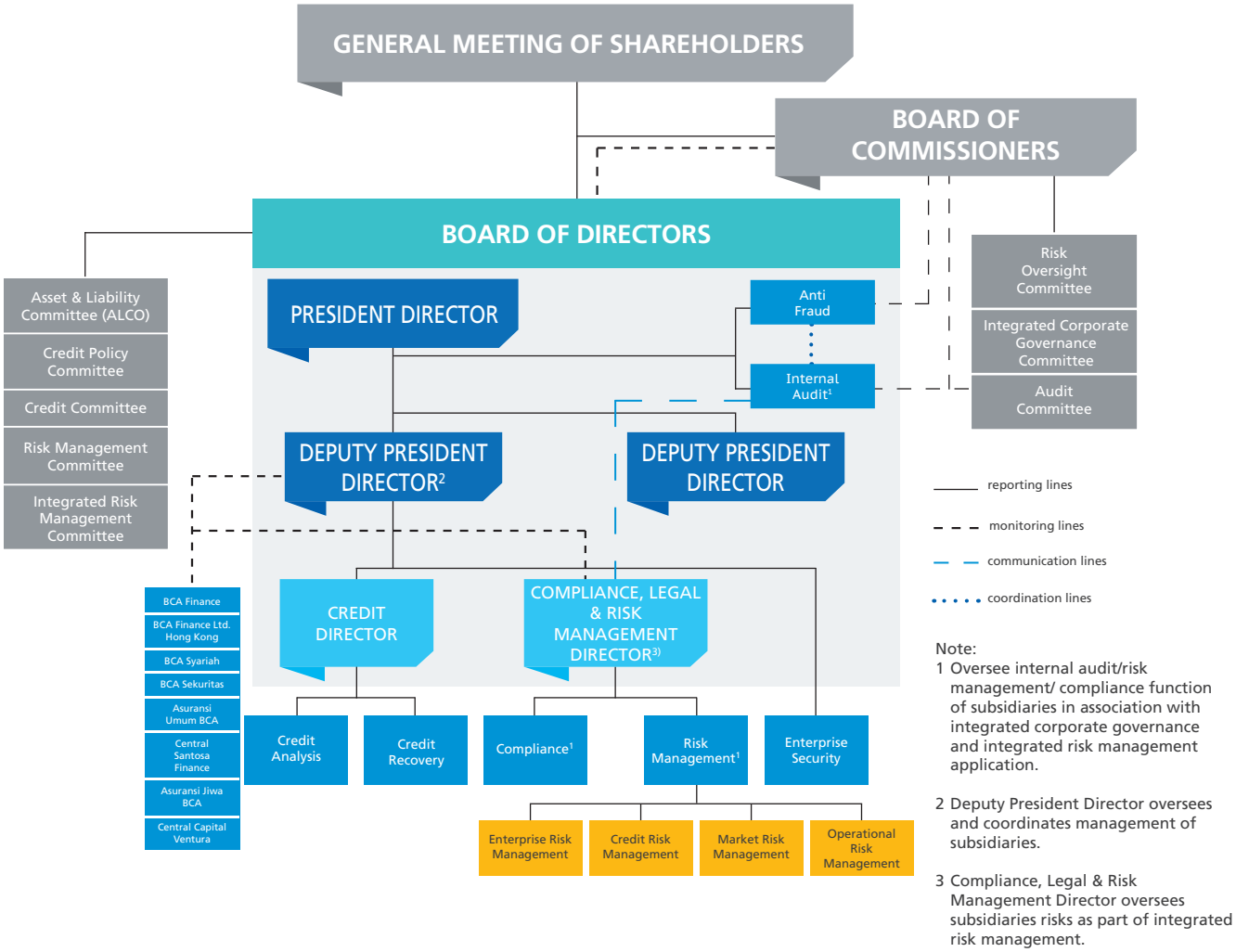
I.D. Comprehensive Internal Control System

1. BCA's internal control systems guideline consists of five components:
   - Management supervision and risk control culture.
   - Risk identification and assessment.
   - Control activities and segregation of duties.
   - Accounting, information, and communication system.
   - Monitoring and corrective actions against policy deviations.
2. The internal control systems are embedded in each business or operational unit and are considered the first line of defense for risk management. These units are charged with risk monitoring by their Internal Control Units at the branches, regional offices, and headquarters.

   To support the implementation of internal control, BCA has fully documented risk management policies (organization structure, segregation of duties, risk limits, and others) BCA strongly encourages a risk culture and culture of compliance with regard to the applicable regulations that are conducted and monitored by the Risk Management Unit and Compliance Unit, which together form the second line of risk management defense.

   The assessment and evaluation of the adequacy and effectiveness of the internal control system is periodically reviewed by the Internal Audit Division, which is the third line of risk management defense, to ensure that internal controls have been implemented adequately.
3. All management and employees of BCA have roles and responsibilities to implement, adhere to and enhance the quality of BCA's internal control systems to be reliable and effective.

Risk Management and Internal Control Organizational Structure



EFFECTIVENESS OF BANK RISK MANAGEMENT SYSTEMS

In evaluating the effectiveness of the BCA's risk management system, the Board of Commissioners and the Board of Directors are assisted by committees under the Board of Commissioners and the Board of Directors.

These committees meet regularly to discuss and provide input and recommendations to the Board of Commissioners and the Board of Directors.

BCA also conducts regular evaluation on the following subjects:

- Applicable policies and methodologies for risk assessments.
- Adequacy of policies, procedures, and determination of risk limits
- Adequacy of identification, measurement, monitoring and mitigation of risks
- Effectiveness of comprehensive internal control system.

Evaluation and updates of policies, procedures, and methodologies are conducted regularly to ensure its compliance to the applicable regulations and operating environment. Evaluation of the effectiveness of risk management is also conducted through regular reports submitted to the Board of Commissioners and the Board of Directors. These reports include, among others, Risk Management Policy Reports; Risk Profile Reports; Risk Update Reports, and other related reports.

Implementation of the Basel Accords

BCA continues to prepare for implementing the Basel III framework on bank capital and liquidity standards. BCA supports Basel III implementation in Indonesia by taking part in Quantitative Impact Studies (QIS) exercises that require the Bank to calculate Capital Position, Leverage Ratio, NSFR, Credit Risk, Market Risk, and Operational Risk.

In 2017, BCA has been in compliance with the Net Stable Funding Ratio (NSFR) regulation implemented by the OJK, with regard to both reporting and minimum ratio.

Risk Appetite

The Bank defines risk appetite as the level and type of risk which are willing to be taken by BCA in order to achieve its business objectives. The risk appetite set by BCA is reflected in the Bank's business strategies and objectives.

Stress Test

BCA regularly performs stress testing for a variety of scenarios as well as for various factors and parameters that can impact risk. Stress test scenarios consider several macroeconomic variables, such as interest rates, inflation, Gross Domestic Product (GDP), exchange rates, fuel prices and others. The methodology used in conducting the stress tests, in addition to using statistical models based on historical data, includes best judgment scenarios. Stress testing is carried out in order to see the impact of changes in macroeconomic factors on various main indicators, including the NPL ratios, profitability, liquidity and capital.

BCA conducts integrated stress tests for both the main entity and its subsidiaries. The results of stress testing conducted by the Bank for credit, market and liquidity risks have been satisfactory, with the Bank's capital and liquidity being sufficient to anticipate estimated potential losses.

II. BCA Capital

Capital Structure

BCA's capital structure is derived from:

- BCA capital structure is mostly core capital, amounting to Rp149.4 trillion, contributing 95.7% to the Bank's total capital.
- Supplementary capital (Tier 2) mostly consists of a required general allowance for productive assets (maximum of 1.25% RWA credit risk). Supplementary capital was Rp6.6 trillion or 4.3% of total capital.

Capital Components (consolidated - in billion Rupiah)

	2018	2017
Capital		
Tier 1 Capital	149,413	129,240
Tier 2 Capital	6,639	5,368
Total Capital	**156,052**	**134,608**
Risk Weighted Assets (Credit, Operational and Market Risk)	651,532	570,459
Capital Adequacy Ratio (CAR) - consolidated	**24.0%**	**23.6%**
Capital Adequacy Ratio (CAR) - non consolidated	**23.4%**	**23.1%**

Management Policy on Capital Structure

BCA ensures an adequate capital position to support the business development of the Bank and its subsidiaries. Its capital adequacy is calculated using the Capital Adequacy Ratio (CAR) indicator. BCA has an adequate capital level with a CAR ratio of 23.4%, above the minimum requirement of 9.99% according to the risk profile, as well as an additional 3.375% capital as a buffer. BCA has formed a buffer in accordance with Bank Indonesia regulation provisions regarding systemic banks' compliance with the implementation of conservation buffers, countercyclical buffers and capital surcharges.

The Bank and all its subsidiaries have carried out integrated stress tests using various scenarios that have resulted in changes to the level of NPLs and their effects on income, liquidity position and capital position. In general, the stress test results show that the liquidity and capital positions of BCA and subsidiaries are adequate to anticipate losses from potential risks based on scenarios used.

The Bank's capital requirements can be fully met from the growth of a healthy financial performance. A significant portion of net income is held to increase capital each year. As for 2018, BCA for the first time issued subordinated bonds as part of a recovery plan to fulfill the Bank's obligations as a systemic bank based on OJK regulation No. 14/POJK.03/2017. The Rp500 billion subordinated bonds were recorded as supplementary capital (Tier 2).

Basis for Management Policy on Capital Structure

BCA capital policies are constantly adjusted in response to business potential and continue to observe principles of prudence. With reference to the regulation of the Financial Services Authority, the Board of Directors prepares capital plans as part of the Bank's Business Plan and obtains approval from the Board of Commissioners. The policy on capital structure refers to Financial Services Authority Regulation No. 11/POJK.03/2016 dated 2 February 2016 and No. 34/POJK.03/2016 dated 26 September 2016 concerning Minimum Capital Requirements for Commercial Banks.

III. Disclosure of Risk Exposures and Implementation of Risk Management

The risks exposures faced by BCA in conducting its business and implementing its risk management strategies designed to minimize the impacts of the risks faced can be summarized as follows:

III.A. Disclosure of Credit Risk Exposure and Implementation of Credit Risk Management

Organization of Credit Risk Management

BCA has established a structured credit risk management process in order to support sound lending principles with strong internal control.

1. **The Board of Commissioners** approves the Bank's credit plans and oversees their realization; approves the Bank's Basic Credit Policy and seeks explanations from the Board of Directors should there be any deviations in loan disbursement from the established policy.
2. **The Board of Directors** is responsible for the preparation of credit plans and the formulation of credit policies; ensures the Bank's compliance with applicable statutory provisions and regulations relevant to the field of credit and credit policy; and reports to the Board of Commissioners on matters such as the realization of the credit plan, irregularities in loan disbursement, the loan portfolio quality and credit in the special mention or in the non-performing loan category.
3. **Chief Risk Officer**, a member of the BCA Board of Directors, is responsible for the management of credit, market, operational, and others risks faced by the Bank (the Compliance, Legal and Risk Management Director)
4. **Work Units that perform functions related to credit risk management** (the Business Lending Development Unit and the Credit Risk Analysis Unit), are risk owners and are responsible for the management of credit risk.

The Bank has dedicated committees that assist the Board of Directors in the lending process, as follows:

1. **Credit Policy Committee** has a principal function of assisting the Board of Directors in formulating credit policies, especially in regard to the principle of prudence in lending, monitoring and evaluating the implementation of credit policies, conducting periodic credit policy reviews on Basic Credit Policy of Bank monitoring the progress and condition of the credit portfolio as well as providing advice and suggesting solutions for improvements based on the results of the Committee's evaluations.
2. **Credit Committee** has the principal function of providing guidance for credit analysis, providing decisions or recommendations on drafts of credit decisions associated with major debtors, specific industries or on special requests from the Board of Directors as well as coordinating with the Assets and Liabilities Committee (ALCO) in relation to the availability of funding for expected credit drawdowns and corporate lending rate adjustments.
3. **Risk Management Committee** has the main function of developing policies, strategies and guidelines for risk management implementation; determining matters related to irregular business decisions, and enhancing the implementation of risk management based on evaluation of the implementation of an effective risk management process and system.

Risk Management Strategy for Activities With Significant Credit Risk Exposure

BCA formulates risk management strategies in accordance with the Bank's overall business strategy based on the Bank's risk appetite and risk tolerance. Risk management strategies are designed to ensure that the Bank's risk exposure is carefully managed in line with the credit policy, the Bank's internal procedures, laws and regulations, and other applicable provisions.

Structured risk management strategies are based on the following general principles:

- Risk management strategy should be long term oriented for the sustainability of the business by considering economic conditions and cycles;
- Comprehensive risk management strategy must be able to control and manage the risks of the Bank and its subsidiaries;
- Expected capital adequacy should be maintained and adequate resources need to be allocated to support the implementation of risk management.

Risk management strategies are prepared in consideration of the following factors:

- The economic and business development and the impact that may occur as a result of the risks faced by BCA;
- The organization structure of BCA, including the adequacy of human resources and supporting infrastructure;
- The financial condition of BCA, including the ability to generate earnings and the ability to manage the risks arising from both external and internal factors;
- The composition and diversification of the BCA's portfolio.

Credit Concentration Risk Management Policy

Portfolio management addresses credit risk by determining risk concentration limits for, among others, industrial sector exposure, foreign exchange lending, and certain types of loans as well as both individual and business group exposures. Along with monitoring the development of the ratings database, technology, human resources, the Bank's complexity level, as well as the market and regulations, the Bank's portfolio management unit actively works to optimize the allocation of the Bank's capital to achieve an acceptable risk level in line with risk appetite and risk tolerance parameters.

Credit Risk Measurement and Control

The Bank measures credit risk using a standardized method based on guidelines in accordance with OJK Circular Letter No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of Risk Weighted Assets for Credit Risks by using the Standardized Approach that requires all banks to use a standardized approach to calculate its risk weighted assets for credit risk. For internal purposes, the Bank uses an internal ratings scorecard as a tool to assist the credit decision process.

Credit risk management is executed through the establishment of an independent rating system for effective implementation of credit risk management processes, comprising:

- Evaluation of the credit administration process;
- Assessment of accuracy in the implementation of internal risk ratings and the use of other monitoring tools;
- Performance effectiveness of work units and Bank officers which are responsible for monitoring individual credit quality.

BCA exercises early detection systems to identify possible non-performing or potentially problematic loans and takes proactive steps to manage the loan portfolio in order to minimize the impact of non-performing loans on the overall portfolio.

Loans and Receivables that are Overdue and Impaired

Past due loans and receivables are defined as any loan or receivable that is more than 90 days overdue for payment for either principal and/or interest. Impaired loans and receivables are those financial assets of significant individual value that have objective evidence of impairment occurring after the initial recognition of the financial asset.

Approach Used for the Formulation of Allowances for Impairment

Allowance for impairment losses is an allowance established if the carrying amount of the financial asset after impairment is less than the initial carrying amount. The Allowance for Impairment losses is adjusted on the basis of impairment under the implementation of Statement of Financial Accounting Standards (SFAS) No. 50/55.

Impairment evaluation is performed individually and collectively. The approach to calculating impairment on an individual loan is by comparing the contract value of expected cash flows from a loan, between its expected impaired value based on an estimate of discounted cash flows from the loan using an Effective Interest Rate (EIR) and the amortized cost of the loan at the time the impairment event occurs. Collective impairment is calculated statistically using the following statistical parameters:

a. Probability of Default (PD) is the debtor's probability of failure to meet obligations as measured by Migration Analysis and Roll Rates reviews;
b. Loss Given Default (LGD) is the level of losses resulting from the debtor's failure to meet obligations. Calculating a reasonable LGD percentage requires an analysis of historical data.

Standardized Approach to the Application of Credit Risk Measurement

In the calculation of Risk Weighted Assets (RWA) for credit risk, the Bank refers to OJK Circular Letter No. 42/ SEOJK.03/2016 regarding Guidelines for Calculation of Risk Weighted Assets by using the Standardized Approach for credit risk, OJK Circular Letter No.48/SEOJK.03/2017 and OJK Circular Letter No.11/SEOJK.03/2018.

Through the Basel II standardized approach, the credit RWA is calculated based on the ratings issued by rating agencies recognized by OJK as stipulated in OJK Circular Letter No.37/SEOJK.03/2016 regarding Rating Agencies and Ratings recognized by OJK.

The use of external party ratings in the calculation of RWA credit risk is only for claims on Governments of Other Countries, Public Sector Entities, Multilateral Development Banks and particular International Institutions, Banks, and Corporates.

Counterparty credit risk arises from Over The Counter (OTC) derivative transactions and repo/ reserve repo transactions, both on the trading book and the banking book. The standardized Approach used to calculate credit risk of capital adequacy ratio for any exposures that caused credit risk as a result of counterparty failure (counterparty credit risk).

Determination of credit limits related to counterparty credit risks can be adjusted according to the needs of the counterparty, the Bank's risk appetite, and any other applicable regulation such as Bank Indonesia Regulation No. 8/13/PBI/2006 related to Legal Lending Limits.

Credit Risk Mitigation

The preferred type of collateral accepted to mitigate credit risk is solid collateral defined as cash or land and buildings. These types of collateral have relatively high liquidity value and/or can be legally attached so that the Bank is able to liquidate collateral immediately if the debtor's/debtor group's loan becomes delinquent.

Collateral assessment for loans is performed by an independent appraiser. In remote areas where no independent appraiser is available, the appraisal will be conducted by internal staff who is not involved in the loan processing. To monitor the physical collateral pledged to BCA by the debtor, site visits are conducted periodically to review the status of the collateral.

When processing credit, the main guarantors/ warrant providers are analyzed as a risk mitigant to the overall credit risk. Creditworthiness and security analysis is determined by applying the Four Eyes Principle, where credit decisions are determined by two independent parties, the business development unit and the credit risk analysis unit.

Credit mitigation techniques are focused on strong collateral coverage. To further mitigate bank-wide potential credit risks, the Bank's loan portfolio is well diversified with regard to loan category and industrial and economic sectors.

III.B. Disclosure of Market Risk Exposure and Implementation of Market Risk Management

Organization of Market Risk Management

The Board of Commissioners and the Board of Directors are responsible for ensuring that the implementation of risk management with regard to exchange rates and interest rates is in line with the Bank's strategic direction, scale, business characteristics as well as exchange rate and interest rate risk profiles. This includes ensuring the integration of exchange rate and interest rate risk management with other risks that may affect the Bank's risk position.

The Board of Directors delegates its authority and responsibility to the parties listed below.

Party	Authority and Responsibility
ALCO	Determines policies and strategies regarding foreign exchange and interest rates
The Risk Management Unit	Supports ALCO in monitoring and measuring foreign exchange and interest rates
Treasury Division	Manages the Bank's overall operations in foreign currency transactions, and interest rates on the trading book: - Responsible for maintaining foreign currency Net Open Position (NOP) and mitigating interest rates on the trading book and ensuring the Bank's compliance with Bank Indonesia regulations regarding NOP; - Responsible for managing trading marketable securities and foreign currency transactions in line with customer needs and/or income considerations.
Regional Offices and Branches	Responsible for managing foreign currency transactions in the respective regional offices/branches in accordance with predetermined limits. All regional/branch foreign currency transactions are covered by the Treasury Division. Limits for each region/branch are determined in accordance with operational needs.

The calculation of market risk to determine BCA's capital requirements uses the standardized methods as defined by OJK

Trading Book and Banking Book Portfolio Management

Management of portfolios exposed to interest rate risk (on the trading book) and to foreign exchange risk is conducted by setting and monitoring the use of Nominal Limits (Net Open Position), Value at Risk Limits, and Stop Loss Limits.

The valuation method is based on closeout prices or market price quotations from independent sources, including the following:

- Indonesia Bond Pricing Agency (IBPA)
- Bloomberg Generic and Value (BGN and VAL)
- Exchange Prices.
- Dealer screen prices.
- The most conservative quotations given by at least two brokers and/or market makers.
- Where market prices are not available from independent sources, the pricing is done by setting a price based on establishing a yield curve.

Market Risk Measurement

For the purpose of monitoring market risk, exchange rate and interest rate risk, Value at Risk measurements are taken on a daily basis based on a full historical valuation method using 250 days' data at a 99% confidence level.

For the calculation of minimum Capital Adequacy Ratio (CAR), market risk is calculated based on the standardized method as adopted by OJK.

Scope of Trading and Banking Book Portfolios Accounted for in Capital Adequacy Ratio

Following is the scope of the portfolio coverage included in the CAR calculations:

- Exchange rate risk considers the trading book and banking book. Exchange rate risk can arise from foreign currency transactions Today (TOD), Tomorrow (TOM), SPOT, Forward, SWAP, and Domestic Non Delivery Forward (DNDF);
- Interest rate risk considers the trading book. Interest rate risk can arise from securities transactions, as well as Forward and SWAP transactions;
- Equity risk (for subsidiaries) takes into account the trading book. Equity risk may arise from equity trading transactions that may be performed by subsidiaries.

Interest Rate Risk in Banking Book (IRRBB)

Interest rate risk in banking book (IRRBB) occurs as a result of movements in the market interest rate that are against the Bank's position or transactions, which may affect both the Bank's interest income and the economic capital value. In performing IRRBB measurement, the Bank uses a gap report (repricing gap) that measures assets and liabilities that are interest rate sensitive in nature to be mapped within a certain period. Mapping is conducted based on the remaining maturity date for any instrument with a fixed interest rate and is based on the remaining time up to the next interest rate adjustment for any instrument with a floating rate. The Bank uses an earning approach and economic value approach to measure interest rate risk. Monitoring and measurement of interest rate risk exposure on the banking book is submitted to the Board of Directors/ ALCO on a monthly basis.

Anticipation of Market Risk on Foreign Currency and Securities Transaction

In order to anticipate market risk in transactions associated with exchange rate and interest rate risks, the Bank has established and managed market risk limits, including Value at Risk Limit, Nominal and Stop Loss Limit, as well as conducting stress tests to quantify the risk. BCA conducts an assessment on the risk management and preparation of the policies as well as a procedures system for the development of any transactions as a support to Bank Indonesia's program on Financial Market Deepening.

III.C. Disclosure of Operational Risk Exposures and Implementation of Operational Risk Management

Organization of Operational Risk Management

Bank-wide implementation of Operational Risk Management includes:

1. **The Board of Commissioners and the Board of Directors** ensure adequate risk management implementation according to the characteristics, complexity and risk profile of the Bank as well as a good understanding of the type and level of risk inherent in the business activities of the Bank.

2. **The Risk Management Committee** ensures that the risk management framework provides adequate protection against risks faced by the Bank.
3. **The Risk Management Unit (SKMR)** ensures that risks faced by the Bank are identified, measured, monitored, controlled and reported correctly through the application of an appropriate risk management framework; SKMR also provides input to the Board of Directors on the development of the risk management policies, strategies and framework.
4. **The Enterprise Security Work Unit** protects and secures the information assets of the Bank, develops the Bank's ability to deal with emergency situations that threaten the business as an ongoing concern, and ensures that the application of information technology governance is in line with the Bank's policy.
5. **The Internal Audit Division**, is tasked to examine and assess the adequacy and effectiveness of risk management processes, internal controls, and corporate governance.
6. **The Operation Strategy and Development** Division assists SKMR in implementing operational risk management programs and provides support to all work units in implementing SKMR programs.
7. **The Work Units (business units and support units)** are risk owners responsible for risk management in daily operations through coordination and reporting on operational risk events to SKMR.

Measurement and Identification of Operational Risk
Implemented in 2002, BCA applies a Risk Self-Assessment (RSA) methodology to identify and quantify operational risks across all work units in the Bank. The main function of the RSA is to cultivate a strong risk culture and increase risk awareness as an important element of risk management. Developing a stronger risk culture is expected to improve risk control implementation amongst all employees in performing their daily activities and subsequently reduce overall risk.

The RSA methodology is further refined into a Risk and Control Self-Assessment (RCSA) model, which has been implemented in all branches and head office units identified as having significant operational risks. In the RCSA methodology, branches and work units identify and measure operational risks inherent to their respective work or business units. Based on this process, and in coordination wih the Risk Management Unit, the work units determine the controls that must be implemented in order to mitigate the identified risks. The RCSA model is under the coordination of SKMR.

In addition to RCSA, BCA has implemented a Loss Event Database (LED) and Key Risk Indicator (KRI) system. KRI is a method used to provide an early warning signal in the event there is the possibility of increased operational risk within a specific work unit. KRI has been implemented in all regional offices, branches and head office work units that are considered having fairly significant operational risk. The KRI system is planned to be developed into Predictive Risk Management tools that support unit business to detect and respond to an increased risk within area of business unit.

LED is designed to assist in recording and analyzing cases or events that could lead to an operational loss so that corrective action can be taken to avoid similar events from occurring in the future. The purpose of the LED is to identify the source and minimize the possible risk of operational losses. LED is also a means of operational loss risk data collection used by the Bank to determine the allocation of capital charges and for monitoring of events that could lead to further operational losses. LED has been implemented in all regional offices, branches and at the head office.

The application of RCSA, LED and KRI is supported by the Operational Risk Management Information System (ORMIS). Currently all branches and head office units use ORMIS which has been implemented in all branches and work units of head office.

Operational Risk Mitigation

To mitigate operational risk, the Bank uses the following tools:

- Policies, procedures and limits to monitor, measure and mitigate operational risks;
- Organizing Risk Awareness Programs on a regular basis to promote and to increase the risk awareness culture for all BCA's stakeholders;
- Up-to-date policies and procedures in accordance with organizational development and changes in legislation and regulations;
- Integrated and comprehensive Business Continuity Management Plans to ensure operational continuity in running the business and serving customers;
- Internal control system, which in practice applies the segregation of duties principle, the four eyes principle, and operates on a rotation system to avoid potential self-dealing and concealment of documents or possible fraudulent transactions.

Risk Management of New Products and Activities

As the largest private bank in Indonesia, BCA provides a wide range of products and/or banking activities to fulfill the needs of our customers. In line with recent technological advancements, BCA continues to develop new digital products and activities.

In managing the risks of new products/activities, BCA has implemented a system to help ensure the development of new products/activities will not significantly affect BCA's risk profile. Risk management is implemented based on internal regulations that were compiled in accordance with regulator provisions.

Management of BCA's new products/activities includes several important aspects as follows:

- New products/activities are launched with an objective to fulfill customer needs and are expected to enable BCA to accomplish its predetermined business targets;
- Every development plan of new products/activities must be approved by the Board of Directors and reported to the Board of Commissioners. This is a part of active supervision conducted by the Board of Directors and the Board of Commissioners;
- The identification of risks will be conducted on every product/activity development plan so that BCA is able to implement adequate risk mitigation;
- Every new product/activity should pass several stages including, planning, development, implementation, and evaluation;
- The product/activity that has been implemented will be evaluated to ensure that the product/activity has reached its target and to be able to develop the product/activity further.

III.D. Disclosure of Liquidity Risk Exposure and Implementation of Liquidity Risk Management

Organization of Liquidity Risk Management

The Board of Commissioners and the Board of Directors are responsible for ensuring that liquidity risk management is conducted in accordance with the strategic objectives, scale, business characteristics and liquidity risk profile of the Bank. This includes the integration of liquidity risk management with other risks that may impact on the Bank's liquidity position.

The authority and responsibility of Board of Directors are delegated to parties below:

Party	Authority and Obligations
ALCO	Determines policies and strategies regarding liquidity.
The Risk Management Unit	Supports ALCO in monitoring and calculating liquidity risks.
Treasury Division	Manages overall operational liquidity of the Bank: - Responsible for monitoring statutory reserves and ensuring the Bank's compliance with Bank Indonesia regulations regarding statutory reserves; - Responsible for managing secondary reserves in order to maintain liquidity and provide income generating opportunities.
Regional Offices and Branches	Responsible for managing liquidity risk at the respective regional offices and branches.

Funding Strategy

Funding strategy consists of strategies to tap diversified sources of funds and to secure a funding duration profile that is linked to the Bank's characteristics and business plan. The Bank identifies and reviews the primary factors that affect the ability of the Bank to obtain funds, including identifying and monitoring funding alternatives to strengthen the Bank's capacity to sustain business operations in a crisis condition.

Liquidity Risk Mitigation

In order to mitigate liquidity risk, BCA has established guidelines to measure and mitigate liquidity risks, including limits on Secondary Reserves, Interbank Overnight Borrowing Limits, Liquidity Coverage Ratios, and Net Stable Funding Ratio. The Bank has also identified and developed Early Warning Indicators, and has implemented a multi-level Contingency Funding Plan to mitigate risk.

Measurement and Control of Liquidity Risk

The measurement of the liquidity risk is conducted comprehensively on a regular basis by monitoring cash flow projection, maturity profile reports, liquidity ratios and stress test scenarios. Stress testing is conducted based on bank specific stress scenarios and general market stress scenarios.

Monitoring liquidity risk has the objective of facilitating timely mitigation or adjustments to the liquidity risk management strategy as soon as any increase in liquidity risk occurs.

The following activities are included in liquidity monitoring:

- Monitoring both internal and external early warning indicators for events that can potentially increase liquidity risk;
- Monitoring fund and liquidity positions that include:
  - Interest rate strategy, investment alternatives for fund owners, changes in the customer behavior, changes in foreign exchange and interest rates offered by a primary competitor that could impact the fund structure, fund volatility, and core funds. Those changes should be monitored on a regular basis (daily, monthly, and annual basis);
  - Daily monitoring of the liquidity position in respect to Minimum Statutory Reserve Requirement, secondary reserves, and liquidity ratio.

Bank's Liquidity Position Based on the Calculation of NSFR

In 2018, the Net Stable Funding Ratio (NSFR) implemented by OJK. Based on the NSFR calculations in 2017, the Bank's NSFR is above the minimum requirement, both on a bank-only and consolidated basis.

III.E. Disclosure of Legal Risk Exposure and Implementation of Legal Risk Management

Legal risk is defined as risk from lawsuits and/or weaknesses in legal documentation or contracts, an absence of and/or change in regulation that results in a previously compliant procedure to be no longer in accordance with the updated regulation, and litigation arising from third party claims against the Bank or claims by the Bank against a third party.

Organization of Legal Risk Management

In order to minimize legal risk, BCA has established a Legal Group at the head office and legal units in regional offices to support the BCA in carrying out banking activities and mitigating legal risk. The Legal Group also has the duty and responsibility of supporting and safeguarding the legal interests of the Bank with respect to the prevailing laws and regulations as it carries out business activities.

Legal Risk Control

BCA mitigates legal risks through the following:

- Legal Risk Management Policy: having internal regulations to govern the organizational structure and job description for the Legal Group, standardizing legal documents;
- Socializing the impact of new regulations applicable to BCA's banking activities and the various modus operandi of criminal and fraudulent banking crimes as well as the legal guidelines for prosecuting such crimes to branches, regional offices, and related work units in head office;
- Registering intellectual property rights for the Bank's products and services as well as securing ownership of the Bank's assets, such as rights to land and buildings owned by the Bank, with the appropriate authority;
- Monitoring and taking legal action on violations against the Bank's assets, including infringement of intellectual property rights belonging to BCA;
- Identifying, monitoring, analyzing and quantifying potential losses that may arise in relation to legal cases.

III.F. Disclosure of Strategic Risk Exposure and Implementation of Strategic Risk Management

Strategic risk can arise from inaccuracy in management decisions and/or inappropriate implementation of strategic direction as well as failure to anticipate changes in the business environment.

Organization of Strategic Risk Management

To manage the direction of business activities and limit the occurrence of strategic risks, the Board of Directors provides input for the development of strategic plans and business initiatives as outlined in a three-year business strategy (Bank Business Plan) blue print and a one-year business plan and budget (Annual Budget and Work Plan).

Furthermore, the Board of Commissioners reviews and provides provisions on Bank Business Plan and Annual Budget and Work Plan.

The Bank Business Plan and the Annual Budget and Work Plan require the approval of the Board of Commissioners. BCA's Corporate Planning Sub-Division is designed to support and monitor the formulation and the implementation of the Bank Business Plan and the Annual Budget and Work Plan by preparing regular reports comparing the business plan and budget with their realization, including conducting reviews of both financial and non-financial business targets.

Policies to Identify and Respond to Changes in the Business Environment

In order to identify and respond to changes in both the external and internal economic environment and business conditions, BCA conducts:

- Regular reviews of the Bank Business Plan and the Annual Budget and Work Plan in accordance with business developments and the state of the Indonesian economy;
- Reviews of business targets with consideration to the current economic situation and the forecast of the coming year while emphasizing the principle of prudence, attention to the capacity and capabilities of BCA and trends in banking competition.

The Bank's strategy is formulated with reference to Bank Indonesia and OJK regulations and other relevant provisions, as well as the potential impacts

of strategic risk on the Bank's capital and the Capital Adequacy Ratio (CAR) based on the risk appetite, risk tolerance and capabilities of the Bank.

Measurement of the Bank's Business Plan Progress
To measure progress in achieving the business plan, the Bank conducts the following activities:

- Identifying, measuring, and monitoring strategic risk, as well as compiling quarterly strategic risk profile reports;
- Compiling reports on the realization of the Bank Business Plan, which includes financial performance (actual vs. budgeted), realization of corporate/divisional work programs and the realization of branch network development.

III.G. Disclosure of Reputation Risk Exposure and Implementation of Reputation Risk Management

Reputation risk can occur as a result of reduced levels of trust from stakeholders triggered by negative perceptions of the Bank.

Organization of Reputation Risk Management
BCA has a strong commitment to manage reputation risk. To this end, BCA has established the Digital Services Division that specifically deals with customer complaints by phone, mail, email, and social media 24 hours a day, every day. In handling customer complaints, Digital Services Division coordinates with other related units, including the Consumer Card Division, the Consumer Credit Work Unit and the Electronic Banking Services Center, to respond to potential reputational risk events.

Policies and Mechanism of Reputation Risk Management
In order to manage reputation risk, the Bank implements the following:

- Establishment of provisions for customer complaints that clearly define the policies, procedures, work units that monitor and handle customer complaints, including the format of reports made to regulators;
- Monitoring of customer complaints and routinely report the results to the head of each unit and to the Board of Directors. These reports are analyzed and used to support the Bank in the development of a systematic complaint handling process;
- Development of infrastructure, including the implementation of appropriate software and hardware, development and management of procedures, development of management information system infrastructure to facilitate monitoring and to support the speed and quality of work in responding to and monitoring customer complaints.

Reputation Risk Management in Times of Crisis
To manage reputation risk in times of crisis, the Bank has conducted the following:

- Implementation of Crisis Management, which includes:
  - Crisis Management Policy, a strategy to manage disorder or events that disturb BCA's services and reputation, as well as those with the potential to cause disruptions;
  - Crisis Management Team, responsible for coordinating the process of crisis management, including the recovery process;
  - Crisis Communication Protocol, to coordinate crisis communications to internal and external parties, including to the mass media. Clear communication protocols and the person in charge of communications have been established for all stages of the crisis;
  - Crisis Management Guidelines, including emergency responses, to facilitate customer service and transactions in the event of a crisis or emergency situation.
- Development of a business continuity plan and a disaster recovery plan, designed to minimize disruption and speed up the recovery process in the event of a disaster.
- Development of Secondary Operation Center, designed to be a back-up workplace for critical work units to support BCA's business continuity.
- Installation of backup systems to prevent high risk business failure.

III.H. Disclosure Of Compliance Risk Exposure And Implementation Of Compliance Risk Management

Compliance risk is the risk arising from the Bank's failure to comply with and/or implement the prevailing laws and regulations.

Organization of Compliance Risk Management

In order to minimize compliance risks, all organizational lines need to be responsible for the management of compliance risk in all activities of the Bank.

The Compliance, Legal and Risk Management Director, assisted by the Compliance Unit, is responsible for ensuring compliance and minimizing compliance risk by formulating compliance risk management policies and procedures as well as monitoring their implementation. The Compliance Unit is independent from other working units. The Compliance, Legal and Risk Management Director reports the results to the President Director, which will be presented to the Board of Commissioners.

The Compliance Unit is also responsible for the implementation of the Bank's Anti-Money Laundering and Combating the Financing of Terrorism (APU and PPT) programs, including assessing the risk of APU and PPT program implementation in accordance with prevailing regulations from the regulators.

Business units at head office and branches are the front-line in ensuring all business activities are carried out in accordance with the relevant regulations.

Risk Management Strategies Associated with Compliance Risk

BCA has a strong commitment to comply with prevailing laws and regulations and actively takes steps to correct any weaknesses. This is in line with BCA's compliance risk management strategy, which contains policies to always comply with the applicable regulations, foremost through proactive prevention (ex-ante) in order to minimize any occurrence of violations and through curative action (ex-post) as corrective measures.

Compliance Risk Monitoring and Control

In order to control and minimize compliance risk, BCA has taken the following steps:

- Identify sources of compliance risk;
- Perform gap analysis if there is a change in regulation and make the necessary adjustments to internal policies and regulations, as well as to information systems;
- Perform regular measurement and monitoring of compliance risk exposure on a regular basis - the results are discussed with the Risk Management Unit;
- Socialize and consult on provisions of various regulations;
- Examine compliance in the implementation of provisions;
- Develop a compliance matrix diary as a means of monitoring commitment to comply with reporting duties to the regulators;
- Monitor suspicious financial transactions through the implementation of Anti Money Laundering protocols, which are regularly audited.

In order to improve the effectiveness of internal control, coordination is maintained between the Risk Management Unit, the Internal Audit Division and the Compliance Unit through regular meetings and intensive communication. Problems associated with internal compliance control, particularly in addressing potential compliance risks, are comprehensively assessed, allowing the formulation of effective measures.

Application of Integrated Risk Management

In accordance with POJK No. 17/POJK.03/2014 dated 18 November 2014 and OJK Circular Letter No. 14/ SEOJK.03/2015 of 25 May 2015 on the Implementation of Integrated Risk Management for Financial Conglomerations, BCA has developed Integrated Risk Management for Financial Conglomerates.

Application of an Integrated Risk Management structure includes:

1. Active supervision of BCA Financial Conglomeration by the Board of Directors and the Board of Commissioners of the primary entity defined as BCA;

2. Adequacy of Policies, Procedures, and Determination of Limits for Integrated Risk Management;
3. Adequacy of Identification, Measurement, Monitoring, and Mitigation of Integrated Risk, as well as Integrated Risk Management Information Systems;
4. Comprehensive Internal Control System for the Implementation of Integrated Risk Management.

BCA has implemented Integrated Risk Management by:

1. Delegating a director of integrated risk management.
2. Establishing Integrated Risk Management Committee.
3. Adjusting organizational structure of Risk Management Unit covering integrated risk management functions.
4. Reporting to the OJK regarding BCA Main Entity and member of Financial Conglomeration.
5. Conducting socialization and coordination with BCA Financial Conglomerate as a group.
6. Delivering the Integrated Risk Profile Report on a semester basis.
7. Delivering the Integrated Capital Adequacy Report on a semester basis.

In line with its function, in 2018, the Integrated Risk Management Committee conducted regular meetings. The first meeting on 2 May 2018 discussed the following:

- Scope of Integrated Business Continuity Plan (BCP);
- Integrated Risk Management Information System;
- Risk Appetite and Risk Tolerance of BCA Financial Conglomeration;

The second meeting on 5 November 2018 discussed the following:

- Organizational Structure of Integrated Risk Management and Risk Monitoring Framework of BCA Financial Conglomeration
- Integrated stress test of BCA Financial Conglomeration (BCA and subsidiaries) in 2018

BCA Financial Conglomeration manages 10 types of integrated risks as identified by the regulators. These risks include the eight types of risks: credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk, with the addition of inter-group transaction risk and insurance risk.

Inter-Group Transaction Risk

BCA Financial Conglomeration conducts inter-group transactions in accordance with the principles of fairness and on an arms-length basis in adherence with prevailing regulations. All inter-group transactions are documented appropriately. Inter-group transactions currently do not have a material impact on the overall financial performance of the Group.

Insurance Risk

BCA Financial Conglomeration also manages Insurance Risk through the Bank's subsidiaries active in the insurance industry. Referring to the measurement results, insurance risk did not significantly affect BCA Financial Conglomeration.

Based on integrated risk assessment, BCA Financial Conglomeration's capital is considered sufficient to anticipate potential losses that may arise or be faced by BCA Financial Conglomeration in conducting the integrated businesses.

The Bank's subsidiaries that are included in the implementation of the integrated risk management are: PT BCA Finance, PT BCA Finance Limited, PT Bank BCA Syariah, PT BCA Sekuritas, PT Asuransi Umum BCA (BCA Insurance), PT Central Santosa Finance, PT Asuransi Jiwa BCA (BCA Life), and PT Central Capital Ventura.

Summary of the implementation of risk management within each subsidiary, as follows:

PT BCA FINANCE	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the following: • Establishment of Audit Committee at the level of the Board of Commissioners; • Establishment of Risk Management Committee and Asset Liability Committee (ALCO) at the level of the Board of Directors, and through the Regular Meeting Management and Consumer Meeting; • The Board of Directors ensures the provision of the implementation of policies and evaluations, transaction agreements, risk management culture development, policy regarding independence of risk-taking work units on internal controls, and risk management within the company; • The Board of Commissioners actively oversees the performance of the directors.
Adequacy of policies and procedures, and determination of limits	• Basic Risk Management Policy; • Risk management policy and implementation guidelines for various risks as described in Decision Letters; • Policies and procedures, and determination of limits are adequate and socialized to all employees and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• The identification process is carried out on all products/transactions that contain risks. Risks are measured according to the type, characteristic, and complexity of each product/transaction by the risk-taking unit and Corporate Risk Management. Risks are controlled according the risk exposure and within risk appetite; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews; • Risk management of information technology systems is used to identify and detect watchlist customers, mitigate fraud through certain parameters as alerts, reporting on risk events at the branches or headquarters through operation risk event management (OREM) application, risk and control self assessment, and implementation of multiple scoring both internally developed and in coperation with Credit Bureau for a more prudent lending proces; • Risk profiling report will be integrated to main entity through IRMIS application.
Comprehensive internal control systems	Internal Audit Division has the function of evaluating the effectiveness and efficiency of work processes and their suitability to the needs of the business. Evaluations are conducted by way of active and passive inspection throughout all work units.

BCA FINANCE LIMITED	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Directors is conducted through discussions on business and operational activities between the Board of Directors and management staff through regular reports.
Adequacy of policies and procedures, and determination of limits	• Basic Risk Management Policy and Guidelines; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• Risk management processes are conducted and outlined in risk profile reports on a quarterly basis; • Risk management processes are reflected in, among others, the monitoring of limits and regular limit reviews.
Comprehensive internal control systems	Internal control is conducted by Compliance and Internal Audit division.

PT BANK BCA SYARIAH	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Commissioners and the Board of Directors is conducted through the establishment of the following: • Risk Oversight Committee, Audit Committee and Remuneration and Nomination Committee at the level of the Board of Commissioners; and • Risk Management Committee, Credit Committee, Credit Policy Committee, Human Resources Committee, Information Technology Steering Committee, and Assets and Liabilities Committee (ALCO) at the level of the Board of Directors.
Adequacy of policies and procedures, and determination of limits	• Basic Risk Management Policy; • Risk management policy for various risks as defined in Job Procedures and Guidelines; • Financing Policy related to credit risk; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• Risk management processes are conducted and outlined in risk profile reports on a quarterly basis; • Risk management processes are reflected in, among others, the monitoring of limits and regular limit reviews.
Comprehensive internal control systems	The effectiveness of internal control is tested by the Internal Audit Work Unit.

PT BCA SEKURITAS	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Commissioners and the Board of Directors is conducted through the following activities: • Regular meetings of the Board of Commissioners and the Board of Directors; • Establishment of organizations with reference to the Decree of the Capital Market and Financial Institution Supervisory Agency Number Kep-548/BL/2010 (Bapepam-LK/OJK) Regulation Number V.D.3 concerning Internal Control of Securities Companies Conducting Business Activities as A Broker-Dealer, comprising: – Marketing Functions; – Risk Management Functions; – Bookkeeping Functions; – Custodian Functions; – Information Technology Functions; and – Compliance Function; as well as Research Functions outside of the six functions listed above; • Establishment of the Internal Audit Function in accordance with OJK Regulation 57/POJK.04/2017 of September 26, 2017 on Implementation of Corporate Governance for Securities Firms Acting as Underwriters and Brokers; • The Board of Commissioners gives approval regarding credit facilities accepted by BCA Sekuritas from third parties; • The Board of Commissioners ensures matters on Money Laundering and Terrorism Financing are discussed at Board of the Directors and the Board of Commissioners meetings; • The Board of Directors makes decisions regarding internal policy; • The Board of Directors signs all reports in accordance with Capital Market regulations.
Adequacy of policies and procedures, and determination of limits	• Policy and Procedures that are in line with Capital Market regulations and are used as basis for developing guidelines for BCA Sekuritas' business activities; • Basic Risk Management Policy; • Policies and procedures, and determination of limits are adequate and regularly reviewed; • Policies derived from basic risk management policy.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• Risk management processes are reflected in regular monitoring of the haircut effects, customer limits, and customer daily transactions, all of which are reported regularly; • Risk management processes are conducted and recorded in risk profile reports every semester.
Comprehensive internal control systems	Internal control of all business activities is conducted by Internal Audit Work Unit in accordance with Capital Market regulations.

PT ASURANSI UMUM BCA	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following committees: • Audit Committee and Risk Oversight Committee at the level of the Board of Commissioners; and • Investment Committee, Insurance Closure Acceptance Committee and Insurance Claim Finalization Committee at the level of the Board of Directors.
Adequacy of policies and procedures, and determination of limits	• Various policies, including the following: - Guidelines of the implementation of risk management; - Authority for Claim Approval, Acceptance and Insurance Policy/Cover Note Signing; - Underwriting Guidelines; - IT Operation Guidelines; - Manual Disaster Recovery Plan (DRP); - Reinsurance policy guidelines; - Corporate Investment Policy; - Operations Cost Approval Authority, Fixed Asset Purchasing, Office/ Building Renovations; - Implementation Guidelines for APU and PPT; - Manual Business Continuity Plan; - Anti Fraud Guidelines; - Financial Crisis Business Continuity Plan Policy; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• Risk management processes are conducted and recorded in risk profile reports; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews, company stress test simulation report, and business continuity plan testing result evalution report.
Comprehensive internal control systems	Internal supervision is conducted by the Internal Audit Work Unit which assists management in monitoring the effectiveness of the implementation of all policies/ procedures established.

PT CENTRAL SANTOSA FINANCE	
Active supervision by the board of Commissioners and the board of directors	Active supervision by the Board of Commissioners and the Board of Directors is conducted in the following forms: • Routine meetings of the Board of Commissioners and the Board of Directors; • The Board of Directors acknowledges and signs all reports for the authorities; • The Board of Commissioners has established the Risk Oversight Committee, which is attached to the Audit Committee.
Adequacy of policies and procedures, and determination of limits	• Basic Risk Management Policy; • Policies and procedures, and determination limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	Risk management processes are conducted and outlined in annual and semester risk profile reports; • Improvement on the Information system to ensure the readiness of accurate data within a short time as required by management.
Comprehensive internal control systems	Internal supervision is conducted by the Internal Audit Work Unit.

PT ASURANSI JIWA BCA	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following: • Risk Oversight Committee and Audit Committee at the level of the Board of Commissioners; and • Product Development Committee, Investment Committee and Risk Management Committee at the level of the Board of Directors.
Adequacy of policies and procedures, and determination of limits	• Basic Risk Management Policy and its Implementation Guidelines for each type of risks, as defined in the job procedures and guidelines; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• Risk management processes are conducted and outlined in risk profile reports.; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews.
Comprehensive internal control systems	Internal Audit Division has been established which reviews the effectiveness and efficiency of each operational procedure independently and periodically according to the scope of each work unit.

PT CENTRAL CAPITAL VENTURA	
Active supervision by the board of Commissioners and the board of directors	Active supervision is conducted by the Board of Commissioners and the Board of Directors through the establishment of the following: • Regular meetings of the Board of Commissioners and the Board of Directors (minimum once in three months, based on OJK regulation No. 36/POJK.05/2015); • Establishment of organization structure based on OJK regulation No. 34/POJK.05/2015; • The Board of Commissioners approval on the Board of Directors' request on the capital injection to PPU; • The Board of Directors approval on internal policies; • Regular meeting of Board of Directors, a minimum of once a month, based on OJK Regulation No. 36/POJK.05/2015; • The Board of Directors authorization and responsibilities of all reports including risk profile reports to the regulator.
Adequacy of policies and procedures, and determination of limits	• Policies and procedures are in compliance with prevailing regulations and are outlined in BCA's guidelines and procedures and guidelines for the sustainability business; • Policies and procedures, and determination of limits are adequate and regularly reviewed.
Identification, measurement, monitoring and mitigation processes and risk management Information system	• Risk management processes are conducted and outlined in risk profile reports each semester; • Risk management processes are reflected in, among others, risk profile reports, monitoring reports and regular limit reviews.
Comprehensive internal control systems	• Have policies, procedures and determination of limits related to corporate investment; • Internal control process has been carried out in the implementation of operational activities.

Risk Management Table*

Table A. **Disclosure of the Capital Structure**

Disclosure of the Bank's capital structure (on standalone basis and consolidated) is presented in the audited Consolidated Financial Statements, note No. 45.

Table B.1.a.1. **Disclosure of Net Receivables by Region - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns	-	151,206,893	-	-	151,206,893
2	Receivables on public sector entities	26,541	36,284,517	-	-	36,311,058
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-
4	Receivables on banks	88,332	67,042,218	2,540	35,022	67,168,112
5	Loans secured by residential property	2,103,089	40,430,355	826,332	2,236,183	45,595,959
6	Loans secured by commercial real estate	870,732	15,402,633	204,565	680,450	17,158,380
7	Employee/retired loans	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	2,867,308	63,801,148	756,106	1,538,289	68,962,851
9	Receivables on corporate	24,200,166	376,571,085	7,708,958	14,963,416	423,443,625
10	Past due receivables	123,342	1,395,429	38,495	142,119	1,699,385
11	Other assets	2,769,330	45,235,542	820,481	1,956,327	50,781,680
	Total	**33,048,840**	**797,369,820**	**10,357,477**	**21,551,806**	**862,327,943**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables on sovereigns	-	163,927,574	-	-	163,927,574
2	Receivables on public sector entities	6,633	24,265,866	-	-	24,272,499
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-
4	Receivables on banks	44,616	50,469,846	15,766	29,996	50,560,224
5	Loans secured by residential property	1,914,945	33,892,558	760,127	1,930,569	38,498,199
6	Loans secured by commercial real estate	615,414	13,665,656	178,859	694,818	15,154,747
7	Employee/retired loans	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	2,824,832	59,780,953	722,599	1,473,715	64,802,099
9	Receivables on corporate	21,019,287	342,167,220	5,689,550	14,817,118	383,693,175
10	Past due receivables	160,244	1,104,972	71,692	40,458	1,377,366
11	Other assets	1,631,965	36,720,974	472,176	1,280,238	40,105,353
	Total	**28,217,936**	**725,995,619**	**7,910,769**	**20,266,912**	**782,391,236**

* The information is presented in accordance with Indonesia's Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 dated September 28, 2016 regarding Transparency and Publication of Reporting for Conventional Commercial Banks. If the Bank has no transactions of the particular type defined in the Circular, the table is not presented.

Table B.1.a.2. **Disclosure of Net Receivables by Region - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	-	152,379,771	-	-	342,980	152,722,751
2	Receivables on public sector entities	26,541	36,384,517	-	-	-	36,411,058
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	88,332	67,117,917	2,540	35,022	135,662	67,379,473
5	Loans secured by residential property	2,104,037	40,483,215	826,332	2,236,183	-	45,649,767
6	Loans secured by commercial real estate	870,732	15,713,157	204,565	680,450	-	17,468,904
7	Employee/retired loans	-	418,428	-	-	-	418,428
8	Receivables on micro, small business & retail portfolio	2,867,521	71,974,863	756,106	1,538,289	-	77,136,779
9	Receivables on corporate	24,370,793	381,303,188	7,708,958	14,963,416	269,359	428,615,714
10	Past due receivables	123,342	1,472,192	38,495	142,119	-	1,776,148
11	Other assets	2,769,330	46,179,367	820,481	1,956,327	8,357	51,733,862
	Total	**33,220,628**	**813,426,615**	**10,357,477**	**21,551,806**	**756,358**	**879,312,884**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	-	164,903,862	-	-	325,342	165,229,204
2	Receivables on public sector entities	6,633	24,265,895	-	-	-	24,272,528
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	44,616	50,929,505	15,766	29,996	217,261	51,237,144
5	Loans secured by residential property	1,914,945	33,925,171	760,127	1,930,569	-	38,530,812
6	Loans secured by commercial real estate	615,414	13,827,565	178,859	694,818	-	15,316,656
7	Employee/retired loans	-	379,565	-	-	-	379,565
8	Receivables on micro, small business & retail portfolio	2,824,889	68,895,351	722,599	1,473,715	-	73,916,554
9	Receivables on corporate	21,149,000	346,140,053	5,689,550	14,817,118	208,295	388,004,016
10	Past due receivables	160,244	1,225,926	71,692	40,458	-	1,498,320
11	Other assets	1,631,965	37,293,515	472,176	1,280,238	14,341	40,692,235
	Total	**28,347,706**	**741,786,408**	**7,910,769**	**20,266,912**	**765,239**	**799,077,034**

Table B.2.a.1. **Disclosure of Net Receivables by Contractual Maturity - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	105,463,559	32,575,851	10,384,234	250,772	2,532,477	151,206,893
2	Receivables on public sector entities	10,458,785	1,681,252	6,623,447	9,566,993	7,980,581	36,311,058
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	36,321,919	3,894,477	2,664,159	6,306	24,281,251	67,168,112
5	Loans secured by residential property	469,767	4,652,736	13,208,099	27,188,217	77,140	45,595,959
6	Loans secured by commercial real estate	2,901,665	1,615,522	3,982,031	6,667,130	1,992,032	17,158,380
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	7,884,146	29,078,877	21,434,255	8,732,685	1,832,888	68,962,851
9	Receivables on corporate	224,235,358	42,578,522	52,209,859	75,455,323	28,964,563	423,443,625
10	Past due receivables	324,213	127,753	158,011	397,101	692,307	1,699,385
11	Other assets	-	-	-	-	50,781,680	50,781,680
	Total	**388,059,412**	**116,204,990**	**110,664,095**	**128,264,527**	**119,134,919**	**862,327,943**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	118,040,610	32,375,220	11,633,863	1,877,881	-	163,927,574
2	Receivables on public sector entities	1,739,998	1,118,143	4,133,224	9,776,070	7,505,064	24,272,499
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	29,402,022	4,833,006	2,517,995	254,559	13,552,642	50,560,224
5	Loans secured by residential property	554,510	3,752,841	11,267,231	22,834,470	89,147	38,498,199
6	Loans secured by commercial real estate	2,275,246	937,325	3,229,197	5,066,320	3,646,659	15,154,747
7	Employee/retired loans	-	-	-	-	-	-
8	Receivables on micro, small business & retail portfolio	8,017,135	27,016,484	19,404,195	8,688,154	1,676,131	64,802,099
9	Receivables on corporate	202,586,702	43,869,391	42,793,631	64,033,532	30,409,919	383,693,175
10	Past due receivables	259,345	182,039	100,279	270,632	565,071	1,377,366
11	Other assets	-	-	-	-	40,105,353	40,105,353
	Total	**362,875,568**	**114,084,449**	**95,079,615**	**112,801,618**	**97,549,986**	**782,391,236**

Table B.2.a.2. **Disclosure of Net Receivables by Contractual Maturity - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	106,636,438	32,737,595	10,520,646	295,595	2,532,477	152,722,751
2	Receivables on public sector entities	10,458,785	1,681,253	6,723,447	9,566,992	7,980,581	36,411,058
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	36,533,094	3,894,656	2,664,166	6,306	24,281,251	67,379,473
5	Loans secured by residential property	469,874	4,654,406	13,228,766	27,219,581	77,140	45,649,767
6	Loans secured by commercial real estate	2,953,808	1,620,531	4,077,247	6,825,286	1,992,032	17,468,904
7	Employee/retired loans	11,229	99,690	121,090	186,419	-	418,428
8	Receivables on micro, small business & retail portfolio	11,251,407	33,164,203	22,526,804	8,758,095	1,436,270	77,136,779
9	Receivables on corporate	227,279,686	43,393,719	52,788,135	76,189,611	28,964,563	428,615,714
10	Past due receivables	359,982	157,888	167,408	398,563	692,307	1,776,148
11	Other assets	3,603	164	-	-	51,730,095	51,733,862
	Total	**395,957,906**	**121,404,105**	**112,817,709**	**129,446,448**	**119,686,716**	**879,312,884**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Contractual Maturity					
		≤ 1 year	>1 year to 3 years	>3 year to 5 years	> 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables on sovereigns	119,016,898	32,528,428	11,633,863	2,050,015	-	165,229,204
2	Receivables on public sector entities	1,740,008	1,118,161	4,133,224	9,776,071	7,505,064	24,272,528
3	Receivables on multilateral development banks and international institutions	-	-	-	-	-	-
4	Receivables on banks	30,078,939	4,833,009	2,517,995	254,559	13,552,642	51,237,144
5	Loans secured by residential property	554,677	3,755,033	11,268,622	22,863,333	89,147	38,530,812
6	Loans secured by commercial real estate	2,326,627	962,235	3,230,996	5,150,139	3,646,659	15,316,656
7	Employee/retired loans	9,918	103,347	117,702	148,598	-	379,565
8	Receivables on micro, small business & retail portfolio	10,123,413	31,189,228	22,399,481	8,909,298	1,295,134	73,916,554
9	Receivables on corporate	204,856,627	44,649,838	43,446,216	64,641,417	30,409,918	388,004,016
10	Past due receivables	312,708	234,963	110,759	274,819	565,071	1,498,320
11	Other assets	3,163	-	-	-	40,689,072	40,692,235
	Total	**369,022,978**	**119,374,242**	**98,858,858**	**114,068,249**	**97,752,707**	**799,077,034**

Table B.3.a.1. **Disclosure of Net Receivables by Economic Sectors - Bank Only**

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Period of December 31, 2018					
1	Agriculture, hunting and forestry	-	1,306,409	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and quarrying	-	2,650,651	-	-	-
4	Manufacturing	-	1,081,512	-	-	-
5	Electricity, gas and water	-	13,883,567	-	-	-
6	Construction	-	-	-	-	-
7	Wholesale and retail trading	-	13	-	-	-
8	Hotel and food & beverage	-	-	-	-	-
9	Transportation, warehousing and communications	-	4,051,483	-	-	-
10	Financial intermediary	2,536,274	5,015,424	-	67,168,112	-
11	Real estate, rental and business services	-	-	-	-	-
12	Public administration, defense and compulsory social security	148,665,384	-	-	-	-
13	Education services	-	-	-	-	-
14	Human health and social work activities	-	-	-	-	-
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-
16	Activities of households as employers	-	-	-	-	-
17	International institution and other extra international agencies	-	-	-	-	-
18	Undefined activities	-	-	-	-	-
19	Non business field	-	-	-	-	45,595,959
20	Others	5,235	8,321,999	-	-	-
	Total	**151,206,893**	**36,311,058**	**-**	**67,168,112**	**45,595,959**

(in million Rupiah)

Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	151,990	30,942,776	5,770	-	-
-	-	36,867	831,267	63	-	-
-	-	28,978	1,205,967	4,419	-	-
-	-	799,723	119,265,815	106,053	-	-
-	-	7,449	3,124,998	1,436	-	-
224,629	-	237,691	17,548,877	16,209	-	-
-	-	4,580,050	125,490,221	506,220	-	-
-	-	187,141	13,220,926	353,417	-	-
-	-	308,335	23,549,860	23,222	80	-
-	-	35,521	13,492,721	3,706	526,445	-
16,933,751	-	370,193	5,969,462	48,998	-	-
-	-	-	-	-	-	-
-	-	40,830	946,018	5,441	-	-
-	-	83,614	2,636,837	1,360	-	-
-	-	320,983	4,561,113	6,661	-	-
-	-	-	-	-	-	-
-	-	23	-	-	-	-
-	-	7,708	3,345	87	-	-
-	-	49,896,164	25,342,047	558,020	-	-
-	-	11,869,591	35,311,375	58,303	50,255,155	-
17,158,380	**-**	**68,962,851**	**423,443,625**	**1,699,385**	**50,781,680**	**-**

Table B.3.a.1. **Disclosure of Net Receivables by Economic Sectors - Bank Only**

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Period of December 31, 2017					
1	Agriculture, hunting and forestry	-	869,253	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and quarrying	-	-	-	-	-
4	Manufacturing	-	1,665,072	-	-	-
5	Electricity, gas and water	-	11,926,096	-	-	-
6	Construction	-	145	-	-	-
7	Wholesale and retail trading	-	10	-	-	-
8	Hotel and food & beverage	-	-	-	-	-
9	Transportation, warehousing and communications	-	2,008,593	-	-	-
10	Financial intermediary	-	5,747,552	-	50,560,224	-
11	*Real estate, rental and business services*	-	6	-	-	-
12	Public administration, defense and compulsory social security	163,927,574	-	-	-	-
13	Education services	-	-	-	-	-
14	Human health and social work activities	-	-	-	-	-
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-
16	Activities of households as employers	-	-	-	-	-
17	International institution and other extra international agencies	-	-	-	-	-
18	Undefined activities	-	-	-	-	-
19	Non business field	-	-	-	-	38,498,199
20	Others	-	2,055,772	-	-	-
	Total	**163,927,574**	**24,272,499**	**-**	**50,560,224**	**38,498,199**

(in million Rupiah)

Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	121,541	27,306,476	16,058	-	-
-	-	32,893	720,869	129	-	-
-	-	19,395	792,866	17,880	-	-
-	-	646,892	103,352,994	134,066	-	-
-	-	5,685	1,768,605	1,271	-	-
167,902	-	199,959	13,050,083	33,012	-	-
-	-	3,744,899	113,841,189	385,746	-	-
-	-	147,302	13,086,099	96,806	-	-
-	-	250,823	20,528,957	77,811	80	-
-	-	29,861	15,103,485	66	271,270	-
14,986,845	-	293,955	5,293,508	73,033	-	-
-	-	-	-	-	-	-
-	-	29,826	854,802	137	-	-
-	-	60,275	2,194,467	302	-	-
-	-	252,369	3,835,859	12,585	-	-
-	-	-	-	-	-	-
-	-	239	-	-	-	-
-	-	-	11,452	72	-	-
-	-	48,484,133	26,731,939	399,208	-	-
-	-	10,482,052	35,219,525	129,184	39,834,003	-
15,154,747	**-**	**64,802,099**	**383,693,175**	**1,377,366**	**40,105,353**	**-**

Table B.3.a.2. **Disclosure of Net Receivables by Economic Sectors - Consolidated**

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Period of December 31, 2018					
1	Agriculture, hunting and forestry	-	1,306,409	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and quarrying	-	2,650,651	-	-	-
4	Manufacturing	-	1,081,512	-	-	-
5	Electricity, gas and water	-	13,983,567	-	-	-
6	Construction	-	-	-	-	-
7	Wholesale and retail trading	-	13	-	-	-
8	Hotel and food & beverage	-	-	-	-	249
9	Transportation, warehousing and communications	-	4,051,483	-	-	-
10	Financial intermediary	2,536,275	5,015,424	-	67,379,473	-
11	Real estate, rental and business services	-	-	-	-	-
12	Public administration, defense and compulsory social security	150,181,242	-	-	-	-
13	Education services	-	-	-	-	-
14	Human health and social work activities	-	-	-	-	-
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-
16	Activities of households as employers	-	-	-	-	-
17	International institution and other extra international agencies	-	-	-	-	-
18	Undefined activities	-	-	-	-	-
19	Non business field	-	-	-	-	45,595,959
20	Others	5,234	8,321,999	-	-	53,559
	Total	**152,722,751**	**36,411,058**	**-**	**67,379,473**	**45,649,767**

(in million Rupiah)

Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	342,624	501,637	31,146,152	7,059	-	-
-	-	116,091	956,923	623	-	-
-	-	264,053	1,211,588	5,205	-	-
294	-	2,563,282	120,251,831	111,296	-	-
-	-	7,983	3,125,054	1,436	-	-
273,360	-	254,789	17,818,286	19,158	-	-
492	-	5,791,353	126,880,262	509,695	-	-
-	-	322,172	13,222,891	353,647	-	-
4,663	-	643,310	24,083,713	23,841	80	-
-	-	671,174	14,661,854	3,996	929,572	-
17,190,095	-	947,172	6,437,579	50,550	-	-
-	-	444,670	-	1,275	-	-
-	-	455,042	948,606	6,579	-	-
-	-	346,853	2,638,956	1,753	-	-
-	-	518,591	4,565,110	7,911	-	-
-	-	1,129,400	18	52,434	-	-
-	-	23	-	-	-	-
-	-	650,883	11,383	2,268	-	-
-	-	49,896,164	25,342,047	558,020	-	-
-	75,804	11,612,137	35,313,461	59,402	50,804,210	-
17,468,904	**418,428**	**77,136,779**	**428,615,714**	**1,776,148**	**51,733,862**	**-**

Table B.3.a.2. **Disclosure of Net Receivables by Economic Sectors - Consolidated**

No.	Economic Sectors	Receivables on Sovereigns	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Period of December 31, 2017					
1	Agriculture, hunting and forestry	-	869,253	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and quarrying	-	-	-	-	-
4	Manufacturing	-	1,665,072	-	-	-
5	Electricity, gas and water	-	11,926,096	-	-	-
6	Construction	-	145	-	-	-
7	Wholesale and retail trading	-	10	-	-	-
8	Hotel and food & beverage	-	-	-	-	350
9	Transportation, warehousing and communications	-	2,008,622	-	-	-
10	Financial intermediary	-	5,747,552	-	51,237,144	-
11	*Real estate, rental and business services*	-	6	-	-	-
12	Public administration, defense and compulsory social security	165,229,204	-	-	-	-
13	Education services	-	-	-	-	-
14	Human health and social work activities	-	-	-	-	-
15	Public, socio-culture, entertainment and other personal services	-	-	-	-	-
16	Activities of households as employers	-	-	-	-	-
17	International institution and other extra international agencies	-	-	-	-	-
18	Undefined activities	-	-	-	-	-
19	Non business field	-	-	-	-	38,498,199
20	Others	-	2,055,772	-	-	32,263
	Total	**165,229,204**	**24,272,528**	**-**	**51,237,144**	**38,530,812**

(in million Rupiah)

Loans Secured by Commercial Real Estate	Employee / Retired Loans	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate Portfolio	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	281,008	351,315	27,465,674	16,993	-	-
-	-	78,286	817,994	477	-	-
-	-	171,126	801,749	18,399	-	-
746	-	1,778,806	104,330,031	142,147	-	-
-	-	6,181	1,768,762	1,271	-	-
192,648	-	221,775	13,181,771	35,851	-	-
2,863	1,948	4,636,928	114,969,007	388,957	-	-
-	-	241,291	13,088,253	97,241	-	-
11,005	-	485,635	21,126,481	78,448	80	-
-	-	683,227	15,664,785	415	593,574	-
15,109,394	-	692,712	5,909,438	74,560	-	-
-	-	320,792	50	810	-	-
-	-	313,551	858,083	953	-	-
-	-	239,789	2,195,117	854	-	-
-	-	353,941	3,840,477	13,392	-	-
-	-	1,064,387	-	72,552	-	-
-	-	239	-	-	-	-
-	-	2,999,403	17,207	11,232	-	-
-	-	49,027,240	26,731,939	413,646	-	-
-	96,609	10,249,930	35,237,198	130,122	40,098,581	-
15,316,656	**379,565**	**73,916,554**	**388,004,016**	**1,498,320**	**40,692,235**	**-**

Table B.4.a.1. **Disclosure of Receivables and Provisioning by Region - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables	27,081,533	714,990,474	8,779,709	18,051,853	768,903,569
2	Impaired receivables	291,892	4,342,313	54,859	340,221	5,029,285
	a. Non past due	72,455	1,574,934	-	93,605	1,740,994
	b. Past due	219,437	2,767,379	54,859	246,616	3,288,291
3	Allowance for impairment losses - Individual	194,819	3,264,452	37,975	294,386	3,791,632
4	Allowance for impairment losses - Collective	473,666	9,050,903	157,194	476,210	10,157,973
5	Written-off receivables	8,845	2,295,013	184,219	12,689	2,500,766

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017				
		Net Receivables by Region				
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Receivables	23,905,851	657,013,136	6,970,909	17,388,415	705,278,311
2	Impaired receivables	197,837	4,589,840	206,491	396,496	5,390,664
	a. Non past due	-	2,082,600	37,570	396,496	2,516,666
	b. Past due	197,837	2,507,240	168,921	-	2,873,998
3	Allowance for impairment losses - Individual	141,477	3,556,455	151,713	173,128	4,022,773
4	Allowance for impairment losses - Collective	633,652	8,998,285	152,097	310,664	10,094,698
5	Written-off receivables	2,028	1,522,438	6,765	12,198	1,543,429

Table B.4.a.2. **Disclosure of Receivables and Provisioning by Region - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables	27,253,320	728,001,032	8,779,709	18,051,853	788,500	782,874,414
2	Impaired Receivables	291,892	4,605,011	54,859	340,221	45,962	5,337,945
	a. Non Past Due	72,455	1,835,833	-	93,605	45,962	2,047,855
	b. Past Due	219,437	2,769,178	54,859	246,616	-	3,290,090
3	Allowance for Impairment Losses - Individual	194,819	3,283,306	37,975	294,386	45,962	3,856,448
4	Allowance for Impairment Losses - Collective	475,143	9,483,443	157,194	476,210	429	10,592,419
5	Written-off receivables	8,845	2,559,746	184,219	12,689	-	2,765,499

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables by Region					
		Sumatera	Jawa	Kalimantan	Eastern Indonesia	Foreign Operation	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Receivables	24,035,621	669,869,361	6,970,909	17,388,415	786,971	719,051,277
2	Impaired Receivables	197,837	4,632,990	206,491	396,496	40,723	5,474,537
	a. Non Past Due	-	2,105,385	37,570	396,496	40,723	2,580,174
	b. Past Due	197,837	2,527,605	168,921	-	-	2,894,363
3	Allowance for Impairment Losses - Individual	141,477	3,590,102	151,713	173,128	40,723	4,097,143
4	Allowance for Impairment Losses - Collective	634,923	9,436,512	152,097	310,664	2,829	10,537,025
5	Written-off receivables	2,028	1,736,019	6,765	12,198	-	1,757,010

Table B.5.a.1. **Disclosure of Receivables and Provisioning based on Economic Sectors - Bank Only**

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Period of December 31, 2018						
1	Agriculture, hunting and forestry	30,435,410	-	-	-	231,492	125,166
2	Fishery	763,003	-	-	-	84,942	243
3	Mining and quarrying	3,823,903	-	13,377	9,969	31,650	80
4	Manufacturing	110,380,644	-	163,460	108,086	2,726,306	131,723
5	Electricity, gas and water	16,186,482	-	18,478	17,065	42,683	104
6	Construction	15,213,324	-	560,744	552,052	318,935	39,683
7	Wholesale and retail trading	118,916,000	471,166	926,776	1,001,599	2,779,252	721,020
8	Hotel and food & beverage	13,897,479	786,668	781,187	844,424	365,664	686
9	Transportation, warehousing and communications	24,008,120	473,441	553,889	1,003,367	343,934	339,000
10	Financial intermediary	87,286,330	-	-	-	91,095	210,394
11	Real estate, rental and business services	20,861,800	-	270,380	248,260	704,471	2,227
12	Public administration, defense and compulsory social security	153,456,304	-	-	-	-	-
13	Education services	874,465	-	-	-	9,057	370
14	Human health and social work activities	2,360,375	-	-	-	32,353	87
15	Public, socio-culture, entertainment and other personal services	4,608,049	-	-	-	84,274	10,836
16	Activities of households as employee	-	-	-	-	-	-
17	International and other extra international institutions	24	-	-	-	1	-
18	Undefined activities	11,561	-	-	-	719	618
19	Non business field	122,199,366	-	-	-	1,414,722	515,717
20	Others	43,620,930	9,719	-	6,810	896,423	402,812
	Total	**768,903,569**	**1,740,994**	**3,288,291**	**3,791,632**	**10,157,973**	**2,500,766**

Table B.5.a.1. **Disclosure of Receivables and Provisioning based on Economic Sectors - Bank Only**

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Period of December 31, 2017						
1	Agriculture, hunting and forestry	26,186,491	-	132,870	120,035	155,662	206
2	Fishery	664,084	-	-	-	13,524	72
3	Mining and quarrying	802,550	-	61,448	45,093	47,929	-
4	Manufacturing	95,017,163	1,226	347,765	276,783	2,488,413	81,194
5	Electricity, gas and water	13,449,184	-	18,363	17,099	145,997	-
6	Construction	11,129,721	687,685	113,070	372,159	252,315	804
7	Wholesale and retail trading	108,016,224	978,384	685,160	1,320,170	2,364,963	153,793
8	Hotel and food & beverage	12,671,143	53,483	236,854	169,034	1,001,356	23,228
9	Transportation, warehousing and communications	19,921,503	794,847	507,792	1,083,660	631,993	518,168
10	Financial intermediary	71,248,045	-	-	-	77,060	121
11	Real estate, rental and business services	17,838,790	-	257,883	188,717	662,926	1,156
12	Public administration, defense and compulsory social security	169,769,991	-	-	-	-	-
13	Education services	658,675	-	-	-	19,742	193
14	Human health and social work activities	1,791,102	-	-	-	24,707	177
15	Public, socio-culture, entertainment and other personal services	3,712,704	-	25,738	18,732	87,322	858
16	Activities of households as employee	-	-	-	-	-	-
17	International and other extra international institutions	240	-	-	-	2	-
18	Undefined activities	11,793	-	-	-	590	254
19	Non business field	114,638,188	-	-	-	1,200,371	371,016
20	Others	37,750,720	1,041	487,055	411,291	919,826	392,189
	Total	**705,278,311**	**2,516,666**	**2,873,998**	**4,022,773**	**10,094,698**	**1,543,429**

Table B.5.a.2. **Disclosure of Receivables and Provisioning based on Economic Sectors - Consolidated**

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Period of December 31, 2018						
1	Agriculture, hunting and forestry	31,337,167	-	-	-	246,297	129,053
2	Fishery	974,317	115,583	-	4,981	86,868	1,341
3	Mining and quarrying	4,068,423	-	13,377	9,969	36,244	1,273
4	Manufacturing	113,193,817	-	163,460	108,086	2,774,578	148,976
5	Electricity, gas and water	16,287,071	-	18,478	17,064	43,698	148
6	Construction	15,552,230	-	560,744	552,052	322,880	39,781
7	Wholesale and retail trading	121,497,443	493,055	928,575	1,006,231	2,815,031	735,261
8	Hotel and food & beverage	14,036,434	786,668	781,187	844,424	369,183	1,461
9	Transportation, warehousing and communications	24,730,128	476,250	553,889	1,006,176	364,881	342,197
10	Financial intermediary	88,084,542	64,314	-	3,216	104,066	211,421
11	Real estate, rental and business services	22,145,613	47,620	270,380	254,213	724,404	12,798
12	Public administration, defense and compulsory social security	154,251,078	-	-	-	14,052	1,638
13	Education services	1,295,816	-	-	-	17,662	2,045
14	Human health and social work activities	2,628,124	-	-	-	37,074	1,045
15	Public, socio-culture, entertainment and other personal services	4,813,122	-	-	-	89,470	12,647
16	Activities of households as employee	1,250,472	-	-	-	218,950	195,648
17	International and other extra international institutions	24	-	-	-	1	-
18	Undefined activities	670,909	-	-	-	14,383	9,743
19	Non business field	122,199,366	-	-	-	1,414,722	515,736
20	Others	43,858,318	64,365	-	50,036	897,975	403,287
	Total	**782,874,414**	**2,047,855**	**3,290,090**	**3,856,448**	**10,592,419**	**2,765,499**

Table B.5.a.2. **Disclosure of Receivables and Provisioning based on Economic Sectors - Consolidated**

(in million Rupiah)

No.	Economic Sectors	Receivables	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Written-Off Receivables
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Period of December 31, 2017						
1	Agriculture, hunting and forestry	26,859,193	-	132,870	120,035	162,738	2,926
2	Fishery	807,409	-	-	-	14,329	1,000
3	Mining and quarrying	965,879	-	61,813	45,459	50,204	1,537
4	Manufacturing	97,145,418	3,769	347,765	279,326	2,512,573	91,740
5	Electricity, gas and water	13,449,835	-	18,363	17,098	146,023	-
6	Construction	11,318,399	693,887	113,070	378,362	256,291	804
7	Wholesale and retail trading	110,056,619	988,173	685,160	1,323,942	2,392,097	166,996
8	Hotel and food & beverage	12,768,664	53,483	236,854	169,033	1,003,182	24,051
9	Transportation, warehousing and communications	20,790,357	797,847	527,792	1,103,810	650,327	519,547
10	Financial intermediary	71,326,528	606	-	607	83,658	451
11	Real estate, rental and business services	18,724,608	-	257,883	188,717	676,525	3,901
12	Public administration, defense and compulsory social security	170,419,048	-	-	-	3,726	1,786
13	Education services	948,222	-	-	-	22,863	1,198
14	Human health and social work activities	1,972,880	-	-	-	26,814	584
15	Public, socio-culture, entertainment and other personal services	3,820,518	246	25,738	18,732	89,193	1,552
16	Activities of households as employee	1,199,689	-	-	-	204,068	159,546
17	International and other extra international institutions	240	-	-	-	2	-
18	Undefined activities	3,053,089	-	-	-	41,079	16,186
19	Non business field	115,217,345	-	-	-	1,278,507	371,016
20	Others	38,207,337	42,163	487,055	452,022	922,826	392,189
	Total	**719,051,277**	**2,580,174**	**2,894,363**	**4,097,143**	**10,537,025**	**1,757,010**

Table B.6.a.1. **Disclosure of Movements of Allowance for Impairment Losses - Bank Only**

(in million Rupiah)

No.	Description	Period of December 31, 2018	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	4,022,773	10,094,698
2	Additional/reversal allowance for impairment losses during the year (Net)		
	a. Additional allowance for impairment losses during the year	1,680,984	3,370,960
	b. Reversal allowance for impairment losses during the year	(337,267)	(2,347,288)
3	Allowance for impairment losses used for written off receivables during the year	(1,639,851)	(1,083,709)
4	Other additional (reversal) of allowance during the year	64,993	123,312
Ending Balance - Allowance for Impairment Losses		**3,791,632**	**10,157,973**

(in million Rupiah)

No.	Description	Period of December 31, 2017	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	4,018,968	9,436,524
2	Additional/reversal allowance for impairment losses during the year (Net)		
	a. Additional allowance for impairment losses during the year	1,583,009	3,253,931
	b. Reversal allowance for impairment losses during the year	(834,737)	(1,740,349)
3	Allowance for impairment losses used for written off receivables during the year	(889,248)	(955,142)
4	Other additional (reversal) of allowance during the year	144,781	99,734
Ending Balance - Allowance for Impairment Losses		**4,022,773**	**10,094,698**

Table B.6.a.2. **Disclosure of Movements of Allowance for Impairment Losses - Consolidated**

(in million Rupiah)

No.	Description	Period of December 31, 2018	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	4,097,143	10,537,025
2	Additional/reversal allowance for impairment losses during the year (Net)		
	a. Additional allowance for impairment losses during the year	1,852,105	3,887,640
	b. Reversal allowance for impairment losses during the year	(493,267)	(2,569,876)
3	Allowance for impairment losses used for written off receivables during the year	(1,665,820)	(1,385,423)
4	Other additional (reversal) of allowance during the year	66,287	123,053
Ending Balance - Allowance for Impairment Losses		**3,856,448**	**10,592,419**

(in million Rupiah)

No.	Description	Period of December 31, 2017	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)
1	Beginning balance - allowance for impairment losses	4,137,890	9,777,291
2	Additional/reversal allowance for impairment losses during the year (Net)		
	a. Additional allowance for impairment losses during the year	1,715,020	3,732,149
	b. Reversal allowance for impairment losses during the year	(964,297)	(1,858,767)
3	Allowance for impairment losses used for written off receivables during the year	(936,068)	(1,213,380)
4	Other additional (reversal) of allowance during the year	144,598	99,732
Ending Balance - Allowance for Impairment Losses		**4,097,143**	**10,537,025**

Table B.7.a.1. **Disclosure of Net Receivables by Portfolio and Rating Category - Bank Only**

No.	Portfolio Category	Rating Company	Long-Term Rating				
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Receivables on sovereigns		3,462,978	144,282	-	12,865,942	
2	Receivables on public sector entities		22,040,960	91,874	1,428,063	1,820,757	
3	Receivables on multilateral development banks and international institutions		-	-	-	-	
4	Receivables on banks		18,366,503	17,441,908	6,273,222	662,672	
5	Loans secured by residential property						
6	Loans secured by commercial real estate						
7	Employee/retired loans						
8	Receivables on micro, small business & retail portfolio						
9	Receivables on corporate		9,027,616	4,724,949	5,933,877	1,115,189	
10	Past due receivables						
11	Other assets		-				
	Total		**52,898,057**	**22,403,013**	**13,635,162**	**16,464,560**	

(in million Rupiah)

Period of December 31, 2018									
Net Receivables									
				Short-Term Rating				Unrated	Total
	BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3		
	Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Lower than [Idr]A3		
	idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	-	134,733,691	151,206,893
	-	-	-	-	-	-	-	10,929,404	36,311,058
	-	-	-	-	-	-	-	-	-
	354,589	-	-	-	-	-	-	24,069,218	67,168,112
								45,595,959	45,595,959
								17,158,380	17,158,380
								-	-
								68,962,851	68,962,851
	-	342,080	-	-	-	-	-	402,299,914	423,443,625
								1,699,385	1,699,385
								50,781,680	50,781,680
	354,589	**342,080**	**-**	**-**	**-**	**-**	**-**	**756,230,482**	**862,327,943**

Table B.7.a.1. **Disclosure of Net Receivables by Portfolio and Rating Category - Bank Only**

No.	Portfolio Category	Rating Company	Long-Term Rating				
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Receivables on sovereigns		-	135,805	-	15,401,088	
2	Receivables on public sector entities		20,858,812	93,997	1,129,369	353,251	
3	Receivables on multilateral development banks and international institutions		-	-	-	-	
4	Receivables on banks		15,798,597	14,003,305	6,133,357	430,096	
5	Loans secured by residential property						
6	Loans secured by commercial real estate						
7	Employee/retired loans						
8	Receivables on micro, small business & retail portfolio						
9	Receivables on corporate		15,195,862	10,085,057	4,018,274	3,007,662	
10	Past due receivables						
11	Other assets		41,910				
	Total		**51,895,181**	**24,318,164**	**11,281,000**	**19,192,097**	

(in million Rupiah)

Period of December 31, 2017									
Net Receivables									
				Short-Term Rating				Unrated	Total
	BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3		
	Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Lower than [Idr]A3		
	idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	-	148,390,681	163,927,574
	-	-	-	-	-	-	-	1,837,070	24,272,499
	-	-	-	-	-	-	-	-	-
	978,667	-	-	-	-	-	-	13,216,202	50,560,224
								38,498,199	38,498,199
								15,154,747	15,154,747
								-	-
								64,802,099	64,802,099
	87,076	22,439	-	-	-	-	-	351,276,805	383,693,175
								1,377,366	1,377,366
								40,063,443	40,105,353
	1,065,743	**22,439**	**-**	**-**	**-**	**-**	**-**	**674,616,612**	**782,391,236**

Table B.7.a.2. **Disclosure of Net Receivables by Portfolio and Rating Category - Consolidated**

No.	Portfolio Category	Rating Company	Long-Term Rating				
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Receivables on sovereigns		3,462,978	144,282	-	12,865,942	
2	Receivables on public sector entities		22,140,960	91,874	1,428,063	1,820,757	
3	Receivables on multilateral development banks and international institutions		-	-	-	-	
4	Receivables on banks		18,355,785	17,454,007	6,289,804	884,591	
5	Loans secured by residential property						
6	Loans secured by commercial real estate						
7	Employee/retired loans						
8	Receivables on micro, small business & retail portfolio						
9	Receivables on corporate		9,286,081	4,746,504	6,116,532	1,115,189	
10	Past due receivables						
11	Other assets		-				
	Total		**53,245,804**	**22,436,667**	**13,834,399**	**16,686,479**	

(in million Rupiah)

Period of December 31, 2018									
Net Receivables									
				Short-Term Rating				Unrated	Total
	BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3		
	Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Lower than [Idr]A3		
	idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	-	136,249,549	152,722,751
	-	-	-	-	-	-	-	10,929,404	36,411,058
	-	-	-	-	-	-	-	-	-
	355,390	-	-	-	-	-	-	24,039,896	67,379,473
								45,649,767	45,649,767
								17,468,904	17,468,904
								418,428	418,428
								77,136,779	77,136,779
	-	342,080	-	-	-	-	-	407,009,328	428,615,714
								1,776,148	1,776,148
								51,733,862	51,733,862
	355,390	**342,080**	**-**	**-**	**-**	**-**	**-**	**772,412,065**	**879,312,884**

Table B.7.a.2. **Disclosure of Net Receivables by Portfolio and Rating Category - Consolidated**

No.	Portfolio Category	Rating Company	Long-Term Rating				
		Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	id BBB+ to idBBB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Receivables on sovereigns		-	135,805	-	15,401,088	
2	Receivables on public sector entities		20,858,812	93,997	1,129,369	353,251	
3	Receivables on multilateral development banks and international institutions		-	-	-	-	
4	Receivables on banks		15,944,050	14,160,893	6,230,937	556,259	
5	Loans secured by residential property						
6	Loans secured by commercial real estate						
7	Employee/retired loans						
8	Receivables on micro, small business & retail portfolio						
9	Receivables on corporate		15,166,091	10,174,777	4,536,676	3,007,662	
10	Past due receivables						
11	Other assets		41,910				
	Total		**52,010,863**	**24,565,472**	**11,896,982**	**19,318,260**	

(in million Rupiah)

Period of December 31, 2017									
Net Receivables									
				Short-Term Rating				Unrated	Total
	BB+ to BB-	B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	BB+ to BB-	B+ to B-	Lower than B-	F1+ to F1	F2	F3	Lower than F3		
	Ba1 to Ba3	B1 to B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Lower than [Idr]A3		
	idBB+ to idBB-	idB+ to idB-	Lower than idB-	idA1	idA2	idA3 to idA4	Lower than idA4		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	-	149,692,311	165,229,204
	-	-	-	-	-	-	-	1,837,099	24,272,528
	-	-	-	-	-	-	-	-	-
	988,206	-	-	-	-	-	-	13,356,799	51,237,144
								38,530,812	38,530,812
								15,316,656	15,316,656
								379,565	379,565
								73,916,554	73,916,554
	87,076	22,439	-	-	-	-	-	355,009,295	388,004,016
								1,498,320	1,498,320
								40,650,325	40,692,235
	1,075,282	**22,439**	**-**	**-**	**-**	**-**	**-**	**690,187,736**	**799,077,034**

Table B.8.a.1.a. **Disclosure of Counterparty Credit Risk : Derivative Over the Counter Transaction - Bank Only**

(in million Rupiah)

No.	Underlying Variables	Period of December 31, 2018							
		Notional Amount			Derivative Receivables	Derivative Liabilities	Net Receivables before CRM	CRM	Net Receivables after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Years	> 5 Years					
1	Interest rate	-	-	-	-	-	-	-	-
2	Foreign exchange	49,463,713	-	-	1,039,955	188,934	2,621,208	-	2,621,208
3	Other	-	-	-	-	-	-	-	-
	Total	**49,463,713**	**-**	**-**	**1,039,955**	**188,934**	**2,621,208**	**-**	**2,621,208**

(in million Rupiah)

No.	Underlying Variables	Period of December 31, 2017							
		Notional Amount			Derivative Receivables	Derivative Liabilities	Net Receivables before CRM	CRM	Net Receivables after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Years	> 5 Years					
1	Interest rate	-	-	-	-	-	-	-	-
2	Foreign exchange	48,367,283	-	-	124,375	51,389	608,048	-	608,048
3	Other	-	-	-	-	-	-	-	-
	Total	**48,367,283**	**-**	**-**	**124,375**	**51,389**	**608,048**	**-**	**608,048**

Table B.8.a.1.c. **Disclosure of Counterparty Credit Risk: Reverse Repo Transaction – Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	3,986,380	3,240,032	746,348	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	5,195,638	4,613,458	582,180	116,436
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	-	-	-	-
	Total	**9,182,018**	**7,853,490**	**1,328,528**	**116,436**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	3,908,966	3,239,863	669,103	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	4,821,015	4,286,808	534,207	109,777
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	-	-	-	-
	Total	**8,729,981**	**7,526,671**	**1,203,310**	**109,777**

Table B.8.a.2.a. **Disclosure of Counterparty Credit Risk: : Derivative Over the Counter Transaction - Consolidated**

(in billion Rupiah)

No.	Underlying Variables	Period of December 31, 2018							
		Notional Amount			Derivative Receivable	Derivative Liabilities	Net Receivable before CRM	CRM	Net Receivable after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Years	> 5 Years					
1	Interest Rate	-	-	-	-	-	-	-	-
2	Foreign Exchange	49,463,713	-	-	1,039,955	188,934	2,621,208	-	2,621,208
3	Equity	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	-	-	-	-	-	-	-	-
	Total	**49,463,713**	**-**	**-**	**1,039,955**	**188,934**	**2,621,208**	**-**	**2,621,208**

(in billion Rupiah)

No.	Underlying Variables	Period of December 31, 2017							
		Notional Amount			Derivative Receivable	Derivative Liabilities	Net Receivable before CRM	CRM	Net Receivable after CRM
		≤ 1 Year	> 1 Year - ≤ 5 Years	> 5 Years					
1	Interest Rate	-	-	-	-	-	-	-	-
2	Foreign Exchange	48,367,283	-	-	124,375	51,389	608,048	-	608,048
3	Equity	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	1,110,072	-	-	-	-	11,100	-	11,100
	Total	**49,477,355**	**-**	**-**	**124,375**	**51,389**	**619,148**	**-**	**619,148**

Table B.8.a.2.b. **Disclosure of Counterparty Credit Risk: Repo Transaction – Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	-		-	
2	Receivables on public sector entities	-		-	
3	Receivables on multilateral development banks and international institutions	-		-	
4	Receivables on banks	52,542	48,111	4,431	886
5	Receivables on micro, small business & retail portfolio	-		-	-
6	Receivables on corporate	-	-	-	-
	Total	**52,542**	**48,111**	**4,431**	**886**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	-		-	
2	Receivables on public sector entities	-		-	
3	Receivables on multilateral development banks and international institutions	-		-	
4	Receivables on banks	103,365	99,795	3,570	714
5	Receivables on micro, small business & retail portfolio	-		-	-
6	Receivables on corporate	-	-	-	-
	Total	**103,365**	**99,795**	**3,570**	**714**

Tabel B.8.a.2.c. **Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	3,986,380	3,240,032	746,348	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	5,195,638	4,613,458	582,180	116,436
5	Receivables on micro, small business & retail portfolio	-	-	-	-
6	Receivables on corporate	30,667	-	30,667	30,667
	Total	**9,212,685**	**7,853,490**	**1,359,195**	**147,103**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017			
		Net Receivables	CRM Value	Net Receivables after CRM	Risk Weighted Asset after CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Receivables on sovereigns	4,184,873	3,515,770	669,103	-
2	Receivables on public sector entities	-	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-	-
4	Receivables on banks	4,821,015	4,286,808	534,207	109,776
5	Receivables on micro, small business & retail portfolio	-		-	-
6	Receivables on corporate	255,738	-	255,738	103,579
	Total	**9,261,626**	**7,802,578**	**1,459,048**	**213,355**

Tabel B.9.a.1. **Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Bank Only**

No.	Portfolio Category				
		0%	20%	35%	
(1)	(2)	(3)	(4)	(5)	
A	**Balance Sheet Exposures**				
1	Receivables on sovereigns	147,217,803	-	-	
2	Receivables on public sector entities	-	20,275,791	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	18,679	43,564,609	-	
5	Loans secured by residential property	-	-	45,440,492	
6	Loans secured by commercial real estate	816,337	368	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	518,904	130,707	-	
9	Receivables on corporate	10,439,310	11,831,679	-	
10	Past due receivable	5,401	1,023	-	
11	Other assets	21,677,576	-	-	
	Total Exposures - Balance Sheet	**180,694,010**	**75,804,177**	**45,440,492**	
B	**Off Balance Sheet Commitment/Contingency Receivables Exposures**				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	1,857,044	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	4,621	25,772	-	
5	Loans secured by residential property	-	-	155,467	
6	Loans secured by commercial real estate	34,981	-	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	143,874	-	-	
9	Receivables on corporate	1,570,996	1,870,934	-	
10	Past due receivable	-	-	-	
	Total Exposures - Off Balance Sheet	**1,754,472**	**3,753,750**	**155,467**	
C	**Counterparty Credit Risk Exposures**				
1	Receivables on sovereigns	749,058	-	-	
2	Receivables on public sector entities	-	-	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	-	716,416	-	
5	Receivables on micro, small business & retail portfolio	-	-	-	
6	Receivables on corporate	-	27,301	-	
7	Credit Valuation Adjustment (CVA risk weighted assets)				
	Total Exposures - Counterparty Credit Risk	**749,058**	**743,717**	**-**	

(in million Rupiah)

Period of December 31, 2018									
Net Receivables after Calculation of Credit Risk Mitigation Impact								RWA	Capital Charge
	40%	45%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-		-	-
	-	-	12,504,478	-	-	-		10,307,397	824,592
	-	-	-	-	-	-		-	-
	-	-	15,281,614	-	-	-		16,353,729	1,308,298
	-	-	-	-	-	-		13,093,605	1,047,488
	-	-	-	-	14,067,840	-		14,067,914	1,125,433
	-	-	-	-	-	-		-	-
	-	-	288	67,678,338	-	-		50,785,039	4,062,803
	-	-	5,531,690	-	347,055,148	226,365		352,526,877	28,202,150
	-	-	-	-	360,501	1,332,301		2,359,157	188,733
	-	-	-	-	28,486,907	617,197		29,412,703	2,353,016
	-	**-**	**33,318,070**	**67,678,338**	**389,970,396**	**2,175,863**	**-**	**488,906,421**	**39,112,513**
	-	-	-	-	-	-		-	-
	-	-	1,671,658	-	-	-		1,207,238	96,579
	-	-	-	-	-	-		-	-
	-	-	861,209	-	-	-		435,759	34,861
	-	-	-	-	-	-		31,647	2,532
	-	-	-	-	2,238,854	-		2,238,854	179,108
	-	-	-	-	-	-		-	-
	-	-	284	490,456	-	-		367,984	29,439
	-	-	2,159,260	-	42,249,943	107,859		43,865,549	3,509,244
	-	-	-	-	-	159		239	19
	-	**-**	**4,692,411**	**490,456**	**44,488,797**	**108,018**	**-**	**48,147,270**	**3,851,782**
	-	-	-	-	-	-		-	-
	-	-	2,087	-	-	-		1,044	84
	-	-	-	-	-	-		-	-
	-	-	1,877,704	-	204,030	-	-	1,286,166	102,893
	-	-	-	-	-	-	-	-	-
	-	-	-	-	365,285	7,855	-	382,528	30,602
	-	-					-	149,464	11,957
	-	**-**	**1,879,791**	**-**	**569,315**	**7,855**	**-**	**1,819,202**	**145,536**

Tabel B.9.a.1. **Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Bank Only**

No.	Portfolio Category				
		0%	20%	35%	
(1)	(2)	(3)	(4)	(5)	
A	**Balance Sheet Exposures**				
1	Receivables on sovereigns	160,018,609	-	-	
2	Receivables on public sector entities	-	19,758,416	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	484	34,406,540	-	
5	Loans secured by residential property	-	-	38,284,057	
6	Loans secured by commercial real estate	583,904	324	-	
7	Employee/retired loans	-	-	-	
8	Receivables on micro, small business & retail portfolio	499,590	78,390	-	
9	Receivables on corporate	10,404,440	21,512,141	-	
10	Past due receivable	4,618	89	-	
11	Other assets	16,726,214	-	-	
	Total Exposures - Balance Sheet	**188,237,859**	**75,755,900**	**38,284,057**	
B	**Off Balance Sheet Commitment/Contingency Receivables Exposures**				
1	Receivables on sovereigns	-	-	-	
2	Receivables on public sector entities	-	1,194,394	-	
3	Receivables on multilateral development banks and international institutions	8,259	-	-	
4	Receivables on banks	-	321,979	-	
5	Loans secured by residential property	34,736	-	214,142	
6	Loans secured by commercial real estate	-	-	-	
7	Employee/retired loans	133,333	-	-	
8	Receivables on micro, small business & retail portfolio	1,653,413	-	-	
9	Receivables on corporate	-	3,717,065	-	
10	Past due receivable	1,829,741	-	-	
	Total Exposures - Off Balance Sheet	**3,659,482**	**5,233,438**	**214,142**	
C	**Counterparty Credit Risk Exposures**				
1	Receivables on sovereigns	669,103	-	-	
2	Receivables on public sector entities	-	-	-	
3	Receivables on multilateral development banks and international institutions	-	-	-	
4	Receivables on banks	-	643,418	-	
5	Receivables on micro, small business & retail portfolio	-	-	-	
6	Receivables on corporate	-	-	-	
7	Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	
	Total Exposures - Counterparty Credit Risk	**669,103**	**643,418**	**-**	

(in million Rupiah)

Period of December 31, 2017									
Net Receivables after Calculation of Credit Risk Mitigation Impact								RWA	Capital Charge
40%	45%	50%	75%	100%	150%	Lainnya			
(6)	(7)	(8)	(9)	(10)	(11)	(12)		(13)	(14)
-	-	-	-	-	-			-	-
-	-	3,298,175	-	-	-			5,600,771	448,062
-	-	-	-	-	-			-	-
-	-	10,148,491	-	-	-			11,955,553	956,444
-	-	-	-	-	-			13,399,420	1,071,954
-	-	-	-	12,178,743	-			12,178,808	974,305
-	-	-	-	-	-			-	-
-	-	-	63,606,453	-	-			47,720,518	3,817,641
-	-	3,540,943	-	301,594,274	-			307,667,174	24,613,374
-	-	-	-	219,330	1,153,149			1,949,071	155,926
-	-	-	-	23,052,211	326,928			23,542,604	1,883,408
-	**-**	**16,987,609**	**63,606,453**	**337,044,558**	**1,480,077**	**-**		**424,013,919**	**33,921,113**
-	-	-	-	-	-			-	-
-	-	21,514	-	-	-			249,636	19,971
-	-	-	-	-	-			-	-
-	-	377,873	-	-	-			253,332	20,266
-	-	-	-	-	-			74,950	5,996
-	-	-	-	2,357,040	-			2,357,040	188,563
-	-	-	-	-	-			-	-
-	-	-	484,333	-	-			363,250	29,060
-	-	2,067,792	-	39,050,883	19,758			40,857,829	3,268,626
-	-	-	-	-	180			270	22
-	**-**	**2,467,179**	**484,333**	**41,407,923**	**19,938**	**-**		**44,156,307**	**3,532,505**
-	-	-	-	-	-			-	-
-	-	-	-	-	-			-	-
-	-	-	-	-	-			-	-
-	-	328,012	-	38,359	-	-		331,049	26,484
-	-	-	-	-	-	-		-	-
-	-	-	-	129,785	2,681	-		133,807	10,704
-	-	-	-	-	-	-		19,446	1,556
-	**-**	**328,012**	**-**	**168,144**	**2,681**	**-**		**484,302**	**38,744**

Table B.9.a.2. **Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Consolidated**

No.	Portfolio Category			
		0%	20%	35%
(1)	(2)	(3)	(4)	(5)
A	**Balance Sheet Exposures**			
1	Receivables on sovereigns	148,733,661	-	-
2	Receivables on public sector entities	-	20,375,791	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	18,679	43,667,076	-
5	Loans secured by residential property	1,338	26,493	45,455,889
6	Loans secured by commercial real estate	816,337	368	-
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	531,908	130,707	-
9	Receivables on corporate	10,715,274	12,203,442	-
10	Past due receivables	5,401	1,023	-
11	Other assets	21,691,383	-	-
	Total Exposures - Balance Sheets	**182,513,981**	**76,404,900**	**45,455,889**
B	**Off Balance Sheet Commitment/Contingency Receivables Exposures**			
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	-	1,857,044	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	4,621	25,772	-
5	Loans secured by residential property	-	-	155,467
6	Loans secured by commercial real estate	34,981	-	-
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	143,874	-	-
9	Receivables on corporate	1,570,996	1,870,934	-
10	Past due receivables	-	-	-
	Total Exposures - Off Balance Sheets	**1,754,472**	**3,753,750**	**155,467**
C	**Counterparty Credit Risk Exposures**			
1	Receivables on sovereigns	749,058	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	-	720,847	-
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	-	27,301	-
7	Exposures at Sharia based business activity unit (if any)			
	Total Exposures - Counterparty Credit Risk	**749,058**	**748,148**	**-**

(in million Rupiah)

Period of December 31, 2018									
Net Receivables after Calculation of Credit Risk Mitigation Impact								RWA	Capital Charge
	40%	45%	50%	75%	100%	150%	Others		
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-		-	-
	-	-	12,504,478	-	-	-		10,327,397	826,192
	-	-	-	-	-	-		-	-
	-	-	15,386,077	-	-	-		16,426,454	1,314,116
	-	-	-	-	-	-		13,106,937	1,048,555
	-	-	-	-	14,378,364	-		14,378,438	1,150,275
	-	-	418,428	-	-	-		209,214	16,737
	-	-	288	75,839,263	-	-		56,905,732	4,552,458
	-	-	5,714,344	-	351,377,261	226,365		357,014,670	28,561,174
	-	-	-	-	361,143	1,408,422		2,473,735	197,899
	-	-	-	-	29,312,895	729,584		30,407,271	2,432,582
	-	**-**	**34,023,615**	**75,839,263**	**395,429,663**	**2,364,371**	**-**	**501,249,848**	**40,099,988**
	-	-	-	-	-	-		-	-
	-	-	1,671,658	-	-	-		1,207,238	96,579
	-	-	-	-	-	-		-	-
	-	-	861,209	-	-	-		435,759	34,861
	-	-	-	-	-	-		31,647	2,532
	-	-	-	-	2,238,854	-		2,238,854	179,108
	-	-	-	-	-	-		-	-
	-	-	284	490,456	-	-		367,984	29,439
	-	-	2,159,260	-	42,238,870	107,859		43,854,476	3,508,358
	-	-	-	-	-	159		239	19
	-	**-**	**4,692,411**	**490,456**	**44,477,724**	**108,018**	**-**	**48,136,197**	**3,850,896**
	-	-	-	-	-	-		-	-
	-	-	2,087	-	-	-		1,044	84
	-	-	-	-	-	-		-	-
	-	-	1,877,704	-	204,030	-		1,287,052	102,964
	-	-	-	-	-	-		-	-
	-	-	-	-	395,952	7,855		413,195	33,055
								149,464	11,957
	-	**-**	**1,879,791**	**-**	**599,982**	**7,855**	**-**	**1,850,755**	**148,060**

Table B.9.a.2. **Disclosure of Net Receivables by Risk Weight after Credit Risk Mitigation - Consolidated**

No.	Portfolio Category			
		0%	20%	35%
(1)	(2)	(3)	(4)	(5)
A	**Balance Sheet Exposures**			
1	Receivables on sovereigns	161,044,332	-	-
2	Receivables on public sector entities	-	19,758,415	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	484	34,964,790	-
5	Loans secured by residential property	-	-	38,316,670
6	Loans secured by commercial real estate	583,904	324	-
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	505,471	78,390	-
9	Receivables on corporate	10,814,048	21,807,968	-
10	Past due receivables	4,618	89	-
11	Other assets	16,754,249	-	-
	Total Exposures - Balance Sheets	**189,707,106**	**76,609,976**	**38,316,670**
B	**Off Balance Sheet Commitment/Contingency Receivables Exposures**			
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	-	1,194,394	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	8,259	321,979	-
5	Loans secured by residential property	-	-	214,142
6	Loans secured by commercial real estate	34,736	-	-
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	133,333	-	-
9	Receivables on corporate	1,653,412	3,700,830	-
10	Past due receivables	-	-	-
	Total Exposures - Off Balance Sheets	**1,829,740**	**5,217,203**	**214,142**
C	**Counterparty Credit Risk Exposures**			
1	Receivables on sovereigns	669,103	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	-	658,088	-
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	-	-	-
7	Exposures at Sharia based business activity unit (if any)			
	Total Exposures - Counterparty Credit Risk	**669,103**	**324,055**	**-**

(in million Rupiah)

Period of December 31, 2017									
Net Receivables after Calculation of Credit Risk Mitigation Impact								RWA	Capital Charge
40%	45%	50%	75%	100%	150%	Others			
(6)	(7)	(8)	(9)	(10)	(11)	(12)		(13)	(14)
-	-	-	-	-	-			-	-
-	-	3,298,205	-	-	-			5,600,786	448,063
-	-	-	-	-	-			-	-
-	-	10,243,478	-	9,014	-			12,123,710	969,897
-	-	-	-	-	-			13,410,834	1,072,867
-	-	-	-	12,340,652	-			12,340,717	987,257
-	-	379,565	-	-	-			189,783	15,183
-	-	-	72,715,027	-	-			54,551,948	4,364,156
-	-	4,059,345	-	304,467,473	-			310,858,740	24,868,699
-	-	-	-	219,830	1,273,603			2,130,252	170,420
-	-	-	-	23,594,322	343,664			24,109,819	1,928,785
-	**-**	**17,980,593**	**72,715,027**	**340,631,291**	**1,617,267**	**-**		**435,316,589**	**34,825,327**
-	-	-	-	-	-			-	-
-	-	21,514	-	-	-			249,636	19,971
-	-	-	-	-	-			-	-
-	-	377,873	-	-	-			253,332	20,266
-	-	-	-	-	-			74,950	5,996
-	-	-	-	2,357,040	-			2,357,040	188,563
-	-	-	-	-	-			-	-
-	-	-	484,333	-	-			363,250	29,060
-	-	2,067,793	-	39,025,184	19,758			40,828,884	3,266,311
-	-	-	-	-	180			270	22
-	**-**	**2,467,180**	**484,333**	**41,382,224**	**19,938**	**-**		**44,127,362**	**3,530,189**
-	-	-	-	-	-			-	-
-	-	-	-	-	-			-	-
-	-	-	-	-	-			-	-
-	-	328,012	-	38,359	-			333,982	26,719
-	-	-	-	-	-			-	-
-	-	-	-	385,523	2,681			389,545	31,163
								19,446	1,556
-	**-**	**328,012**	**-**	**423,882**	**2,681**	**-**		**742,973**	**59,438**

Table B.10.a.1. **Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)-[(4)+(5)+(6)+(7)]
A	**Balance Sheet Exposures**						
1	Receivables on sovereigns	147,217,803	-	-	-		147,217,803
2	Receivables on public sector entities	32,780,269	-	-	-		32,780,269
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	58,864,902	18,679	-	-		58,846,223
5	Loans secured by residential property	45,440,492		-	-		45,440,492
6	Loans secured by commercial real estate	14,884,545	816,705	-	-		14,067,840
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	68,328,237	649,899	-	-		67,678,338
9	Receivables on corporate	375,084,192	12,191,515	-	-		362,892,677
10	Past due receivables	1,699,226	6,424	-	-		1,692,802
11	Other assets	50,781,680	-	-	-		50,781,680
	Total Exposures - Balance Sheet	**795,081,346**	**13,683,222**	**-**	**-**	**-**	**781,398,124**
B	**Off Balance Sheet Commitment/ Contingency Receivables Exposures**						
1	Receivables on sovereigns	-	-	-	-		-
2	Receivables on public sector entities	3,528,702	-	-	-		3,528,702
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	891,602	4,621	-	-		886,981
5	Loans secured by residential property	155,467	-	-	-		155,467
6	Loans secured by commercial real estate	2,273,835	34,981	-	-		2,238,854
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	634,614	144,158	-	-		490,456
9	Receivables on corporate	47,958,992	1,609,991	-	-		46,349,001
10	Past due receivables	159	-	-	-		159
	Total Exposures - Off Balance Sheets	**55,443,371**	**1,793,751**	**-**	**-**	**-**	**53,649,620**
C	**Counterparty Credit Risk Exposures**						
1	Receivables on sovereigns	3,989,090	3,240,032	-	-		749,058
2	Receivables on public sector entities	2,087	-	-	-		2,087
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	7,411,608	4,613,458	-	-		2,798,150
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	400,441	-	-	-		400,441
	Total Exposures - Counterparty Credit Risk	**11,803,226**	**7,853,490**	**-**	**-**	**-**	**3,949,736**
Total (A+B+C)		**862,327,943**	**23,330,463**	**-**	**-**	**-**	**838,997,480**

Table B.10.a.1. **Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)-[(4)+(5)+(6)+(7)]
A	**Balance Sheet Exposures**						
1	Receivables on sovereigns	160,018,609	-	-	-		160,018,609
2	Receivables on public sector entities	23,056,591	-	-	-		23,056,591
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	44,555,515	484	-	-		44,555,031
5	Loans secured by residential property	38,284,057	-	-	-		38,284,057
6	Loans secured by commercial real estate	12,762,971	584,228	-	-		12,178,743
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	64,184,433	577,980	-	-		63,606,453
9	Receivables on corporate	337,051,798	11,901,531	-	-		325,150,267
10	Past due receivables	1,377,186	4,707	-	-		1,372,479
11	Other assets	40,105,353	-	-	-		40,105,353
	Total Exposures - Balance Sheet	**721,396,513**	**13,068,930**	**-**	**-**	**-**	**708,327,583**
B	**Off Balance Sheet Commitment/ Contingency Receivables Exposures**						
1	Receivables on sovereigns	-	-	-	-		1,215,908
2	Receivables on public sector entities	1,215,908	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	8,259	-	-		699,852
4	Receivables on banks	708,111	-	-	-		214,142
5	Loans secured by residential property	214,142	34,736	-	-		2,357,040
6	Loans secured by commercial real estate	2,391,776	-	-	-		-
7	Employee/retired loans	-	133,333	-	-		484,333
8	Receivables on micro, small business & retail portfolio	617,666	1,753,989	-	-		44,754,922
9	Receivables on corporate	46,508,911	-	-	-		180
10	Past due receivables	180	-	-	-		-
	Total Exposures - Off Balance Sheets	**51,656,694**	**1,930,317**	**-**	**-**	**-**	**49,726,377**
C	**Counterparty Credit Risk Exposures**						
1	Receivables on sovereigns	3,908,965	3,239,862	-	-		669,103
2	Receivables on public sector entities	-	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	5,296,598	4,286,809	-	-		1,009,789
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	132,466	-	-	-		132,466
	Total Exposures - Counterparty Credit Risk	**9,338,029**	**7,526,671**	**-**	**-**	**-**	**1,811,358**
Total (A+B+C)		**782,391,236**	**22,525,918**	**-**	**-**	**-**	**759,865,318**

Table B.10.a.2. **Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)-[(4)+(5)+(6)+(7)]
A	**Balance Sheet Exposures**						
1	Receivables on sovereigns	148,733,661	-	-	-		148,733,661
2	Receivables on public sector entities	32,880,269	-	-	-		32,880,269
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	59,071,832	18,679	-	-		59,053,153
5	Loans secured by residential property	45,494,300	1,338	-	-		45,492,962
6	Loans secured by commercial real estate	15,195,069	816,705	-	-		14,378,364
7	Employee/retired loans	418,428	-	-	-		418,428
8	Receivables on micro, small business & retail portfolio	76,502,165	662,903	-	-		75,839,262
9	Receivables on corporate	380,236,687	12,467,479	-	-		367,769,208
10	Past due receivables	1,775,989	6,424	-	-		1,769,565
11	Other assets	51,733,862	-	-	-		51,733,862
	Total Exposures - Balance Sheet	**812,042,262**	**13,973,528**	**-**	**-**	**-**	**798,068,734**
B	**Off Balance Sheet Commitment/ Contingency Receivables Exposures**						
1	Receivables on sovereigns	-	-	-	-		-
2	Receivables on public sector entities	3,528,702	-	-	-		3,528,702
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	891,602	4,621	-	-		886,981
5	Loans secured by residential property	155,467	-	-	-		155,467
6	Loans secured by commercial real estate	2,273,835	34,981	-	-		2,238,854
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	634,614	144,158	-	-		490,456
9	Receivables on corporate	47,947,919	1,609,991	-	-		46,337,928
10	Past due receivables	159	-	-	-		159
	Total Exposures - Off Balance Sheets	**55,432,298**	**1,793,751**	**-**	**-**	**-**	**53,638,547**
C	**Counterparty Credit Risk Exposures**						
1	Receivables on sovereigns	3,989,090	3,240,032	-	-		749,058
2	Receivables on public sector entities	2,087	-	-	-		2,087
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	7,416,039	4,613,458	-	-		2,802,581
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	431,108	-	-	-		431,108
	Total Exposures - Counterparty Credit Risk	**11,838,324**	**7,853,490**	**-**	**-**	**-**	**3,984,834**
Total (A+B+C)		**879,312,884**	**23,620,769**	**-**	**-**	**-**	**855,692,115**

Table B.10.a.2. **Disclosure of Net Receivables and Credit Risk Mitigation Techniques - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017					
		Net Receivables	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)-[(4)+(5)+(6)+(7)]
A	**Balance Sheet Exposures**						
1	Receivables on sovereigns	161,044,332	-	-	-		161,044,332
2	Receivables on public sector entities	23,056,620	-	-	-		23,056,620
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	45,217,765	484	-	-		45,217,281
5	Loans secured by residential property	38,316,670	-	-	-		38,316,670
6	Loans secured by commercial real estate	12,924,880	584,228	-	-		12,340,652
7	Employee/retired loans	379,565	-	-	-		379,565
8	Receivables on micro, small business & retail portfolio	73,298,888	583,861	-	-		72,715,027
9	Receivables on corporate	341,148,835	12,311,139	-	-		328,837,696
10	Past due receivables	1,498,140	4,707	-	-		1,493,433
11	Other assets	40,692,235	-	-	-		40,692,235
	Total Exposures - Balance Sheet	**737,577,930**	**13,484,419**	**-**	**-**	**-**	**724,093,511**
B	**Off Balance Sheet Commitment/ Contingency Receivables Exposures**						
1	Receivables on sovereigns	-	-	-	-		-
2	Receivables on public sector entities	1,215,908	-	-	-		1,215,908
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	708,111	8,259	-	-		699,852
5	Loans secured by residential property	214,142	-	-	-		214,142
6	Loans secured by commercial real estate	2,391,776	34,736	-	-		2,357,040
7	Employee/retired loans	-	-	-	-		-
8	Receivables on micro, small business & retail portfolio	617,666	133,333	-	-		484,333
9	Receivables on corporate	46,466,977	1,753,988	-	-		44,712,989
10	Past due receivables	180	-	-	-		180
	Total Exposures - Off Balance Sheets	**51,614,760**	**1,930,316**	**-**	**-**	**-**	**49,684,444**
C	**Counterparty Credit Risk Exposures**						
1	Receivables on sovereigns	4,184,872	3,515,769	-	-		669,103
2	Receivables on public sector entities	-	-	-	-		-
3	Receivables on multilateral development banks and international institutions	-	-	-	-		-
4	Receivables on banks	5,311,268	4,286,809	-	-		1,024,459
5	Receivables on micro, small business & retail portfolio	-	-	-	-		-
6	Receivables on corporate	388,204	-	-	-		388,204
	Total Exposures - Counterparty Credit Risk	**9,884,344**	**7,802,578**	**-**	**-**	**-**	**2,081,766**
Total (A+B+C)		**799,077,034**	**23,217,313**	**-**	**-**	**-**	**775,859,721**

Table B.13.a.1.a. **Disclosure of On Balance Sheet Assets Exposures - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	147,217,803	-	-
2	Receivables on public sector entities	32,780,269	10,307,397	10,307,397
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	58,864,902	16,363,069	16,353,729
5	Loans secured by residential property	45,440,492	13,093,605	13,093,605
6	Loans secured by commercial real estate	14,884,545	14,884,545	14,067,914
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	68,328,237	51,246,178	50,785,039
9	Receivables on corporate	375,084,192	363,843,395	352,526,877
10	Past due receivable	1,699,226	2,368,589	2,359,157
11	Other assets	50,781,680	-	29,412,703
	Total	**795,081,346**	**472,106,778**	**488,906,421**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	160,018,609	-	-
2	Receivables on public sector entities	23,056,591	5,600,771	5,600,771
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	44,555,515	11,955,795	11,955,553
5	Loans secured by residential property	38,284,057	13,399,420	13,399,420
6	Loans secured by commercial real estate	12,762,971	12,762,971	12,178,808
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	64,184,433	48,138,325	47,720,518
9	Receivables on corporate	337,051,798	318,821,307	307,667,174
10	Past due receivable	1,377,186	1,956,114	1,949,071
11	Other assets	40,105,353	-	23,542,604
	Total	**721,396,513**	**412,634,703**	**424,013,919**

Table B.13.a.1.b. **Disclosure of On Balance Sheet Assets Exposures - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	3,528,702	1,207,238	1,207,238
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	891,602	438,041	435,759
5	Loans secured by residential property	155,467	31,647	31,647
6	Loans secured by commercial real estate	2,273,835	2,273,835	2,238,854
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	634,614	475,961	367,984
9	Receivables on corporate	47,958,992	45,419,750	43,865,549
10	Past due receivable	159	239	239
	Total	**55,443,371**	**49,846,711**	**48,147,270**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	1,215,908	249,636	249,636
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	708,111	257,462	253,332
5	Loans secured by residential property	214,142	74,950	74,950
6	Loans secured by commercial real estate	2,391,776	2,391,776	2,357,040
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	617,666	463,250	363,250
9	Receivables on corporate	46,508,911	42,515,408	40,857,829
10	Past due receivable	180	270	270
	Total	**51,656,694**	**45,952,752**	**44,156,307**

Table B.13.a.1.c. **Disclosure of Counterparty Credit Risk Exposures - Bank Only**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	3,989,090	-	-
2	Receivables on public sector entities	2,087	1,044	1,044
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	7,411,608	2,208,857	1,286,166
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	400,441	382,528	382,528
7	Eksposur tertimbang dari Credit Valuation Adjustment (CVA)			149,464
	Total	**11,803,226**	**2,592,429**	**1,819,202**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	3,908,965	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	5,296,598	1,212,173	331,049
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	132,466	133,807	133,807
7	Eksposur tertimbang dari Credit Valuation Adjustment (CVA)			19,446
	Total	**9,338,029**	**1,345,980**	**484,302**

Table B.13.a.1.f. **Disclosure of Total Credit Risk Measurement - Bank Only**

(in million Rupiah)

	Period of December 31, 2018
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	**538,872,893**
TOTAL CAPITAL CHARGE FACTOR	**-**

(in million Rupiah)

	Period of December 31, 2017
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	**468,654,528**
TOTAL CAPITAL CHARGE FACTOR	**-**

Table B.13.a.2.a **Disclosure of On Balance Sheet Assets Exposures - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	148,733,661	-	-
2	Receivables on public sector entities	32,880,269	10,327,397	10,327,397
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	59,071,832	16,435,794	16,426,454
5	Loans secured by residential property	45,494,300	13,107,406	13,106,937
6	Loans secured by commercial real estate	15,195,069	15,195,069	14,378,438
7	Employee/retired loans	418,428	209,214	209,214
8	Receivables on micro, small business & retail portfolio	76,502,165	57,376,624	56,905,732
9	Receivables on corporate	380,236,687	368,607,152	357,014,670
10	Past due receivables	1,775,989	2,483,167	2,473,735
11	Other assets	51,733,862		30,407,271
	Total	**812,042,262**	**483,741,823**	**501,249,848**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	161,044,332	-	-
2	Receivables on public sector entities	23,056,620	5,600,786	5,600,786
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	45,217,766	12,123,952	12,123,710
5	Loans secured by residential property	38,316,670	13,410,834	13,410,834
6	Loans secured by commercial real estate	12,924,880	12,924,880	12,340,717
7	Employee/retired loans	379,565	189,783	189,783
8	Receivables on micro, small business & retail portfolio	73,298,888	54,974,166	54,551,948
9	Receivables on corporate	341,148,834	322,422,480	310,858,740
10	Past due receivables	1,498,140	2,137,295	2,130,252
11	Other assets	40,692,235		24,109,819
	Total	**737,577,930**	**423,784,176**	**435,316,589**

Table B.13.a.2.b. **Disclosure of Off Balance Sheets Commitment/Contingency Receivables Exposures - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	3,528,702	1,207,238	1,207,238
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	891,602	438,041	435,759
5	Loans secured by residential property	155,467	31,647	31,647
6	Loans secured by commercial real estate	2,273,835	2,273,835	2,238,854
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	634,614	475,961	367,984
9	Receivables on corporate	47,947,919	45,408,677	43,854,476
10	Past due receivables	159	239	239
	Total	**55,432,298**	**49,835,638**	**48,136,197**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	-	-	-
2	Receivables on public sector entities	1,215,908	249,636	249,636
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	708,111	257,462	253,332
5	Loans secured by residential property	214,142	74,950	74,950
6	Loans secured by commercial real estate	2,391,776	2,391,776	2,357,040
7	Employee/retired loans	-	-	-
8	Receivables on micro, small business & retail portfolio	617,666	463,250	363,250
9	Receivables on corporate	46,466,977	42,486,463	40,828,884
10	Past due receivables	180	270	270
	Total	**51,614,760**	**45,923,807**	**44,127,362**

Table B.13.a.2.c. **Disclosure of Counterparty Credit Risk Exposures - Consolidated**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	3,989,090	-	-
2	Receivables on public sector entities	2,087	1,044	1,044
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	7,416,039	2,209,743	1,287,052
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	431,108	413,195	413,195
7	Credit Valuation Adjustment (CVA risk weighted assets)			149,464
	Total	**11,838,324**	**2,623,982**	**1,850,755**

(in million Rupiah)

No.	Portfolio Category	Period of December 31, 2017		
		Net Receivables	RWA before CRM	RWA after CRM
(1)	(2)	(3)	(4)	(5)
1	Receivables on sovereigns	4,184,872	-	-
2	Receivables on public sector entities	-	-	-
3	Receivables on multilateral development banks and international institutions	-	-	-
4	Receivables on banks	5,311,268	1,215,106	333,982
5	Receivables on micro, small business & retail portfolio	-	-	-
6	Receivables on corporate	388,204	389,545	389,545
7	Credit Valuation Adjustment (CVA risk weighted assets)			19,446
	Total	**9,884,344**	**1,604,651**	**742,973**

Table B.13.a.2.f. **Disclosure of Total Credit Risk Measurement - Consolidated**

(in million Rupiah)

	Period of December 31, 2018
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	**551,236,800**
TOTAL CAPITAL CHARGE FACTOR	**-**

(in million Rupiah)

	Period of December 31, 2017
TOTAL RISK WEIGHTED ASSETS CREDIT RISK	**480,186,924**
TOTAL CAPITAL CHARGE FACTOR	**-**

Tabel C.1. **Disclosure of Market Risk Using Standardized Method**

(in million Rupiah)

No.	Type of Risk	Period of December 31, 2018			
		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest rate risk				
	a. Specific risk	791.04	9,888.00	2,421.00	30,262.50
	b. General risk	209,330.70	2,616,633.75	210,044.00	2,625,550.00
2	Foreign exchange risk	64,214.16	802,677.00	30,742.00	384,275.00
3	Equity risk				
	a. Specific risk			1,946.00	24,325.00
	b. General risk			1,946.00	24,325.00
4	Commodity risk			-	-
5	Option risk	-	-	-	-
	Total	**274,335.90**	**3,429,199.00**	**247,099.00**	**3,088,737.50**

(in million Rupiah)

No.	Type of Risk	Period of December 31, 2017			
		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest rate risk				
	a. Specific risk	3,830	47,875	3,830	47,875
	b. General risk	189,049	2,363,112	189,049	2,363,113
2	Foreign exchange risk	52,236	652,956	24,445	305,563
3	Equity risk				
	a. Specific risk			467	5,838
	b. General risk			467	5,838
4	Commodity risk			-	-
5	Option risk	-	-	-	-
	Total	**245,115**	**3,063,943**	**218,258**	**2,728,225**

Table C.2. **Disclosure of Interest Rate Risk in Banking Book (IRRBB) Exposures**

(in million Rupiah)

	Period of December 31, 2018	
	Earning Approach	Economic Value Approach
(1)	(2)	(3)
Decrease in net interest income growth due to interest rate increase of 1%	(251,285)	(3,185)
Increase in net interest income growth due to interest rate decrease of 1%	251,285	3,185

(in million Rupiah)

	Period of December 31, 2017	
	Earning Approach	Economic Value Approach
(1)	(2)	(3)
Decrease in net interest income growth due to interest rate increase of 1%	(1,262,074)	(3,609,375)
Increase in net interest income growth due to interest rate decrease of 1%	1,262,074	3,609,375

Table D.1.a.1.a. **Disclosure of Rupiah Maturity Profile - Bank Only**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2018				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1. Cash	20,855,831	20,855,831	-	-	-	-
	2. Placement with Bank Indonesia	53,644,651	53,644,651	-	-	-	-
	3. Placement with other banks	8,362,356	6,060,313	259,776	505,815	1,475,923	60,529
	4. Marketable securities	92,252,413	15,155,167	7,611,770	16,045,578	2,850,935	50,588,963
	5. Loans	505,979,878	23,552,255	38,334,336	49,830,049	97,160,107	297,103,131
	6. Other receivables	13,921,448	6,724,756	5,565,352	1,225,212	390,901	15,227
	7. Others	12,641,099	12,617,106	-	23,993	-	-
	Total Asset	**707,657,676**	**138,610,079**	**51,771,234**	**67,630,647**	**101,877,866**	**347,767,850**
B	**Liabilities**						
	1. Deposits from customer	582,000,403	58,837,955	4,298,119	1,291,990	437,821	517,134,518
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577
	3. Liabilities with other banks	4,664,541	4,616,292	48,149	100	-	-
	4. Securities issued	500,000	-	-	-	-	500,000
	5. Borrowings	-	-	-	-	-	-
	6. Other liabilities	1,160,300	493,935	431,675	191,080	11,445	32,165
	7. Others	18,783,183	18,783,183	-	-	-	-
	Total Liabilities	**607,109,004**	**82,731,365**	**4,777,943**	**1,483,170**	**449,266**	**517,667,260**
	On Balance Sheet Asset and Liabilities Differences	**100,548,671**	**55,878,713**	**46,993,291**	**66,147,477**	**101,428,600**	**(169,899,410)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	-	-	-	-	-	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**-**	**-**	**-**	**-**	**-**	**-**
B.	**Off Balance Sheet Liabilities**						
	1. Commitment	188,791,739	18,687,633	32,466,031	28,756,180	54,813,487	54,068,408
	2. Contingency	-	-	-	-	-	-
	Total Off Balance Sheet Liabilities	**188,791,739**	**18,687,633**	**32,466,031**	**28,756,180**	**54,813,487**	**54,068,408**
	Off Balance Sheet Asset and Liabilities Differences	**(188,791,739)**	**(18,687,633)**	**(32,466,031)**	**(28,756,180)**	**(54,813,487)**	**(54,068,408)**
	Differences [(IA - IB)+(IIA-IIB)]	**(88,243,068)**	**37,191,080**	**14,527,260**	**37,391,297**	**46,615,113**	**(223,967,818)**
	Cumulative Differences	**-**	**37,191,080**	**51,718,340**	**89,109,637**	**135,724,750**	**(88,243,068)**

Table D.1.a.1.a. **Disclosure of Rupiah Maturity Profile - Bank Only**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1. Cash	15,849,465	15,849,465	-	-	-	-
	2. Placement with Bank Indonesia	67,929,307	41,911,601	2,774,180	18,236,419	5,007,107	-
	3. Placement with other banks	8,050,677	2,466,281	1,690,879	1,318,290	1,530,711	1,044,516
	4. Marketable securities	94,498,799	24,193,947	10,924,108	2,318,869	3,281,123	53,780,752
	5. Loans	439,498,805	17,419,047	39,048,008	43,175,842	79,974,356	259,881,552
	6. Other receivables	11,622,093	7,699,841	2,527,229	1,390,467	4,556	-
	7. Others	9,703,250	9,666,805	7,498	28,947	-	-
	Total Asset	**647,152,396**	**119,206,987**	**56,971,902**	**66,468,834**	**89,797,853**	**314,706,820**
B	**Liabilities**						
	1. Deposits from customer	536,753,640	73,404,724	4,439,409	615,029	313,016	457,981,462
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577
	3. Liabilities with other banks	4,342,980	4,306,380	36,500	100	-	-
	4. Securities issued	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-
	6. Other liabilities	826,418	363,121	368,180	89,928	5,189	-
	7. Others	14,152,836	14,152,836	-	-	-	-
	Total Liabilities	**556,076,451**	**92,227,061**	**4,844,089**	**705,057**	**318,205**	**457,982,039**
	On Balance Sheet Asset and Liabilities Differences	**91,075,945**	**26,979,926**	**52,127,813**	**65,763,777**	**89,479,648**	**(143,275,219)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	-	-	-	-	-	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**-**	**-**	**-**	**-**	**-**	**-**
B.	**Off Balance Sheet Liabilities**						
	1. Commitment	172,524,333	10,287,696	27,293,817	28,498,724	51,165,603	55,278,493
	2. Contingency	-	-	-	-	-	-
	Total Off Balance Sheet Liabilities	**172,524,333**	**10,287,696**	**27,293,817**	**28,498,724**	**51,165,603**	**55,278,493**
	Off Balance Sheet Asset and Liabilities Differences	**(172,524,333)**	**(10,287,696)**	**(27,293,817)**	**(28,498,724)**	**(51,165,603)**	**(55,278,493)**
	Differences [(IA - IB)+(IIA-IIB)]	**(81,448,388)**	**16,692,230**	**24,833,996**	**37,265,053**	**38,314,045**	**(198,553,712)**
	Cumulative Differences	**-**	**16,692,230**	**41,526,226**	**78,791,279**	**117,105,324**	**(81,448,388)**

Table D.1.a.2.a. **Disclosure of Rupiah Maturity Profile - Consolidated**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2018				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1. Cash	20,864,362	20,864,362	-	-	-	-
	2. Placement with Bank Indonesia	54,726,569	54,556,569	70,000	60,000	40,000	-
	3. Placement with other banks	8,943,482	6,532,239	343,976	530,815	1,475,923	60,529
	4. Marketable securities	94,279,739	15,626,417	7,611,770	16,083,617	3,309,817	51,648,118
	5. Loans	505,898,567	23,552,672	38,271,089	49,812,895	97,160,107	297,101,804
	6. Other receivables	27,007,427	7,109,094	6,146,531	2,500,466	1,516,267	9,735,069
	7. Others	13,868,926	13,844,933	-	23,993	-	-
	Total Asset	**725,589,072**	**142,086,286**	**52,443,366**	**69,011,786**	**103,502,114**	**358,545,520**
B	**Liabilities**						
	1. Deposits from customer	586,836,754	63,488,681	4,590,542	1,174,555	448,458	517,134,518
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577
	3. Liabilities with other banks	4,655,795	4,618,195	37,500	100	-	
	4. Securities issued	839,735	100,000	-	239,735	-	500,000
	5. Borrowings	1,948,645	175,000	122,500	1,220,000	200,000	231,145
	6. Other liabilities	1,160,499	494,134	431,675	191,080	11,445	32,165
	7. Others	21,767,534	21,767,534	-	-	-	-
	Total Liabilities	**617,209,540**	**90,643,545**	**5,182,217**	**2,825,470**	**659,903**	**517,898,405**
	On Balance Sheet Asset and Liabilities Differences	**108,379,532**	**51,442,741**	**47,261,149**	**66,186,316**	**102,842,211**	**(159,352,885)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	2,595,000	2,595,000	-	-	-	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**2,595,000**	**2,595,000**	**-**	**-**	**-**	**-**
B.	**Administrative Account Payable**						
	1. Commitment	189,127,765	19,023,659	32,466,031	28,756,180	54,813,487	54,068,408
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	**189,127,765**	**19,023,659**	**32,466,031**	**28,756,180**	**54,813,487**	**54,068,408**
	Off Balance Sheet Asset and Liabilities Differences	**(186,532,765)**	**(16,428,659)**	**(32,466,031)**	**(28,756,180)**	**(54,813,487)**	**(54,068,408)**
	Differences [(IA - IB)+(IIA-IIB)]	**(78,153,233)**	**35,014,082**	**14,795,118**	**37,430,136**	**48,028,724**	**(213,421,293)**
	Cumulative Differences	**-**	**35,014,082**	**49,809,200**	**87,239,336**	**135,268,060**	**(78,153,233)**

Table D.1.a.2.a. **Disclosure of Rupiah Maturity Profile - Consolidated**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1. Cash	15,867,985	15,867,985	-	-	-	-
	2. Placement with Bank Indonesia	68,598,839	42,581,133	2,774,180	18,236,419	5,007,107	-
	3. Placement with other banks	9,295,947	3,273,551	1,952,879	1,414,290	1,610,711	1,044,516
	4. Marketable securities	95,869,280	24,359,817	10,924,108	2,328,869	3,672,769	54,583,717
	5. Loans	439,139,799	17,419,464	39,048,008	43,035,954	79,755,532	259,880,841
	6. Other receivables	25,412,713	8,352,530	3,141,697	2,471,489	1,492,234	9,954,763
	7. Others	10,575,688	10,539,243	7,498	28,947	-	-
	Total Asset	**664,760,251**	**122,393,723**	**57,848,370**	**67,515,968**	**91,538,353**	**325,463,837**
B	**Liabilities**						
	1. Deposits from customer	541,146,226	77,289,671	4,867,144	653,027	354,922	457,981,462
	2. Liabilities with Bank Indonesia	577	-	-	-	-	577
	3. Liabilities with other banks	4,338,412	4,301,812	36,500	100	-	
	4. Securities issued	610,498	-	421,540	-	-	188,958
	5. Borrowings	1,797,189	-	192,500	395,000	806,311	403,378
	6. Other liabilities	829,101	365,804	368,180	89,928	5,189	-
	7. Others	17,053,316	17,053,316	-	-	-	-
	Total Liabilities	**565,775,319**	**99,010,603**	**5,885,864**	**1,138,055**	**1,166,422**	**458,574,375**
	On Balance Sheet Asset and Liabilities Differences	**98,984,932**	**23,383,120**	**51,962,506**	**66,377,913**	**90,371,931**	**(133,110,538)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	1,902,204	1,902,204	-	-	-	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**1,902,204**	**1,902,204**	**-**	**-**	**-**	**-**
B.	**Administrative Account Payable**						
	1. Commitment	173,183,403	10,946,766	27,293,817	28,498,724	51,165,603	55,278,493
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	**173,183,403**	**10,946,766**	**27,293,817**	**28,498,724**	**51,165,603**	**55,278,493**
	Off Balance Sheet Asset and Liabilities Differences	**(171,281,199)**	**(9,044,562)**	**(27,293,817)**	**(28,498,724)**	**(51,165,603)**	**(55,278,493)**
	Differences [(IA - IB)+(IIA-IIB)]	**(72,296,267)**	**14,338,558**	**24,668,689**	**37,879,189**	**39,206,328**	**(188,389,031)**
	Cumulative Differences	**-**	**14,338,558**	**39,007,247**	**76,886,436**	**116,092,764**	**(72,296,267)**

Table D.1.a.1.b. **Disclosure of Foreign Exchange Maturity Profile - Bank Only**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2018				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1. Cash	821,745	821,745	-	-	-	-
	2. Placement with Bank Indonesia	31,567,232	22,697,856	3,257,933	5,611,443	-	-
	3. Placement with other banks	10,011,208	9,723,608	287,600	-	-	-
	4. Marketable securities	5,612,382	999,975	2,290,162	336,494	28,859	1,956,893
	5. Loans	31,934,556	1,588,243	5,383,181	4,907,604	7,496,169	12,559,359
	6. Other receivables	8,218,661	1,934,084	2,833,887	2,970,540	368,003	112,147
	7. Others	309,258	243,000	63,833	2,425	-	-
	Total Asset	**88,475,042**	**38,008,511**	**14,116,596**	**13,828,505**	**7,893,031**	**14,628,398**
B	**Liabilities**						
	1. Deposits from customer	48,094,548	3,241,993	101,292	11,039	21,355	44,718,869
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-
	3. Liabilities with other banks	1,839,460	1,839,460	-	-	-	-
	4. Securities issued	-	-	-	-	-	-
	5. Borrowings	409	409	-	-	-	-
	6. Other liabilities	5,047,687	1,546,264	2,294,935	737,742	356,599	112,147
	7. Others	637,545	637,545	-	-	-	-
	Total Liabilities	**55,619,650**	**7,265,672**	**2,396,227**	**748,781**	**377,954**	**44,831,016**
	On Balance Sheet Asset and Liabilities Differences	**32,855,392**	**30,742,840**	**11,720,369**	**13,079,724**	**7,515,077**	**(30,202,617)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	8,575,998	6,060,217	1,215,470	1,156,512	71,900	71,900
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**8,575,998**	**6,060,217**	**1,215,470**	**1,156,512**	**71,900**	**71,900**
B.	**Off Balance Sheet Liabilities**						
	1. Commitment	64,575,169	17,847,753	13,108,855	14,138,320	16,424,370	3,055,870
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	**64,575,169**	**17,847,753**	**13,108,855**	**14,138,320**	**16,424,370**	**3,055,870**
	Off Balance Sheet Asset and Liabilities Differences	**(55,999,171)**	**(11,787,536)**	**(11,893,386)**	**(12,981,809)**	**(16,352,470)**	**(2,983,970)**
	Differences [(IA - IB)+(IIA-IIB)]	**(23,143,779)**	**18,955,304**	**(173,017)**	**97,915**	**(8,837,394)**	**(33,186,587)**
	Cumulative Differences	**-**	**18,955,304**	**18,782,287**	**18,880,202**	**10,042,809**	**(23,143,779)**

Table D.1.a.1.b. **Disclosure of Foreign Exchange Maturity Profile - Bank Only**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1. Cash	876,734	876,734	-	-	-	-
	2. Placement with Bank Indonesia	24,700,116	7,308,100	4,598,473	12,123,104	670,438	-
	3. Placement with other banks	9,300,222	9,088,338	211,884	-	-	-
	4. Marketable securities	7,051,430	983,258	1,295,941	764,163	940,854	3,067,215
	5. Loans	28,120,753	1,356,359	5,881,859	1,534,868	7,720,349	11,627,318
	6. Other receivables	7,548,330	2,018,066	2,612,738	2,470,990	264,537	182,001
	7. Others	281,631	241,592	40,039	-	-	-
	Total Asset	**77,879,216**	**21,872,447**	**14,640,934**	**16,893,124**	**9,596,178**	**14,876,534**
B	**Liabilities**						
	1. Deposits from customer	44,429,856	4,418,618	122,001	40,360	67,250	39,781,627
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-
	3. Liabilities with other banks	1,420,002	1,420,002	-	-	-	-
	4. Securities issued	-	-	-	-	-	-
	5. Borrowings	392	392	-	-	-	-
	6. Other liabilities	5,205,778	1,754,343	2,085,709	928,764	254,961	182,001
	7. Others	736,873	736,873	-	-	-	-
	Total Liabilities	**51,792,901**	**8,330,227**	**2,207,710**	**969,124**	**322,211**	**39,963,628**
	On Balance Sheet Asset and Liabilities Differences	**26,086,315**	**13,542,219**	**12,433,224**	**15,924,000**	**9,273,966**	**(25,087,094)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	11,356,718	6,709,084	3,962,774	399,943	284,918	-
	2. Contingency	-	-	-	-	-	
	Total Administrative Account Receivable	**11,356,718**	**6,709,084**	**3,962,774**	**399,943**	**284,918**	**-**
B.	**Off Balance Sheet Liabilities**						
	1. Commitment	60,302,099	13,441,609	14,556,856	27,747,419	2,582,176	1,974,039
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	**60,302,099**	**13,441,609**	**14,556,856**	**27,747,419**	**2,582,176**	**1,974,039**
	Off Balance Sheet Asset and Liabilities Differences	**(48,945,381)**	**(6,732,526)**	**(10,594,082)**	**(27,347,476)**	**(2,297,258)**	**(1,974,039)**
	Differences [(IA - IB)+(IIA-IIB)]	**(22,859,066)**	**6,809,694**	**1,839,141**	**(11,423,477)**	**6,976,708**	**(27,061,133)**
	Cumulative Differences	**-**	**6,809,694**	**8,648,835**	**(2,774,641)**	**4,202,067**	**(22,859,066)**

Table D.1.a.2.b. **Disclosure of Foreign Exchange Maturity Profile - Consolidated**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2018				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**BALANCE SHEET**						
A.	**Assets**						
	1, Cash	827,081	827,081	-	-	-	-
	2, Placement with Bank Indonesia	31,567,232	22,697,856	3,257,933	5,611,443	-	-
	3, Placement with other banks	10,086,690	9,794,199	287,600	4,891	-	-
	4, Marketable securities	6,059,661	1,017,040	2,339,283	336,494	28,859	2,337,986
	5, Loans	32,200,881	1,660,164	5,383,181	5,051,447	7,496,169	12,609,920
	6, Other receivables	8,218,661	1,934,084	2,833,887	2,970,540	368,003	112,147
	7, Others	304,321	238,063	63,833	2,425	-	-
	Total Asset	**89,264,526**	**38,168,487**	**14,165,717**	**13,977,239**	**7,893,031**	**15,060,052**
B	**Liabilities**						
	1, Deposits from customer	48,091,550	3,238,995	101,292	11,039	21,355	44,718,869
	2, Liabilities with Bank Indonesia	-	-	-	-	-	-
	3, Liabilities with other banks	1,839,460	1,839,460	-	-	-	-
	4, Securities issued	-	-	-	-	-	-
	5, Borrowings	144,252	72,330	-	-	71,922	-
	6, Other liabilities	5,095,798	1,594,375	2,294,935	737,742	356,599	112,147
	7, Others	653,914	653,914	-	-	-	-
	Total Liabilities	**55,824,974**	**7,399,074**	**2,396,227**	**748,781**	**449,876**	**44,831,016**
	On Balance Sheet Asset and Liabilities Differences	**33,439,552**	**30,769,413**	**11,769,490**	**13,228,458**	**7,443,155**	**(29,770,963)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1, Commitment	10,301,598	7,785,817	1,215,470	1,156,512	71,900	71,900
	2, Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**10,301,598**	**7,785,817**	**1,215,470**	**1,156,512**	**71,900**	**71,900**
B.	**Off Balance Sheet Liabilities**						
	1, Commitment	64,575,169	17,847,753	13,108,855	14,138,320	16,424,370	3,055,870
	2, Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	**64,575,169**	**17,847,753**	**13,108,855**	**14,138,320**	**16,424,370**	**3,055,870**
	Off Balance Sheet Asset and Liabilities Differences	**(54,273,571)**	**(10,061,936)**	**(11,893,386)**	**(12,981,809)**	**(16,352,470)**	**(2,983,970)**
	Differences [(IA - IB)+(IIA-IIB)]	**(20,834,019)**	**20,707,477**	**(123,896)**	**246,649**	**(8,909,316)**	**(32,754,933)**
	Cumulative Differences	**-**	**20,707,477**	**20,583,581**	**20,830,230**	**11,920,914**	**(20,834,019)**

Table D.1.a.2.b. **Disclosure of Foreign Exchange Maturity Profile - Consolidated**

(in million Rupiah)

No.	Account	Balance	Period of December 31, 2017				
			Maturity				
			≤ 1 month	> 1 to 3 months	> 3 to 6 months	> 6 to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	**NERACA**						
A.	**Assets**						
	1. Cash	886,304	886,304	-	-	-	-
	2. Placement with Bank Indonesia	24,700,116	7,308,100	4,598,473	12,123,104	670,438	-
	3. Placement with other banks	9,403,615	9,163,396	211,884	28,335	-	-
	4. Marketable securities	7,494,530	996,172	1,364,831	764,163	940,854	3,428,511
	5. Loans	28,369,026	1,356,359	5,881,859	1,681,672	7,750,213	11,698,923
	6. Other receivables	7,548,330	2,018,066	2,612,738	2,470,990	264,537	182,001
	7. Others	266,951	226,912	40,039	-	-	-
	Total Asset	**78,668,872**	**21,955,309**	**14,709,824**	**17,068,263**	**9,626,042**	**15,309,435**
B	**Liabilities**						
	1. Deposits from customer	44,425,628	4,414,390	122,001	40,360	67,250	39,781,627
	2. Liabilities with Bank Indonesia	-	-	-	-	-	-
	3. Liabilities with other banks	1,420,002	1,420,002	-	-	-	-
	4. Securities issued	-	-	-	-	-	-
	5. Borrowings	1,242,835	392	224,575	-	1,017,868	-
	6. Other liabilities	5,302,003	1,850,568	2,085,709	928,764	254,961	182,001
	7. Others	752,188	752,188	-	-	-	-
	Total Liabilities	**53,142,656**	**8,437,540**	**2,432,285**	**969,124**	**1,340,079**	**39,963,628**
	On Balance Sheet Asset and Liabilities Differences	**25,526,215**	**13,517,768**	**12,277,539**	**16,099,139**	**8,285,962**	**(24,654,193)**
II.	**OFF BALANCE SHEET**						
A.	**Off Balance Sheet Receivables**						
	1. Commitment	13,414,086	8,766,452	3,962,774	399,943	284,918	-
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable	**13,414,086**	**8,766,452**	**3,962,774**	**399,943**	**284,918**	**-**
B.	**Off Balance Sheet Liabilities**						
	1. Commitment	60,302,099	13,441,609	14,556,856	27,747,419	2,582,176	1,974,039
	2. Contingency	-	-	-	-	-	-
	Total Administrative Account Payable	**60,302,099**	**13,441,609**	**14,556,856**	**27,747,419**	**2,582,176**	**1,974,039**
	Off Balance Sheet Asset and Liabilities Differences	**(46,888,013)**	**(4,675,158)**	**(10,594,082)**	**(27,347,476)**	**(2,297,258)**	**(1,974,039)**
	Differences [(IA - IB)+(IIA-IIB)]	**(21,361,798)**	**8,842,611**	**1,683,456**	**(11,248,338)**	**5,988,704**	**(26,628,232)**
	Cumulative Differences	**-**	**8,842,611**	**10,526,067**	**(722,270)**	**5,266,434**	**(21,361,798)**

Table D.2.a. **Disclosure of Liquidity Coverage Ratio (LCR)**

	Liquidity Coverage Ratio (%)			
	Quarter I	Quarter II	Quarter III	Quarter IV
(1)	(2)	(3)	(4)	(5)
Period of 2018				
Bank Only	343	323	301	278
Consolidated	334	317	299	277

	Liquidity Coverage Ratio (%)			
	Quarter I	Quarter II	Quarter III	Quarter IV
(1)	(2)	(3)	(4)	(5)
Period of 2017				
Bank Only	386	366	362	353
Consolidated	379	355	354	343

Table E.1.a. **Quantitative Disclosure of Operational Risk - Bank Only**

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2018		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	48,710,261	7,306,539	91,331,739
	Total	**48,710,261**	**7,306,539**	**91,331,739**

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2017		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	44,322,648	6,648,397	83,104,965
	Total	**44,322,648**	**6,648,397**	**83,104,965**

Table E.1.b. **Quantitative Disclosure of Operational Risk - Consolidated**

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2018		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	51,843,201	7,776,480	97,206,002
	Total	**51,843,201**	**7,776,480**	**97,206,002**

(in million Rupiah)

No.	Indicator Approach	Period of December 31, 2017		
		Average Gross Income in the past 3 years	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	46,690,138	7,003,521	87,544,008
	Total	**46,690,138**	**7,003,521**	**87,544,008**

Business Support
Human Resources

> "Competent and adaptive human resources are a major factors supporting business continuity at BCA in the midst of a dynamic business environment."

Human Resources (HR) are one of the most important factors supporting the continuity of business growth, and provide BCA its competitive advantage in facing the dynamic business environment. Therefore, we are committed to continuous development of the competency and agility of human resources.

Competency development requires a well-organized, comprehensive, and continuous process, starting with recruiting the best talent. A positive organizational culture also provides a guide for the development of every person who contributes a role in the development of the company today and in the future. Well-planned and continuous process of people development makes BCA an employer of choice in the banking industry.

Developing Qualified Human Resources and Preparing Future Leaders

Recruitment

To obtain quality human resources, we recruit the best graduates from renowned universities, both from within and outside the country, through Campus Hiring and Job Fairs. BCA actively introduces its company profile and shares work experience in the banking sector with students at universities, welcomes student visits, and provides valuable opportunities for students through its internship program.

Interactive discussion program with BCA's team is made available through 'SAPA BCA' (BCA Chic - Fun and Smart Sharing), which provides an overview to students and professionals of the workplace atmosphere cultivated at BCA. Participants learn about the process of making digital applications, gain knowledge about the use of information technology in the banking business, and find out more about the job description of business analyst.

To support an effective and efficient recruitment process in line with the development of the digital landscape, BCA also provides information on career opportunities, sharing about work experience and the Bank's work culture through its website, which also acts as a medium for submitting job applications. An online selection system is implemented in the early stages of the selection process, and an application tracking system supports the recruitment process, so it can be more efficient and better monitored.

Through various recruitment programs, in 2018 BCA recruited 833 new employees and received 4,190 interns to work as tellers and customer service operators through the Bakti BCA Internship program.

Training and Development

BCA consistently builds upon its learning culture to shape an agile workforce that is able to adapt to the latest changes to the business landscape. Regular training programs are given to all BCA employees covering technical and soft competencies, such as leadership programs, personality development, and techniques for building customer relations. Throughout 2018, BCA conducted learning in 2,005 classes with 60,448 participants over a total of 207,513 training days, the majority of which is at the BCA Learning Institute.

Through the trainee development program, BCA prepares new employees with comprehensive competencies for various fields, such as relationship officers, credit analysts, operational and IT. Training is also given to cater to specific needs in employees' fields of work, such as training for the marketing department focused on the ability to offer financial solutions to customers. Relationship building competencies remain one of the prime focuses of the Bank's HR development. To maximize training and development, in addition to organizing in-house training, BCA also collaborates with third parties to provide training domestically and abroad.

Since 2016, BCA has conducted the Bankers Program, a management trainee program that provides opportunities for participants to obtain overall banking knowledge through on-the-job training in various work units, as well as direct involvement in handling a project. After graduating the program, promising participants will then fulfill various positions at BCA.

Responding to rapid technological developments and the increasing composition of millennial generation employees, BCA expanded its training and learning system to better take advantage of the benefits of digital technology. Adaptation of employees to the use of smartphones and the Internet has encouraged BCA to develop Mobile Learning - Morning BCA, an e-learning application that can be accessed via the internet on smartphones and computers. The e-learning modules are constantly updated so they remain relevant to the developing needs of human resource competencies. In 2018, the e-learning program reached 32,610 participants, including temporary employees.

Business Support

Human Resources

We also implement a blended learning model that combines classroom training with digital self-guided learning. To make training programs more interesting, we developed a learning method with video learning and video conference facilities. Given the large growth of millennial generation employees, we continue to refine the method of learning with gamification, a learning process that uses educational games. Employees can also gain access to digital books through the BCA Library Management System (BLIMS) to develop an interest in reading.

The Kaizen philosophy is always applied to support changes in the work process and continuously strive for greater achievements. We also organize a community of practice program with a view to building a culture of learning and knowledge sharing among employees. Through these development efforts, we enhance the competency and agility of our human resources.

Digital Competency Development

In 2018, we organized an experimental learning program to improve digital competence. Employees gain experience with the Bank's digital banking solutions, accessing video learning related to digital products, using interactive forum applications, and communicative and informative applications for HR policy named HC Inspire. BCA also provides e-learning materials related to the digital transformation era so that employees can keep up with the latest technological developments and understand how BCA makes use of these advancements.

We also provide training in data analytics for the heads of the main branch offices and branch business heads. Participants are expected to analyze data and utilize the results of the analysis to take strategic decisions.

To stimulate creativity in the midst of daily activities, BCA held several events, including the BCA Innovation Awards (BIA), which provided employees with the opportunity to deliver improvements to internal processes and creative ideas regarding banking services and solutions. BCA also held the BIA Financial Technology Hackathon (Finhack), which successfully generated a number of innovations in the digital field related to developing services and improving work processes.

Continuing from the previous year, BCA held the Indonesia Knowledge Forum (IKF) in 2018, to share knowledge and experience aimed at the community at large, customers, and BCA employees. The 2018 IKF was themed Fostering Innovation and Creating Value Through Digital Transformation, where BCA encouraged people to always be ready to face changes and continue to innovate in the era of digital transformation.

Career Development and Preparing Future Leaders

The Bank ensures the continuity of regeneration and succession within the organization is well coordinated. The debriefing and acceleration program prepares candidates as successors to retiring members of the workforce. Preparing future leaders was one of the Bank's prime initiatives in 2018, in addition to developing quality human resources at various levels of the organization. In support of individual employees in their professional development, we offer programs such as scholarships; training, both domestically and at abroad; overseas benchmarking studies; and career development programs. Quality and competency are the main factors determining employee career development.

BCA organizes career development programs to prepare successful candidates for Bank officials. In 2018, 1,166 employees completed the BCA career development program. Potential candidates are identified through a scoring system by a panel, and selected candidates are then enrolled in special education programs. After attending special education, BCA provides a variety of continuous self-development programs to prepare these employees for promotion in their careers at the Bank.

Conducive Work Environment and Employer of Choice

We always strive to create a conducive work environment and believe that a healthy balance between the demands of work and personal life will increase employee productivity. The Bank organizes work–life balance programs to maintain a healthy relationship between work, social engagement and family. The work–life balance program includes training in financial planning, healthy lifestyles, childcare, provision of lactation rooms in the office, and preparation programs for those nearing retirement.

BCA supports the formation of various common interest groups. Recreational activities, sporting activities, hobbies, development of wayang culture, choirs, and counseling services are all provided to support engagement and cooperation among employees.

We encourage close team engagement to establish a conducive working environment. At the end of 2018, BCA launched the motto, One BCA to represent the work spirit of BCA employees. This motto invokes the spirit of togetherness and united determination, ideas, and dreams for the future of BCA with the tagline 'one goal, one soul, one joy'. In addition, we collaborated with Gallup consultants to conduct team engagement surveys, which received a high number of respondents. Adjusting to the needs of the Information Technology Group's work unit, BCA applied flexible working hours to the work unit rather than mandating standard office operating hours. It is hoped that employees will be more productive if they can adjust their working hours to suit their needs.

In order to increase employer branding, we conducted an information dissemination program, Employer Value Proposition (EVP), to solidify BCA's position as an employer of choice for career progression. EVP encodes the company's unique values, has a positive influence on internal employees, and attracts valuable new talent. EVP BCA emphasizes the principle of continuous improvement and establishes a friendly environment attractive to potential prospective employees. For external parties, the Bank socializes EVP through the BCA website, where BCA employees share their stories and work experiences at BCA and introduce corporate values.

Remuneration

As a form of appreciation for the contributions of employees, BCA is committed to competitive remuneration policies that recognize performance and support employee welfare. Remuneration is oriented to the level of the employee's position, as well as responsibility and achievements throughout the year. In 2018, the HR unit made improvements to appraisals by adjusting performance management in accordance with the company's business targets. The standardization of appraisals has been adjusted for each work unit of the head office, regional offices and branch offices. We implement a regular coaching program, which allows employees to receive constructive input from superiors regarding future performance and expectations.

BCA's remuneration policy also supports its efforts to be an employer of choice that can attract quality prospective employees, increase loyalty and improve productivity. The policy includes monetary benefits such as salaries and bonuses; and non-monetary benefits, such as health facilities and participation in government's BPJS program for employees and their families.

Business Support

Human Resources

BCA conducts ongoing comparative studies through surveys to compare the remuneration it provides with competitors and other industries, to ensure employees receive competitive financial rewards. Since 2012, the Bank has consistently provided extra bonuses in the form of BCA shares to increase the sense of belonging among employees. Bonus shares are BCA shares purchased on the Indonesia Stock Exchange and held for three years before employees have the freedom to sell or continue to hold the shares as a long-term investment. The development of the remuneration policy is also focused on fostering a sense of belonging, so that employees can work optimally and grow together with the company.

HR as a Business Enabler

The Human Resources unit acts as a business enabler, supporting the other work units at BCA. We analyze headcount needs in accordance with business development, mapping human resource needs and placing employees based on competencies.

The HR unit supports all work units in equipping employees with the competencies required for their work needs. In addition to recruitment and competence development, the HR unit works closely with other work units to manage potential by identifying key talent and prepare them for future career progression. Employees are also given opportunities to develop their capabilities so that they can be placed in new work units.

In appreciation of the Bank's commitment to its position as an employer of choice, and to human resource development, BCA received appreciation for its training system at the 2018 Indonesia Best Corporate University event held by SWA magazine. BCA also received the 2018 Indonesia Most Admired Company Award in the banking category.

Looking Ahead

Human resource policies will continuously be updated in accordance with business developments and customer needs. Frontliners will continue to be equipped with competencies in relationship building.

Technology will be a primary focus of the HR unit's work program. We will continue to optimize employee adaptation to digital technology and data analysis, to support understanding customer needs and support innovation in digital banking services. With a view to increasing efficiency, we will also conduct training related to automation in branch offices.

Observing employee demographics, we will continue to pay attention to the need for human resources through the continuous process of recruitment and succession of leadership. BCA will continue to support the creation of a conducive and productive work environment to maintain employee loyalty and attract potential employees. We also seek to strengthen employer branding by promoting the employer value proposition.

Employee by Organization Level

	2018	2017
Non Staff	1,181	1,187
Staff	19,330	19,994
Managers	4,346	4,176
Senior Officers (Including the Board of Commissioners and Directors)	84	82
Total	**24,941**	**25,439**

Employee by Seniority

	2018	2017
≤ 1 Year	1,177	1,712
> 1 – 5 Year	6,967	7,048
> 5 – 10 Years	2,626	1,802
> 10 – 15 Years	773	621
> 15 – 20 Years	1,712	1,936
> 20 Years	11,686	12,320
Total	**24,941**	**25,439**

Employee by Age

	2018	2017
≤ 25 Years	2,740	3,387
> 25 – 30 Years	6,128	5,706
> 30 – 35 Years	2,060	1,629
> 35 – 40 Years	1,203	1,595
> 40 – 45 Years	3,712	4,278
> 45 – 50 Years	5,375	5,429
> 50 Years	3,723	3,415
Total	**24,941**	**25,439**

Employee by Education Level

	2018	2017
Up to Senior High School	4,357	4,868
Diploma and Undergraduate	19,741	19,771
Graduate and Doctorate	843	800
Total	**24,941**	**25,439**

Employee by Status

	2018	2017
Permanent	23,833	24,343
Non Permanent*	1,108	1,096
Total	**24,941**	**25,439**

* including contract employee, probationary and trainee

Employee Training

	2018			2017		
	Number of Classes	Number of Days	Number of Participants	Number of Classes	Number of Days	Number of Participants
Managerial Leadership & Personal Development	706	58,656	22,973	617	43,598	18,082
Credit Management	179	22,721	4,111	115	7,240	2,624
Risk Management Certification Program	39	831	511	21	635	437
Sales	123	7,443	3,840	118	6,730	4,004
Service	93	5,812	4,129	25	1,718	1,350
Operations & Information Technology	835	110,200	24,152	904	122,056	22,404
Other	30	1,850	732	168	10,448	7,929
Total	**2,005**	**207,513**	**60,448**	**1,968**	**192,425**	**56,830**

Employee Training Expenses (in million Rupiah)

	2018	2017
Total Employee Training Expenses	**335,991**	**297,826**

Business Support

Network and Operation

> "BCA branch offices focus on their role as solution centers to strengthen relationships with customers, as technological developments drive the movement of customer transactions to digital networks."

The Bank's integrated physical and digital network provides one of the primary foundations for sustaining BCA's leading position in transaction banking. With this in mind, we consistently invest in developing both elements of the network. As customer preference trends toward digital channels for banking transactions, the focus for the branch network is as solution centers to strengthen customer relations.

We continue to improve our human resource capabilities in the branch offices, especially in offering financial solutions and the ability to build relationships with customers. As for the expansion of the branch network, we selectively opened simpler branch offices and gradually increased automation in all branch offices, related to both operations and customer service. BCA operates a centralized logistics and procurement system

to support development of the branch network and support the core operational needs of work units.

Changes in customer behavior, technological developments and a dynamic business environment are all considered in determining the direction of developments of the Bank's network. In 2018, BCA saw a continued shift in customer transactions toward the digital network, with the number of transactions in the BCA digital network reaching 98% of all transactions. This encouraged us to improve our digital services as convenient and easily accessible, while simultaneously increasing the efficiency of transaction banking operations. We continue to enrich the features of our various e-channels—especially the online platforms, internet and mobile banking—and to develop various digital services.

Branch and ATM Network Development

We are committed to develop our physical and digital channels, which form an integrated multi-channel network to facilitate customer banking activities. In 2018, we invested in the addition of 14 physical branches, bringing the branch network to 1,249 offices (137 main branches, 865 sub-branch offices and 247 cash offices). In addition, we operate 17,778 Automated Teller Machines (ATMs) and hundreds of thousands of Electronic Data Capture (EDC) machines.

Developments of the branch office network was carried out primarily in locations with high business activity and in developing regions. We also examine areas that have the potential to become new business centers in line with the Government's infrastructure development plan. The addition of new branches in 2018 was focused on a simpler office format, namely cash offices. BCA monitors branch performance based on a set of parameters in accordance with its strategy and the potential of each branch to support the provision of quality services and the overall growth of the Bank's business.

BCA has a range of segmented branch services designed for specific customer profiles, such as Solitaire services for high net-worth individuals; Prioritas services for affluent customers; BCABIZZ for small and medium-sized business customers; and Weekend Banking for customers who need access to banking services at the weekend. In line with changing customer behavior and emerging preferences for easy access banking with more flexible service hours, we provide MyBCA - physical outlets built entirely upon the Bank's digital services - available in selected shopping centers.

In the same vein, we introduced a hybrid office concept, which combines the features of conventional branch offices, available in accordance with branch service hours, and MyBCA, which offers more access in accordance with the operational hours of the shopping center or location of the MyBCA outlet. As part of the branch office network expansion, we also developed BCA Express, a temporary facility with a simpler format. BCA Express is equipped with several digital services and a bank officer to provide customer service. BCA Express facilities are located largely in universities, offices, apartments, malls and public transport stations.

In order to improve operational and service efficiency, we have gradually equipped branch offices with digital machines and services that automate elements of the transaction process. Digital machines and services include the CS Digital machine (a self service machine related to customer service), e-Branch application (a mobile app that supports the branch office with online applications for opening new accounts and an option to make reservations for branch services), Star Teller (a machine that supports the teller in withdrawals and deposits), e-forms (electronic banking transaction forms), Flazz machines (for issuing and topping up Flazz cards) and video and phone banking for opening accounts and interacting with the call center. All incorporation of information and digital technology is directed at enhancing operational quality and customer experience, and improving the efficiency and productivity of internal processes.

Business Support

Network and Operation

By increasing the efficiency of operational transactions and in line with the trend of increasing preference for the digital network, branch offices are enabled to focus more on relationship building and offering comprehensive financial solutions to customers. In support of this strategic direction, the branch network is staffed with competent BCA personnel who can establish a high quality service culture for customers.

We seek to optimize ATM functionality by placing ATMs in locations with high transaction frequency and gradually replacing conventional ATM machines with Cash Recycling Machines (CRM). The use of CRMs allows customers to deposit and withdraw cash at the same machine, which increases efficiency in the Bank's cash management operations. During 2018, BCA increased the number of CRMs on the BCA ATM network by 708 units, replacing conventional ATMs and Cash Deposit Machines (CDMs). BCA also continued to add EDC machines and Flazz card readers, in line with increasing transaction frequency through these facilities.

Provision of Quality Services for Customers

In accordance with our customer focus value, we are committed to providing quality customer service and instilling a service culture for employees through the SMART SOLUTION program.

This program has been running consistently since 2010 and is a development of its predecessor, SMART, which was first introduced in 2001. In the initial process, SMART stands for Sigap (active), Menarik (attractive), Antusias (enthusiastic), Ramah (friendly) and Teliti (thorough), and focuses on service excellence. The SOLUTION component was later introduced to add the principles of Simak (attentiveness), Open-mindedness, Lengkap (completeness), Utamakan kebutuhan nasabah (prioritization of customers), Telling solutions; Inisiatif (initiative); and On-time follow-up. These new additions emphasize meeting customer needs and providing high quality financial solutions that help the Bank build close relationships with customers and strengthen customer engagement. For their implementation of the SMART SOLUTION culture, BCA appreciates the efforts of individuals, teams, divisions and regional offices throughout the BCA organization. SMART SOLUTION consistently receives a positive response and encourages the stronger adoption of corporate values.

In line with BCA's commitment to the SMART SOLUTION program, we emphasize quality in the recruitment process and consistently enhance the competencies of relationship officers, tellers and customer officers with various training and skill development programs related to products and service knowledge and relationship building capabilities. We periodically review the number of relationship officers and frontliners in relation to our needs and recruits quality university graduates to obtain qualified human resources.

In order to facilitate customers communicating with the Bank to obtain information related to banking solutions, BCA provides HaloBCA for call center services and a solution center. Available 24 hours a day, HaloBCA stands ready to provide technical assistance, product and service information as well as to receive customer complaints and suggestions. HaloBCA also plays an important role in raising customer awareness and understanding in relation to any difficulties experienced when using the Bank's digital platforms. HaloBCA also functions as a call center for selected BCA subsidiaries. To further facilitate customer access to HaloBCA services, the Bank provides access through a chat platform on the BCA website and video calls (face-to-face facilities with the HaloBCA team via video facilities).

HaloBCA continues to maintain the quality of its services and has received various national and international awards. In 2018, HaloBCA received a Contact Center Service Excellence Award from Service Excellence Magazine & Carre - CCSL. On the global stage, HaloBCA received 19 awards at the 2018 Contact Center World (CCW) Awards.

Use of Digital, Internet and Social Media Technology

We continue to enhance our digital platforms in synergy with the physical network by incorporating the latest digital, internet and social media technology, in line with customer behavior and preferences.

We continue to innovate and develop the capacity and capabilities of our internet banking platform KlikBCA, and the mobile banking service M-BCA. Internet and mobile banking are continuously developed and educated to customers and employees to introduce digital payment solutions. In addition to Internet banking and mobile banking services, BCA also provides an application-based electronic money solution though the Sakuku smartphone application; VIRA, a virtual chatbot assistant that is accessible on popular chat applications; and API BCA, a medium to facilitate connectivity between BCA systems and e-commerce or fintech players. Further explanation regarding digital service development is available in the Transaction Banking section (page 106).

Looking Ahead

We will continue to invest in the network in line with the change of customer behavior and growth of customers transactions. The branch office will strengthen its role as a solution center to foster relationships with customers. Innovations in the use of technology will be nurtured to cater to the developing needs of customers and improve transaction efficiency.

In order to always offer suitable solutions and quality services, we will continue to improve the competence of our human resources. With increasing incorporation of digital technology, BCA will understand customer profiles better, which will support the provision of suitable financial solutions to customers' needs.

Business Support

Information Technology

> "We continue to develop information technology to ensure systems remain up-to-date and support dynamic and innovative business needs in the provision of banking services."

We consistently leverage the most up-to-date developments in technology to best support the provision of high quality services and enhance customer experience, while also increasing internal productivity and maintaining the essential principles of safety and convenience in transactions. The increasingly varied needs of customers and the rapid adoption of new technology drive us to remain adaptive and innovative at all times. Since 2017, BCA has been developing its Digital Innovation Solutions work unit, a sub-unit of the IT department focused on technological innovations in line with customer preferences and expectations.

Innovation of Financial Services by Leveraging on Technology

Information technology plays an increasing role in maintaining the Bank's lead in the transaction banking business, as the industry grows ever more dynamic and fintech companies continue to grow. As we continue to move in a more digital direction, the IT department, aside from providing essential IT system support, is an important business enabler. We implement the latest technology available to maximize innovation in the products and services it offers to customers.

We have observed the shifting of customer transaction preference to the digital network, in particular internet and mobile banking. Features of these platforms are continuously upgraded and enhanced to improve the customer experience and convenience in digital banking transactions. The Bank also continues to develop the e-wallet smartphone application Sakuku; and BCA Mobile, an app that allows customers to access internet and mobile banking services. In 2018, BCA introduced a QR-code-based transaction service integrated with the BCA Mobile and Sakuku applications to better facilitate peer-to-peer transfers.

Observing the potential of the e-commerce and fintech industries and the many opportunities for collaboration, we have built an open platform and developed its system connectivity through the Application Programming Interface (API). With improved connectivity, we captured a number of opportunities to broaden our transactions ecosystem through the growing third-party payment network.

Information technology has also allowed the Bank to increase automation and efficiency in various aspects of branch office services and operations. BCA branches are outfitted with a range of digital self-service facilities, allowing customers to complete transactions independently and support branch personnel. BCA has also developed the e-branch application, through which customers can apply online to open new accounts and make reservations in advance for branch services. Consistent with the increasing popularity of chat applications, BCA has incorporated a chatbot using artificial intelligence, offering services through VIRA, the BCA Virtual Assistant.

We utilize our data set as a means of learning more about customer needs and preferences so that we can in turn design better solutions. Data learning and analysis also helps to enhance productivity and operational efficiency. BCA is investing in big data and business intelligence applications as part of its efforts to improve the capability of the Bank's IT systems.

Improving Infrastructure Capabilities and Implementing IT Governance

To support the ongoing growth in customer transactions, we are committed to ensuring the capacity, the reliability and security of the Bank's multichannel network are maintained to high standards, both in the branches and digital. BCA consistently strengthens the infrastructure of its IT systems through regular reviews of the Bank's hardware requirements, improvements to the network and software, and upgrades of the core operating system according to needs.

BCA is committed to maintaining a reliable banking system and remaining relevant in the face of rapid technological developments. As such, we updated our core banking system by adopting the latest technology along with the implementation of Agile Scrum and DevOps methodology. With the aforementioned methodologies, we are able to develop software much more quickly, ensuring a more stable and reliable system. The Bank also updated its software architecture, allowing lower disruption risk while providing banking service or conducting application development.

Business Support

Information Technology

In developing the IT infrastructure, BCA also applies Service-Oriented Architecture (SOA). Since its implementation in 2010, BCA has reaped great benefits from the SOA, which can be implemented and reused in multiple similar projects. SOA has helped BCA to increase the efficiency and speed of application design by reducing the need for rebuilding the system for each new project.

We have made adjustments to our IT infrastructure to accommodate Bank Indonesia's policy regarding the National Payment Gateway in managing debit cards and the electronic money national payment system. Since the end of 2017, BCA has provided the infrastructure to extend the functionality of the Flazz card to pay for a number of national toll roads.

IT governance is essential to the effective development of the Bank's information technology systems. The IT Committee, which comprises several work units, meets regularly to stay abreast of technological developments and IT trends. As an example of governance undertaken by the Bank, BCA has achieved ISO 9001:2015 for its quality management system in the data centers and gives regular training to the IT team to instill international standards in the implementation of IT systems.

The value of quality human resources is inseparable from the effective development and implementation of IT and ongoing innovation at BCA. We continue to ensure the adequate quality, quantity, and level of IT expertise for our human resources. Since 2016, the Bank has hosted internal and external BCA Finhack events, a competition for Indonesia's talented tech developers focused on creativity. Recognizing the importance of data management in the digital era, the theme for Finhack BCA 2018 was #DataChallenge, providing opportunities for participants to create innovations. One outcome of the event was machine learning model that facilitates credit scoring, another that foresees large cash withdrawals, and another model used for fraud detection.

Improving Security in Banking Transactions

Transaction security is a priority at BCA and essential to the trust the Bank has generated amongst its customers. As such, BCA frequently upgrades security systems in anticipation of cyber crimes and fraud.

In implementing information technology security systems, BCA refers to the national and international standardization system. In 2018, BCA held ISO 27001, amongst others, in relation to information protection management across network systems and at the data centers. BCA regularly reviews information security measures at head office, regional offices and branches to ensure they are being implemented in accordance with the prevailing policies.

BCA is gradually implementing data loss prevention (DLP) protocol to further increase the security protecting the Bank's electronic data from data theft and other unauthorized access. In line with the growing number of transactions on the digital network, BCA continues to increase security of the relevant platforms, including the incorporation into internet banking of a system that can detect malware on the user's computer. BCA also has the Security Monitoring Centre, a team specially dedicated to surveillance against threats and attacks on the Bank's IT systems.

Taking advantage of machine learning and artificial intelligence technology, we implemented early detection to identify unusual transactions in the network and enhance the anti virus system to detect and prevent malware. In 2018, BCA implemented secure mobile email for employees to protect company information and prevent data theft from mobile devices.

The Bank regularly upgrades the competencies of its human resources through training with a focus on anticipating up-to-date methods of cyber attacks. Along with consultants in the field of IT security, BCA monitors carefully customer transactions on the digital network to identify quickly any security weaknesses. The Bank also emphasizes the importance of security awareness, both internally and externally, through the company website and other socialization activities, providing tips and techniques for safeguarding transactions.

Looking Ahead

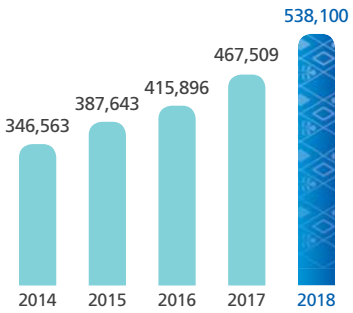
Seeing the potential for continued growth in digital banking trends, BCA will continue to increase the capacity and capabilities of the Bank's IT systems. Data analysis and machine learning technologies will play an increasingly important role in product and service development. Internet and mobile banking services will be further developed in line with adoption rates. These developments will maintain the Bank's relevance against the dynamic business environment.

BCA will continue to monitor cyber crime and minimize related risks. Implementation of the Data Loss Prevention protocol will be improved with stronger encryption to better protect company's electronic data. In line with the increasing use of the BCA Mobile app, the Bank plans to improve security within the app to protect against malware that might be hidden on customer devices. Security improvements on the Internet banking platform will also be a priority in 2019.

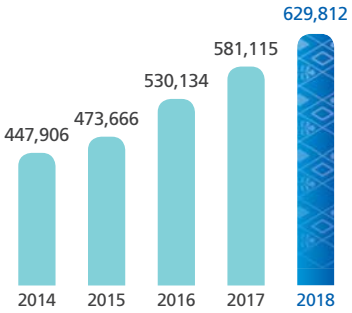
Economy, Banking Sector and BCA Financial Review

> "BCA consistently maintains adequate liquidity and capital positions. The growth of its loan portfolio and CASA funds, along with a healthy asset portfolio, supported financial performance in 2018. ROA and ROE were 4.0% and 18.8% respectively, relatively high in the banking sector."

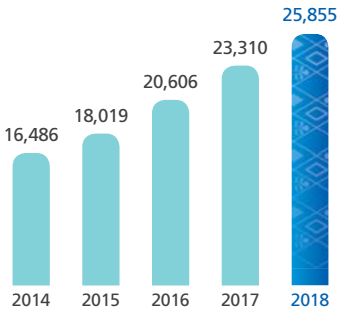
Loans - gross
(in billion Rupiah)



Third Party Funds
(in billion Rupiah)



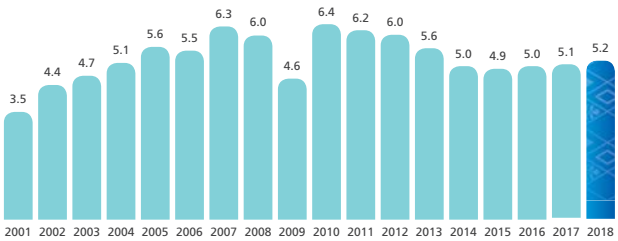
Net Income
Attributable to Equity Holders of Parent Entity
(in billion Rupiah)



OVERVIEW OF INDONESIA'S MACRO ECONOMY 2018

Despite uncertain global economic conditions, Indonesia's economy continued to grow. In 2018, its GDP growth was 5.2%, compared to 5.1% the previous year. Indonesia's economic growth rate is one of the highest in Asia, supported by Government infrastructure projects, investment activities, and high domestic consumption.

Growth in Indonesia Gross Domestic Product (GDP) (%)

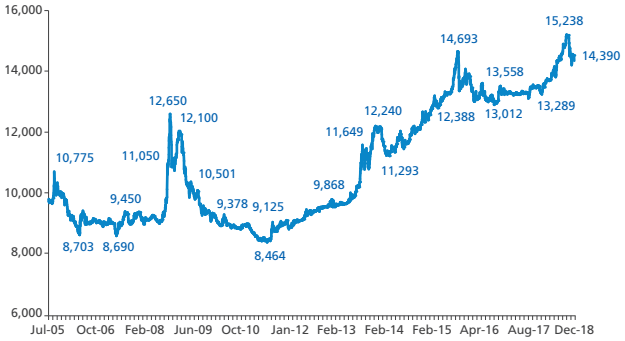


Source: Central Bureau of Statistics

Indonesia's fiscal and monetary conditions gained positive recognition from international rating agencies. Both Fitch Ratings and Standard & Poor's international rating agencies maintained the rating of 'Investment Grade' for Indonesia in 2018. Moody's concluded that the Government and Bank Indonesia's policy framework was effective in supporting economic stability. As such, in April 2018, Moody's raised Indonesia's sovereign credit rating from Baa3/Outlook Positive to Baa2/Outlook Stable.

Increasing Fed rates encouraged global investors to rebalance their investment portfolios, triggering fluctuations in capital flows in emerging markets, including in Indonesia. This development also influenced the Rupiah, which ranged throughout the year from Rp13,289 to Rp15,238 per 1 USD and closed the year at Rp14,390.

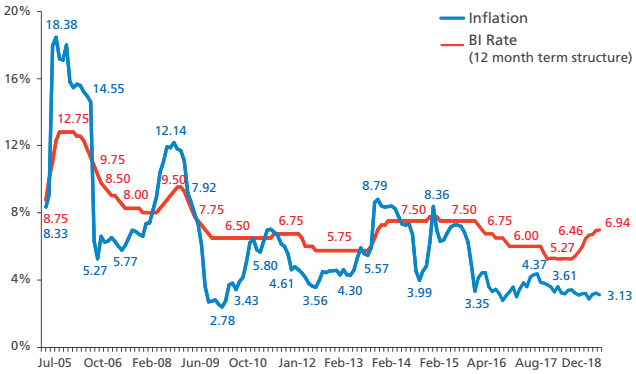
Rupiah Exchange Rate against USD (in Rupiah)



Source: Bloomberg

In response to the Fed rate increases, and in order to maintain the stability of the Rupiah and the Indonesian economy, Bank Indonesia proactively gradually raised the benchmark interest rate (7-day reverse repo) by a total of 175 basis points to 6.0% by the end of 2018. This monetary policy minimized volatility in capital flow in the midst of modest export performance and the increasing import of capital goods, raw materials and consumer goods. Throughout 2018, the Rupiah was relatively more stable compared to other emerging countries. The Government and regulators maintained inflation, which ended the year at 3.1%, within the predetermined range.

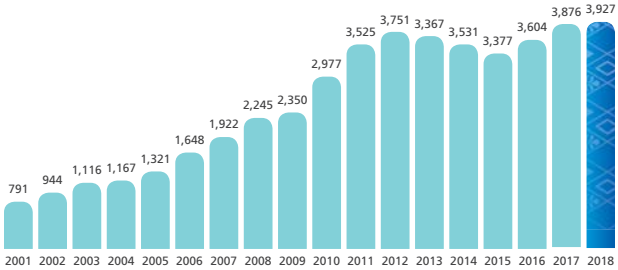
Inflation and BI Rate (%)



Source: Central Bureau of Statistics and Bank Indonesia

Overall, Indonesia maintained economic stability and a resilient financial system, bringing the increase in the country's GDP per capita to USD3,927 in 2018. The growing middle class and a large productive population combined to have a positive effect on the domestic economy.

GDP per Capita (in USD)



Source: Central Bureau of Statistics

INDONESIAN BANKING SECTOR PERFORMANCE OVERVIEW 2018

Indonesian Banking Sector Performance Highlights (in trillion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Total Assets	8,068	7,388	680	9.2%
Loans	5,295	4,738	557	11.8%
Working Capital	2,512	2,223	289	13.0%
Investment	1,309	1,180	129	10.9%
Consumer	1,474	1,335	139	10.4%
Third Party Funds	5,630	5,289	341	6.4%
Current Accounts	1,315	1,233	82	6.7%
Savings Accounts	1,825	1,701	124	7.3%
Time Deposits	2,490	2,355	135	5.7%
Net Interest Income	377	358	19	5.3%
Other Operating Income	144	133	11	8.3%
Total Operating Income	521	491	30	6.1%
Net Income	150	131	19	14.3%
Net Interest Margin (NIM)	5.1%	5.3%	na	-20 bps
Return on Assets (ROA)	2.6%	2.5%	na	10 bps
Operating Expenses to Operating Revenues (BOPO)	77.9%	78.6%	na	-70 bps
Loan to Deposit Ratio (LDR)	94.8%	90.0%	na	480 bps
Non-Performing Loans (NPL)	2.4%	2.6%	na	-20 bps
Capital Adequacy Ratio (CAR)	23.0%	23.2%	na	-20 bps
Number of Banks (Unit)	115	115	-	-

Source: Indonesia's Financial Services Authority (OJK)

Throughout 2018, the Indonesian banking sector's loan portfolio showed a higher growth rate than the previous year. The loan portfolio was Rp5,295 trillion in December 2018, up 11.8% from December 2017. The working capital loan portfolio contributed 47.5% to total loans, while investment and consumer loans contributed 24.7% and 27.8%, respectively. By the end of 2018, working capital loans increased 13.0% to Rp2,512 trillion, while investment and consumption loans grew by 10.9% and 10.4%, respectively, to Rp1,309 trillion and Rp1,474 trillion.

On the funding side, third party funds grew 6.4% to Rp5,630 trillion. Current accounts and savings accounts grew 6.7% to Rp1,315 trillion and 7.3% to Rp1,825 trillion, respectively. Time deposits increased 5.7% to Rp2,490 trillion. Growth in third party funds being lower than the increase in loans tightened the banking sector's liquidity. The sector's Loan to Deposit Ratio (LDR) reached 94.8%, an increase from 90.0% the previous year. Moving forward, the Indonesian banking sector must continue to closely monitor liquidity conditions, which are a key factor to deliver sustainable business growth.

The Indonesian banking sector showed a positive rentability performance during 2018, characterized by growth in both total operating income and net income. Total operating income, which consists of net interest income and other operating income, reached Rp521 trillion, an increase of 6.1%. Net interest income grew 5.3% to Rp377 trillion, supported by a rising loan portfolio, despite a lower Net Interest Margin (NIM). The NIM fell to 5.1% from the previous year's 5.3%. Even though interest rates increased in 2018, this did not result in an increase in the banking sector's NIM, due to the significant impact of falling interest rates in previous years, and more aggressive hikes in banking sector deposit rates compared to lending rates in 2018. Furthermore, other operating income increased by 8.3% to Rp144 trillion.

The banking sector's operating expenses, including non-performing loan provision expenses, grew by 2.8% to Rp335 trillion. The sector's NPL ratio showed improvement, recorded at a tolerable level of 2.4% by the end of 2018, compared to 2.6% at the end of the previous year. Nevertheless, high amount of restructured loans and the rise in the 'special mention' credit category amount is a reminder that credit quality may remain a concern.

The national banking sector recorded a strong 14.3% increase in net profit to Rp150 trillion, supported by growth in operating income and controlled operating expenses and non-performing loan provision expenses. Overall, the national banking industry showed a positive rentability performance, with Return on Assets (ROA) at 2.6%. The banking sector also had a healthy capital position, which was reflected in a Capital Adequacy Ratio (CAR) of 23.0% at the end of 2018.

BCA FINANCIAL PERFORMANCE OVERVIEW 2018

BCA reported a solid performance in 2018, with profitability growth supported by increasing loans and third party funds. The loan portfolio grew by 15.1%, higher than the banking industry average, to Rp538.1 trillion with NPLs maintained at 1.4% at the end of 2018. Current Accounts and Savings Accounts (CASA) increased 8.9% to Rp483.0 trillion, and contributed 76.7% to the Bank's total third party funds. Supported by the strong CASA performance, overall third party funds increased 8.4% to Rp629.8 trillion. The Capital Adequacy Ratio (CAR) and the Loan to Deposit Ratio (LDR) were at adequate levels, at 23.4% and 81.6% respectively.

Net income grew by 10.9% to Rp25.9 trillion in 2018, supported by 10.6% growth in operating income, while operating expenses increased by 9.8%. The formation of allowance on financial assets increased by 1.7% to Rp2.7 trillion. BCA recorded a solid profitability ratio, with a Return on Assets (ROA) of 4.0% and a Return on Equity (ROE) of 18.8%.

The following is the BCA Financial Report for the year ended December 31, 2018. The Financial Report was audited by the Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms). This report was based on Financial Accounting Standards in Indonesia and all financial information has been fairly presented in all material matters.

FINANCIAL POSITION

ASSETS

Total Assets

	2018		2017		Increase / (decrease)	
	billion Rupiah	% to Total Assets	billion Rupiah	% to Total Assets	billion Rupiah	Percentage
Cash and Current Accounts with Bank Indonesia	65,240	7.9%	60,227	8.0%	5,013	8.3%
Current Accounts with Other Banks	8,498	1.0%	9,094	1.2%	(596)	-6.6%
Placements with Bank Indonesia & other banks	31,683	3.8%	18,969	2.5%	12,714	67.0%
Securities	118,294	14.3%	140,350	18.7%	(22,056)	-15.7%
Investment Securities	109,081	13.2%	131,091	17.5%	(22,010)	-16.8%
Securities Purchased under Agreements to Resell	9,213	1.1%	9,259	1.2%	(46)	-0.5%
Loans - gross	538,100	65.2%	467,509	62.3%	70,591	15.1%
Allowance for Impairment Losses on Loans	(13,569)	-1.6%	(13,244)	-1.8%	(325)	2.5%
Fixed Assets	19,337	2.4%	16,869	2.3%	2,468	14.6%
Others	57,205	6.9%	50,546	6.8%	6,659	13.2%
Total Assets	**824,788**	**100.0%**	**750,320**	**100.0%**	**74,468**	**9.9%**

BCA has maintained its position as one of Indonesia's leading banks with total assets of Rp824.8 trillion at the end of 2018, a 9.9% increase from Rp750.3 trillion in 2017. This growth mainly came from the Bank's loan portfolio, which constituted the majority of total assets. Most of the remaining assets are government bonds and short-term instruments, which are both liquid and low risk, especially placements in securities, such as those issued by Bank Indonesia (BI). The earning assets portfolio (gross), which represented 89.0% of total assets, reached Rp734.4 trillion at the end of 2018, a 9.2% increase from the previous year.

Total Earning Assets - gross

	2018		2017		Increase / (decrease)	
	billion Rupiah	% to Total Assets	billion Rupiah	% to Total Assets	billion Rupiah	Percentage
Placements with Bank Indonesia and Other Banks	31,683	3.8%	18,969	2.5%	12,714	67.0%
Securities*	117,739	14.3%	140,578	18.7%	(22,839)	-16.2%
Investment Securities*	108,526	13.2%	131,316	17.5%	(22,790)	-17.4%
Securities Purchased under Agreements to Resell	9,213	1.1%	9,262	1.2%	(49)	-0.5%
Loans	538,100	65.2%	467,509	62.3%	70,591	15.1%
Consumer Financing and Investment in Finance Leases	8,156	1.0%	9,068	1.2%	(912)	-10.1%
Others	38,723	4.7%	36,111	4.9%	2,612	7.2%
Total Earning Assets	**734,401**	**89.0%**	**672,235**	**89.6%**	**62,166**	**9.2%**

* In audited Consolidated Financial Statements, Investment Securities (gross) was recorded at Rp109,172 billion in 2018 and Rp131,611 billion in 2017 including investment in shares amounting to Rp646 billion in 2018 and Rp295 billion in 2017.

CASH, CURRENT ACCOUNTS WITH BANK INDONESIA, AND CURRENT ACCOUNTS WITH OTHER BANKS

The level of cash and current accounts with Bank Indonesia was Rp65.2 trillion at the end of 2018, up 8.3% from the year before. Of this total, cash accounted for Rp21.7 trillion, while the current account with BI was Rp43.5 trillion.

BCA maintained an adequate cash position to meet customer needs for cash transactions. To manage the current account with BI, the Bank complied with BI's minimum reserves requirements for both rupiah and foreign currencies, at over 6.5% and 8% respectively. Combined, cash and current accounts with BI contributed 7.9% to total assets in 2018.

At the end of 2018, current accounts with other banks held Rp8.5 trillion, a decrease of 6.6%. The majority of BCA funds placed in current accounts with other banks are with well-known foreign correspondent banks.

PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

By the end of 2018, placement with BI and other banks rose 67.0% to Rp31.7 trillion, compared to the previous year's Rp19.0 trillion. Most of these placements were in BI term deposit instruments with short tenors, aligning with BCA liquidity management strategy. Bank Indonesia term deposits is one of the instruments available in the market for short-term placement in 2018.

SECURITIES

Securities (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Investment Securities	109,081	131,091	(22,010)	-16.8%
SBBI, SDBI & SBI Sharia	20,153	35,587	(15,434)	-43.4%
Government Bonds	58,327	70,426	(12,099)	-17.2%
Other Securities	30,601	25,078	5,523	22.0%
Securities Purchased under Agreements to Resell	9,213	9,259	(46)	-0.5%
Total	**118,294**	**140,350**	**(22,056)**	**-15.7%**

The securities portfolio reached Rp118.3 trillion at the end of 2018, down 15.7% from Rp140.4 trillion a year earlier. This decline corresponded with the increase in the allocation of funds for lending activities and placements with BI and other banks.

Investment Securities

The majority of securities are categorized as 'investment securities' at Rp109.1 trillion. Overall, this post declined in line with the magnitude of maturing government bonds and a decrease in placements with BI securities, which consist of BI FX bills (SBBI), BI certificate deposits (SDBI) and BI Sharia certificates. Other areas saw an increase, mainly derived from the increase in mutual funds and corporate bonds primarily issued by leading banks in Indonesia.

Government bonds account for the largest portion of the Bank's investment securities at 53.5% of the total. The majority of the government bonds portfolio has tenor less than five years. At the beginning of 2018, a sizeable number of the Bank's government bonds matured. With consideration of dynamic market conditions, BCA opted to repurchase government bonds periodically throughout 2018. BCA placed funds in short tenor instruments at the beginning of the year and gradually re-invested in government bonds in line with increasing yields on the bond market. All government bonds owned by BCA are fixed interest, in line with market availability.

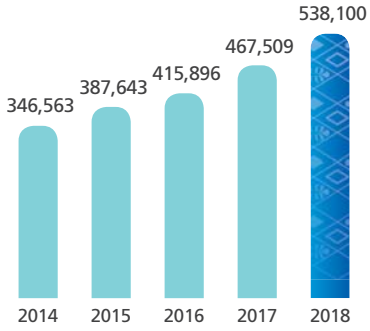
Securities Purchased under Agreements to Resell

Securities purchased under agreements to resell (reverse repo) were Rp9.2 trillion in 2018. The majority of the underlying reverse repo instruments are government bonds. The reverse repo portfolio saw little change from its position the previous year. This short-term fund placement supported the Bank's liquidity position along with SBBI, SDBI and BI Sharia Certificates.

LOANS

The Bank's loan portfolio grew 15.1% to Rp538.1 trillion in 2018, mainly supported by increased demand for working capital and investment loans from the corporate, commercial and SME segments. The growth seen by BCA was higher than the banking sector average of 11.8%. BCA maintained its position as the third largest lending bank in Indonesia, with a market share of 10.2% at the end of 2018, an increase compared to the previous year's rate of 9.9%.

Growth of Loan Portfolio
(in billion Rupiah)



BCA posted positive growth in all loan segments. The corporate loan segment increased by 20.4% to Rp213.3 trillion, and commercial and SME loans grew 15.4% to Rp190.0 trillion. Consumer loans grew 7.2% to Rp131.7 trillion.

Loan Composition based on Segment (non consolidated, in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Corporate	213,356	177,277	36,079	20.4%
Commercial & SME	189,960	164,661	25,299	15.4%
Consumer	131,671	122,855	8,816	7.2%
Mortgage	78,780	73,025	5,755	7.9%
Vehicle	39,998	38,302	1,696	4.4%
Credit Card	12,893	11,528	1,365	11.8%
Employee	2,927	2,827	100	3.5%
Total	**537,914**	**467,620**	**70,294**	**15.0%**

Based on loan type, working capital loans increased by 15.7% to Rp255.3 trillion in 2018 and accounted for the largest share of the BCA loan portfolio. Investment loans grew 22.2% to Rp148.2 trillion, which was substantially higher than the previous year's 11.1%, supported by lending for infrastructure projects and private sector investments. Consumer loans and employee loans also increased, by 7.2% and 3.5% respectively, to Rp131.7 trillion and Rp2.9 trillion.

Loan Composition based on Type of Loan

	2018		2017		Increase / (decrease)	
	billion Rupiah	Composition	billion Rupiah	Composition	billion Rupiah	Percentage
Working Capital	255,323	47.5%	220,604	47.2%	34,719	15.7%
Investment	148,179	27.5%	121,223	25.9%	26,956	22.2%
Consumer (including Credit Card)	131,671	24.5%	122,855	26.3%	8,816	7.2%
Employee	2,927	0.5%	2,827	0.6%	100	3.5%
Total	**538,100**	**100.0%**	**467,509**	**100.0%**	**70,591**	**15.1%**

BCA consistently diversifies loans across various potential industries in order to minimize concentration risk, and 55.9% of total credit was distributed to the top 10 industry sectors. Lending to financial sectors grew in line with the increasing demand from major banks.

Top 10 Industry Sectors in Corporate, Commercial and SME Segment (based on the Bank's internal classification)*

	2018	2017
Financial Services	8.0%	5.6%
Plantation and Agriculture	7.5%	7.9%
Building Material and Other Construction Related	6.7%	6.8%
Distributor, Wholesaler and Retailer	6.6%	7.6%
Properties and Construction	5.2%	5.0%
Automotive and Transportation	5.0%	5.7%
Food and Beverages	4.5%	4.9%
Textile and Garment	4.5%	4.5%
Chemicals and Plastics	4.2%	4.4%
Transportation and Logistics	3.7%	4.1%
Total	**55.9%**	**56.5%**

* Excluded consumer and employee loans
Note: The above loan categories are based on industry sectors used internally by BCA, different to the loan groupings in the Commercial Bank Report which is based on regulator's criteria.

Based on currencies, the majority of the Bank's loan portfolio is in Rupiah, in accordance with BCA's core funding sources, the majority of which are Rupiah. BCA lending in Rupiah was Rp505.9 trillion, an increase of 15.2% contributing 94.0% to total credit in 2018. Foreign currency loans increased by 13.5% to Rp32.2 trillion (USD2.2 billion) and accounted for the remaining 6.0%.

The growth of the foreign currency loan portfolio was also supported by the depreciation of the Rupiah against the US dollar. BCA is limiting total foreign currency lending within the Bank's risk appetite and focusing on customers with primary revenue in foreign currencies.

Loan Quality

In the midst of rising demand for credit in 2018, BCA maintained healthy loan quality. Taking a precautionary approach, BCA maintained a quality loan portfolio with a ratio of gross Non-Performing Loans (NPL) at a relatively stable 1.4%, lower than the banking sector average of 2.4%.

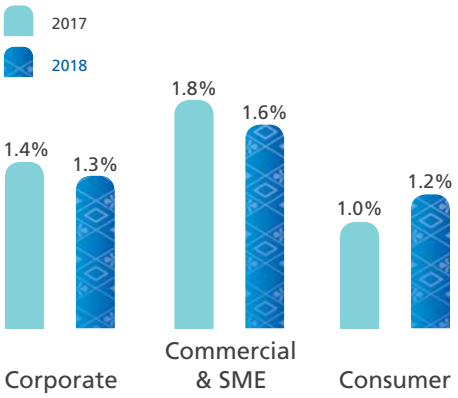
Loan Collectability* (non consolidated)

	2018		2017	
	billion Rupiah	% to Total Loans	billion Rupiah	% to Total Loans
Performing Loan	**530,320**	**98.6%**	**460,675**	**98.5%**
Current	520,654	96.8%	453,953	97.1%
Special Mention	9,666	1.8%	6,722	1.4%
NPL	**7,594**	**1.4%**	**6,945**	**1.5%**
Substandard	1,678	0.3%	1,987	0.4%
Doubtful	1,185	0.2%	686	0.2%
Loss	4,731	0.9%	4,272	0.9%
Total Loans	**537,914**	**100.0%**	**467,620**	**100.0%**
NPL Ratio – gross	1.4%	na	1.5%	na
NPL Ratio – net	0.4%	na	0.4%	na
Provision / NPL	178.7%	na	190.7%	na

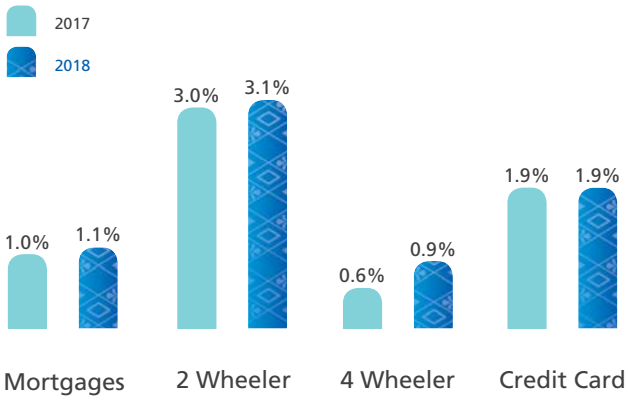
* Although allowance for impairment losses is not calculated based on collectability, the calculation remains necessary to determine the Capital Adequacy Ratio (CAR) according to the regulator.

Special mention loans were recorded at Rp9.7 trillion at the end of 2018, up from the Rp6.7 trillion the previous year. Special mention loan increased across loan segments. The majority of special mention loans, which make up 47.1%, are consumer loans. This increase in special mention consumer loans was consistent with the growth of the consumer loan portfolio. Repayment of consumer loans is on an installment basis, while there are customers who make late installment payments every month. The majority of the special mention consumer loans were late payment with arrears of less than 30 days.

NPL Ratio by Segment
(non consolidated)



NPL Ratio of Consumer Loans
(non consolidated)



In 2018, BCA booked an additional allowance for impairment losses on loans of Rp2.6 trillion, an increase of 44.4%, bringing the total loans impairment allowance to Rp13.6 trillion. The Bank's loan loss reserve is adequate at 178.7% of total non-performing loans or 2.5% of its total loan portfolio.

Movement of Allowance for Impairment Losses on Loans Receivable (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Beginning Balance	**13,244**	**12,505**	**739**	**5.9%**
Addition of allowance during the year	2,645	1,832	813	44.4%
Loans written-off during the year (-/-)	2,498	1,334	1,164	87.3%
Recoveries on loans previously written-off	147	235	(88)	-37.4%
Exchange rate differences	31	6	25	416.7%
Ending Balance	**13,569**	**13,244**	**325**	**2.5%**

BCA constantly monitors the development and performance of customer businesses. We proactively restructure loans for customers who have good business prospects in the long term, but are currently experiencing financial difficulties. Restructuring at BCA is generally carried out by extending loan tenors to ease customer loan payments.

At the end of 2018, BCA conducted restructuring that resulted in a higher restructured portfolio by 21.6% to Rp8.0 trillion. Most of the restructured loans were in collectability categories 1 and 2 ('Current' and 'Special Mention'). This mainly came from the corporate and commercial segments, related to building materials and iron; hospitality and resorts; and transportation and logistics.

Restructured Loan Outstanding (non consolidated, in billions Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Performing Loan	**5,650**	**4,371**	**1,279**	**29.3%**
Current	2,903	3,141	(238)	-7.6%
Special Mention	2,747	1,230	1,517	123.3%
NPL	**2,336**	**2,197**	**139**	**6.3%**
Substandard	1,168	726	442	60.9%
Doubtful	173	274	(101)	-36.9%
Loss	995	1,197	(202)	-16.9%
Total Restructured Loan	**7,986**	**6,568**	**1,418**	**21.6%**
Total Loan Portfolio	**537,914**	**467,620**	**70,294**	**15.0%**
% Restructured Loans to Total Loans Portfolio	**1.5%**	**1.4%**	**na**	**na**

In 2018, loan write offs were Rp2.5 trillion, compared to Rp1.3 trillion in 2017. Most of this increase came from a number of corporate loans with low repayment prospects, especially in the sectors of sea transportation and distribution of telecommunications equipment. Total written off loans to outstanding loans was 0.46% at the end of 2018, up from 0.29% at the end of 2017.

Loans Written Off (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Corporate	788	-	788	na
Commercial	626	378	248	65.6%
SME	44	72	(28)	-38.9%
Consumer	1,040	884	156	17.6%
Mortgage	170	21	149	709.5%
4 Wheeler	214	157	57	36.3%
2 Wheeler	187	255	(68)	-26.7%
Credit Card	469	451	18	4.0%
Total	**2,498**	**1,334**	**1,164**	**87.3%**

BCA lends prudently to maintain sound credit quality and conducts regular stress testing for various scenarios. In general, the stress test results show the liquidity and capital positions of BCA and its subsidiaries are adequate to anticipate losses from potential risks based on scenarios used.

FIXED ASSETS

In 2018, the Bank's fixed assets increased by 14.6% to Rp19.3 trillion, most of which were in the form of land and investment in ATMs, EDCs, information technology, and other network supports. These fixed assets with the exception of land, were recorded under office furnitures, fixtures, and equipments. Investment in information technology infrastructure is increasingly important in supporting the Bank's preeminence in transaction banking.

LIABILITIES

Liabilities (in billion Rupiah)

	2018	2017	Increase / (decrease)		Composition	
			Nominal	Percentage	2018	2017
Third Party Funds	629,812	581,115	48,697	8.4%	93.6%	93.9%
Current Accounts	166,822	151,250	15,572	10.3%	24.8%	24.4%
Savings Accounts	316,182	292,416	23,766	8.1%	47.0%	47.3%
Time Deposits	146,808	137,449	9,359	6.8%	21.8%	22.2%
Deposits from Other Banks	6,495	5,758	737	12.8%	1.0%	0.9%
Acceptance Payables	5,843	5,800	43	0.7%	0.9%	0.9%
Debt Securities Issued	240	610	(370)	-60.7%	0.0%	0.1%
Borrowings	2,093	3,041	(948)	-31.2%	0.3%	0.5%
Accrued expenses and other liabilities	15,026	10,929	4,097	37.5%	2.2%	1.8%
Post-employment benefits obligation	6,406	6,507	(101)	-1.6%	0.9%	1.1%
Subordinated bonds	500	-	500	na	0.1%	0.0%
Other Liabilities	6,620	5,158	1,462	28.3%	1.0%	0.8%
Total Liabilities	**673,035**	**618,918**	**54,117**	**8.7%**	**100.0%**	**100.0%**

BCA's liabilities were Rp673.0 trillion in 2018, an increase of 8.7% from Rp618.9 trillion in 2017. Of BCA's total liabilities, third party funds make up the largest component at 93.6% of the total.

At the end of 2018, the Bank's third party funds grew 8.4% to Rp629.8 trillion compared to 2017. This increase was mainly supported by current accounts and savings accounts, which accounted for 76.7% of total third party funds. Time deposits contributed the remaining 23.3%.

THIRD PARTY FUNDS

Third Party Funds

	2018		2017		Increase / (decrease)		Average Interest Rate		
	billion Rupiah	Composition	billion Rupiah	Composition	billion Rupiah	Percentage	2018	2017	Increase / (decrease)
Current Accounts	**166,822**	**26.5%**	**151,250**	**26.0%**	**15,572**	**10.3%**			
Rupiah	146,254	23.2%	132,751	22.8%	13,503	10.2%	0.9%	1.0%	-0.1%
Foreign Currency	20,568	3.3%	18,499	3.2%	2,069	11.2%	0.1%	0.1%	0.0%
Savings Accounts	**316,182**	**50.2%**	**292,416**	**50.3%**	**23,766**	**8.1%**			
Rupiah	302,006	48.0%	278,716	48.0%	23,290	8.4%	0.8%	1.0%	-0.2%
Foreign Currency	14,176	2.2%	13,700	2.3%	476	3.5%	0.2%	0.2%	0.0%
Total Transactional Account Balance (CASA)	**483,004**	**76.7%**	**443,666**	**76.3%**	**39,338**	**8.9%**			
Time Deposits	**146,808**	**23.3%**	**137,449**	**23.7%**	**9,359**	**6.8%**			
Rupiah	133,461	21.2%	125,223	21.6%	8,238	6.6%	4.7%	5.2%	-0.5%
Foreign Currency	13,347	2.1%	12,226	2.1%	1,121	9.2%	0.9%	0.6%	0.3%
Total Third Party Funds	**629,812**	**100.0%**	**581,115**	**100.0%**	**48,697**	**8.4%**			
Rupiah	581,721	92.4%	536,690	92.4%	45,031	8.4%	1.7%	2.0%	-0.3%
Foreign Currency	48,091	7.6%	44,425	7.6%	3,666	8.3%	0.4%	0.3%	0.1%

Current Accounts and Savings Accounts (CASA)

BCA continues to make investments in product development and payment settlement services. BCA consistently facilitates customer convenience in their banking transactions by strengthening the branch network infrastructure and enhancing digital services. With the development of the core business in transaction banking, BCA is able to maintain the trust of its customers, expand the ecosystem of payment settlement services and strengthen CASA funds collection as a core funding source.

At the end of 2018, CASA funds grew 8.9% to Rp483.0 trillion with a market share of 15.4%, higher than 15.1% the previous year. Current accounts increased by 10.3% to Rp166.8 trillion in 2018, compared to Rp151.3 trillion in 2017. Of total demand deposits, 87.7% were funds denominated in Rupiah, and 12.3% in foreign currencies. To serve the transaction needs of business customers, current accounts products are equipped with facilities for payment with cheque and electronic banking facilities, such as the internet and mobile banking.

For individual customers, BCA provides different savings products based on customer needs. Tahapan is a savings product used as a transaction account across individual segments. BCA has developed Tahapan into several variants according to customer segmentation. 'Tahapan Gold' is provided to individual business customers, while 'Tahapan Xpresi' is targeted toward the younger generation. On the back of customer confidence in the BCA transaction banking system, savings funds increased 8.1% to Rp316.2 trillion at the end of 2018. The composition of savings denominated in Rupiah reached 95.5% of total savings, while 4.5% was denominated in foreign currencies.

BCA CASA has a sticky funds structure, which supports the Bank's funding position. The majority of third party funds are in the form of CASA and provide a funding structure with fairly low interest expense. Managing CASA funds resulted in high operation costs for continuous development of transaction banking infrastructure, such as investments in information technology, the branch network, the addition of EDC and ATMs and improvements in internet and mobile banking services.

Time Deposits

Time deposits play an important role in balancing the Bank's funding position. At the end of 2018, BCA time deposits increased 6.8% to Rp146.8 trillion from the previous year's Rp137.4 trillion. After experiencing a downward trend in deposit funds since the fourth quarter of 2017, time deposit increased in the second semester of 2018 in line with the increase in deposit rates.

In response to market conditions, BCA gradually increased time deposits rates in 2018. The maximum rate for one-month time deposits rose 175 basis points during 2018. The average cost of funds for time deposits in 2018 was 4.35%.

Time Deposits based on Maturity Period

	2018		2017		Increase / (decrease)	
	billion Rupiah	Composition	billion Rupiah	Composition	billion Rupiah	Percentage
1 Month	86,611	59.0%	88,027	64.0%	(1,416)	-1.6%
3 Months	41,195	28.1%	40,699	29.6%	496	1.2%
6 Months	14,888	10.1%	4,940	3.6%	9,948	201.4%
12 Months	4,114	2.8%	3,783	2.8%	331	8.7%
Total	**146,808**	**100.0%**	**137,449**	**100.0%**	**9,359**	**6.8%**

EQUITY

Equity (in billion Rupiah)

	2018	2017	Increase / (decrease)		Composition	
			Nominal	Percentage	2018	2017
Issued and fully paid-up capital	1,541	1,541	-	0.0%	1.0%	1.2%
Additional paid-in capital	5,549	5,549	-	0.0%	3.6%	4.2%
Revaluation surplus of fixed assets	8,752	6,588	2,164	32.8%	5.8%	5.0%
Retained earnings	135,569	115,998	19,571	16.9%	89.3%	88.3%
Appropriated	1,697	1,464	233	15.9%	1.1%	1.1%
Unappropriated	133,872	114,534	19,338	16.9%	88.2%	87.2%
Other equity components	248	1,628	(1,380)	-84.8%	0.2%	1.2%
Non-controlling interest	94	98	(4)	-4.1%	0.1%	0.1%
Total Equity	**151,753**	**131,402**	**20,351**	**15.5%**	**100.0%**	**100.0%**

BCA posted total equity of Rp151.8 trillion, an increase of 15.5%. This was mainly supported by an increase in retained earnings of 16.9% to Rp135.6 trillion. Equity growth balanced out the increase in the Bank's loan portfolio. Over the past decade, the Bank's average credit growth reached 16.9%.

In line with BCA's credit growth, Risk Weighted Assets (RWA) increased in 2018 by 14.2% to Rp633.6 trillion. With equity growth offsetting the increase in RWA, BCA maintained a healthy capital position with a Capital Adequacy Ratio (CAR) of 23.4%.

PROFIT OR LOSS STATEMENT

Income Statements (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Operating Income	63,034	56,982	6,052	10.6%
Net Interest Income	45,291	41,827	3,464	8.3%
Interest Income	56,767	53,768	2,999	5.6%
Interest Expense	(11,476)	(11,941)	465	-3.9%
Operating Income other than Interest	17,743	15,155	2,588	17.1%
Impairment losses on assets	(2,676)	(2,633)	(43)	1.7%
Operating Expenses	(27,651)	(25,190)	(2,461)	9.8%
Income before Tax	32,707	29,159	3,548	12.2%
Net Income	25,852	23,321	2,531	10.9%
Income / (Expenses) Other Comprehensive	910	755	155	20.5%
Total Comprehensive Income	26,762	24,076	2,686	11.2%
Net Income attributable to:				
Equity holders of parent entity	**25,855**	**23,310**	**2,545**	**10.9%**
Non-controlling interest	(3)	11	(14)	na
Comprehensive Income attributable to:				
Equity holders of parent entity	26,766	24,064	2,702	11.2%
Non-controlling interest	(4)	12	(16)	na

Supported by the quality of the Bank's assets, business growth and efforts towards improving efficiency, BCA posted a 10.9% increase in net profit to Rp25.9 trillion in 2018.

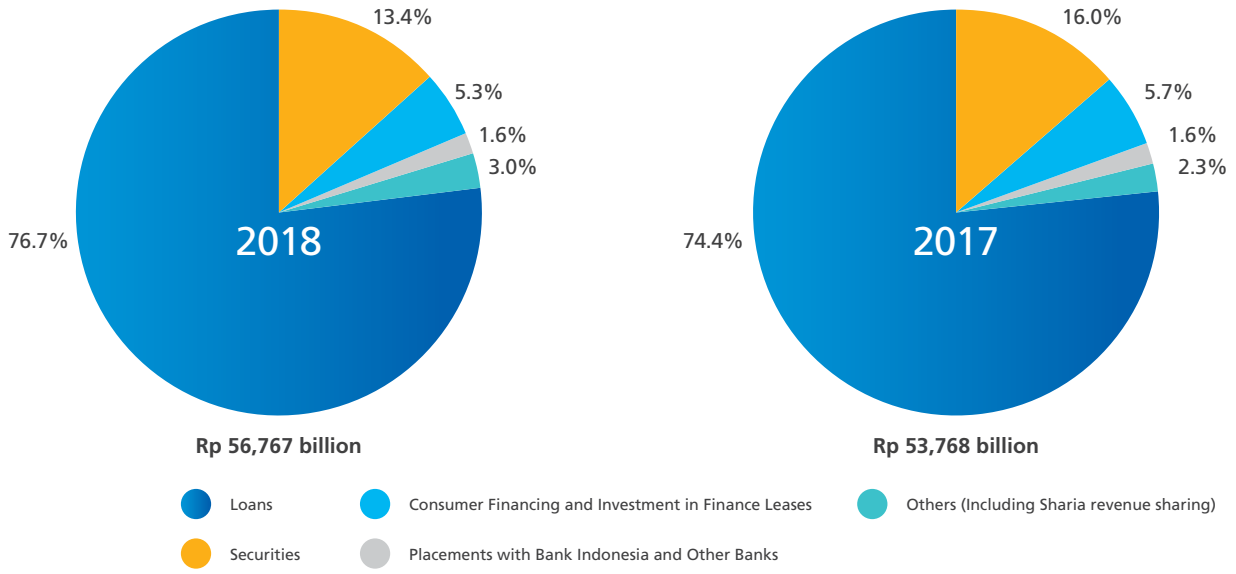
Net Interest Income (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Interest Income	**56,767**	**53,768**	**2,999**	**5.6%**
Loans	43,519	40,014	3,505	8.8%
Placements with Bank Indonesia and Other Banks	941	874	67	7.7%
Securities	7,600	8,603	(1,003)	-11.7%
Consumer Financing and Investment in Finance Leases	3,016	3,077	(61)	-2.0%
Others (Including Sharia revenue sharing)	1,691	1,200	491	40.9%
Interest Expense	**11,476**	**11,941**	**(465)**	**-3.9%**
Current Accounts	1,399	1,274	125	9.8%
Savings Accounts	2,379	2,632	(253)	-9.6%
Time Deposits	5,902	6,346	(444)	-7.0%
Others (Including Sharia expenses)	1,796	1,689	107	6.3%
Net Interest Income	**45,291**	**41,827**	**3,464**	**8.3%**

Interest Income

In 2018, BCA's interest income increased 5.6% to Rp56.8 trillion, supported by a significant increase in loans and rising interest rates in the second semester. Interest income from the loan portfolio contributed the most at 76.7% of total interest income. BCA also received a substantial interest income from the placement of funds with securities.

Composition of Interest Income



Interest Income from Loans increased 8.8% to Rp43.5 trillion in 2018, supported by an increase in credit volume, especially in the corporate, commercial and SME segments. The Bank's total loan portfolio increased by 15.1%, with corporate loans posting growth of 20.4% and commercial & SME loans 15.4%. Despite an increase in lending rates in the second semester of 2018, loan yields fell 54 basis points to 8.84% as a result of declining lending rates in previous years.

Interest Income from Placements with Bank Indonesia and Other Banks grew 7.7% to Rp941 billion in 2018. Most of the interest income was obtained from short-term instruments that experienced an increase in interest rates. The yield of placements with Bank Indonesia and other banks increased to 3.8% in 2018, compared to 3.5% in 2017.

Interest Income from Securities decreased 11.7% to Rp7.6 trillion in 2018, which mainly came from the lower volume of placements with government bonds and securities issued by Bank Indonesia. This decrease was consistent with the higher allocation of funds in the credit portfolio.

Interest Income from Consumer Financing and Leasing saw a 2.0% decline to Rp3.0 trillion. Amounting to 80.6% of the revenue came from BCA Finance, a BCA subsidiary engaged in financing four-wheeled vehicles. The remaining 19.4% was from the two-wheeled vehicle financing business under subsidiary CS Finance.

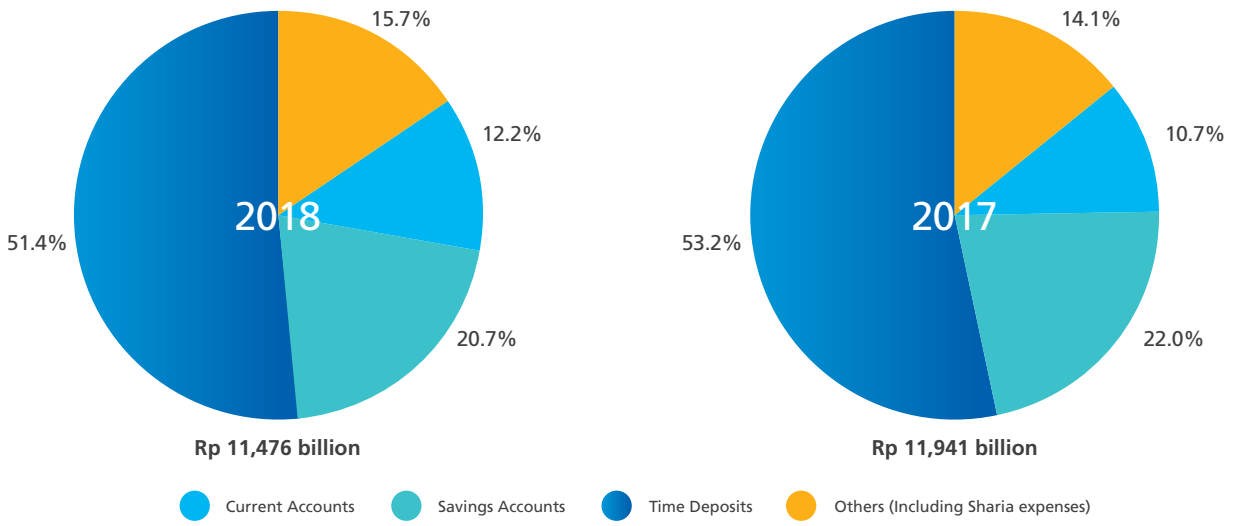
Other Interest Income increased by 40.9% to Rp1.7 trillion in 2018. There was a Sharia revenue sharing component which grew 17.6% to Rp585 billion, in line with the increase in the Sharia financing portfolio. There was also a component of bills receivable income of Rp533.6 billion, an increase of 46.2% related to export-import transactions.

Earning Assets Yield in 2018 was 7.6%, compared to 7.9% the previous year. After experiencing a downward trend over recent years, yields on earning assets began to show improvement in the second semester of 2018, supported by increased rates on short-term instruments and adjustments to BCA loan interest rates.

Interest Expense

In 2018 BCA recorded a decrease in interest expense of 3.9% to Rp11.5 trillion. Due to the Bank's proactive steps in managing the interest rates of its funds, interest expense came in at a comfortable level while third party funds grew 8.4%. BCA also recorded relatively small interest expense from Rp500 billion subordinated bonds issued in the second semester of 2018.

Composition of Interest Expense



Interest expense from current accounts increased by 9.8% to Rp1.4 trillion. Interest expense from savings accounts fell 9.6% to Rp2.4 trillion in line with a decrease in savings interest rates of 25 basis points in 2018. Cost of funds for current accounts and savings accounts were recorded at 0.84% and 0.79%, respectively. By strengthening its core business in transaction banking and providing comprehensive financial services, BCA gained customer trust in the collection of solid, low-cost CASA funds. The Bank booked considerable operating expenses and capital expenditure, including for digital service innovations and to support capacity building and expansion of a sustainable banking network.

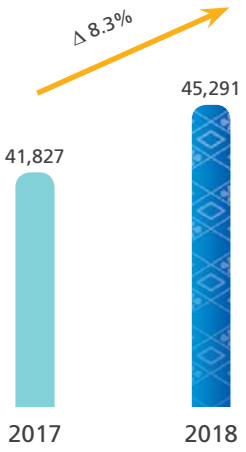
The interest expense on time deposits fell 7.0% to Rp5.9 trillion, the effect of a decrease in time deposit funds in the first semester of 2018 and the declining trend in time deposit rates in 2017. Cost of funds for time deposits stood at 4.35% in 2018. BCA gradually raised rates on Rupiah time deposits with a total increase of 175 basis points in 2018. This increase led to a rise in time deposits funds and interest expenses, especially in second half of 2018.

Overall, BCA maintained a low cost of funds of 1.81% in 2018, compared to 2.02% a year earlier.

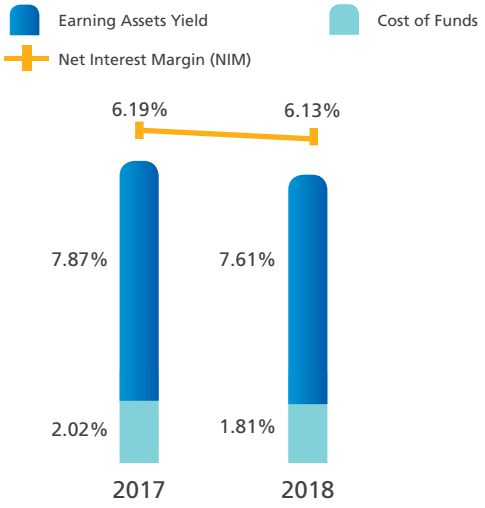
Net Interest Income and Net Interest Margin

BCA's net interest income increased 8.3% to Rp45.3 trillion in 2018. The Net Interest Margin (NIM) was 6.13%, slightly lower than the previous year' 6.19%.

Net Interest Income
(in billion Rupiah)



Net Interest Margin - NIM
(non consolidated)



Operational Income other than Interest

Operational income other than interest grew 17.1% to Rp17.7 trillion in 2018. Fee-based income made the largest contribution to operating income other than interest at 67.6%, while net trading income and other operating income contributed 15.8% and 16.6% respectively.

Operating Income other than Interest (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Net Fee and Commission Income	11,996	10,386	1,610	15.5%
Net Trading Income	2,807	1,803	1,004	55.7%
Other Operating Income	2,940	2,966	(26)	-0.9%
Operating Income other than Interest	**17,743**	**15,155**	**2,588**	**17.1%**

Net Fee and Commission Income (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Deposits from customers	4,062	3,584	478	13.3%
Loans receivable	1,492	1,354	138	10.2%
Payment settlement	1,560	1,472	88	6.0%
Credit cards	3,259	2,772	487	17.6%
Remittances, clearings, and collections	317	300	17	5.7%
Others	1,308	906	402	44.4%
Total	**11,998**	**10,388**	**1,610**	**15.5%**
Fee and commission expense	(2)	(2)	-	0.0%
Net Fee and Commission Income	**11,996**	**10,386**	**1,610**	**15.5%**

Fee and Commission Income grew by a substantial 15.5% to Rp12.0 trillion in 2018. Preeminence in transaction banking system has supported the Bank's collection of CASA funds and made a significant contribution to fee and commission income.

Sources of this income include 'deposits from customers', which grew by 13.3%. Some 77.4% of the income from 'deposits from customers' is attributed to monthly administration fees on CASA accounts. Income from monthly administration fees grew in line with the 11.7% increase in number of accounts in 2018. BCA also noted an increase in revenue from credit cards, supported by an increase in credit card transactions and increased network switching activities.

Income from payment settlements saw relatively slower growth, affected by alternative payment services from e-commerce and fintech platforms offering attractive promotions. Growth of 15.1% on the loan portfolio supported the 10.2% increase in fee-based income, which rose to Rp1.5 trillion in 2018, mainly from loan fees charged on credit applications.

Net Trading Income increased by 55.7% to Rp2.8 trillion, mainly supported by the increase in 'unrealized gains from fair value of financial assets held for trading' in line with the increase in swap transactions. In the midst of a fluctuating Rupiah, BCA placed foreign currency funds with Bank Indonesia and conducted hedging placement through the swap market via a sell forward of USD, which generated swap premium income. These sources depend on market conditions and the increase in swap premiums, which were affected by fluctuations in the rupiah exchange rate in 2018.

***Other Operating* Income** was relatively stable at Rp2.9 trillion in 2018, coming mainly from the subsidiaries, such as insurance premium income obtained by BCA Insurance and BCA Life and penalty revenue obtained by BCA Finance.

Operating Expenses

In 2018, BCA's operating expenses increased 9.8% to Rp27.7 trillion. BCA maintained its cost to income ratio at a comfortable level of 44.3% in 2018, below the maximum long-term reference limit of 50%.

In recent years, BCA has consistently controlled the growth of operating expense through the use of information technology to improve efficiency. In 2018, 98% of all transactions at BCA were processed through internet banking, mobile banking and ATM networks. The rapid growth of the Internet and mobile banking network helped the Bank control the growth of branch and ATM network expansion. Internet and mobile banking, combined, handled 66% of all BCA transactions in 2018.

BCA has managed operating expense growth to below 10% in the past three years, compared to the previous five-year period, where growth was 15–25%.

Operational Expenses (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
General and Administrative Expenses	13,026	12,306	720	5.9%
Personnel Expenses	12,143	11,335	808	7.1%
Others	2,482	1,549	933	60.2%
Total	**27,651**	**25,190**	**2,461**	**9.8%**

General and administrative expenses rose 5.9% to Rp13.0 trillion, in line with the costs of daily banking operations, branch office network development and investment in information technology.

Daily banking transaction expenses, booked under office supplies, increased 7.5% to Rp4.3 trillion in 2018. With the addition of Cash Recycling Machines (CRM) and automation development in branch offices, BCA managed growth in operating expenses for daily banking transactions, primarily for outsourcing cash handling at ATMs and other supporting operating expense. The CRM serves cash withdrawals and deposits within the same machine, minimizing the need to replenish cash compared with conventional ATMs.

Depreciation expenses increased 1.3% to Rp1.7 trillion, the second largest contributor to total general and administrative expenses. This comes from the depreciation of various fixed assets, including buildings, ATMs, EDCs, IT hardware and other fixed assets for supporting the network. The cost of amortization of intangible assets - software increased significantly from Rp176 billion in 2017 to Rp414 billion in 2018, consistent with the Bank's spending on IT software.

Communication expenses grew 19.3% to Rp1.5 trillion, mainly for the payment of debit card transaction fees following the launch of the Mastercard co-branding debit card at the end of 2017 and the GPN debit card in 2018, increasing switching costs, and the increase in overall transaction volume. Promotional expenses grew 11.1% to Rp1.1 trillion for the marketing needs of BCA products and services.

Employee Expenses increased 7.1% to Rp12.1 trillion in 2018. This increase was due to annual salary and allowance adjustments, and the cost of bonuses and other benefits.

General and Administrative Expenses (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Office supplies	4,315	4,015	300	7.5%
Depreciation	1,667	1,645	22	1.3%
Communication	1,467	1,230	237	19.3%
Rental	1,446	1,349	97	7.2%
Repair and Maintenance	1,285	1,427	(142)	-10.0%
Promotion	1,109	998	111	11.1%
Professional fees	448	545	(97)	-17.8%
Amortisation of Intangible assets - software	414	176	238	135.2%
Water, electricity and fuel	285	281	4	1.4%
Tax	121	112	9	8.0%
Computer and software	103	160	(57)	-35.6%
Others	366	368	(2)	-0.5%
Total	**13,026**	**12,306**	**720**	**5.9%**

Number of Employees and Distribution Channels

	2018	2017
Total Employees	24,941	25,439
Branches (including cash offices)	1,249	1,235
ATMs	17,778	17,658

Allowance for Impairment Losses on Financial Assets

Throughout 2018, BCA recorded an adequate allowance for impairment losses (CKPN) on financial assets in accordance with applicable accounting standards and based on the quality of financial assets. At the end of 2018, the reserves stood at Rp14.4 trillion, an adequate level to cover non-performing financial assets.

Allowance for impairment losses was established with reference to the application of the regulations of PSAK 50 and 55, in effect since 1 January 2010, assessed individually or collectively in the loan portfolio. Individual assessments are made of those loans that have significant value individually, namely the corporate and commercial segments, which have objective evidence of impairment. Regarding collective assessment, allowance for impairment losses is made for corporate and commercial loans which individually have no objective evidence of impairment and for SME and consumer loans. In 2018, BCA posted an allowance for impairment losses on financial assets of Rp2.7 trillion, a slight increase compared to Rp2.6 trillion in 2017.

Written-off of assets was recorded at Rp3.1 trillion in 2018, an increase of 42.1% from the previous year, most of which were routine write-offs from the consumer loan portfolio, accounting for Rp1.0 trillion (credit cards, mortgage, four-wheeled vehicles and two-wheeled vehicles), in addition to the corporate and commercial segments at Rp788 billion and Rp618 billion, respectively. Corporate, commercial and consumer write-offs are made for loans whose claim probability is very low. In addition to the loan portfolio, BCA also conducted write-offs of corporate bonds engaged in sea freight services.

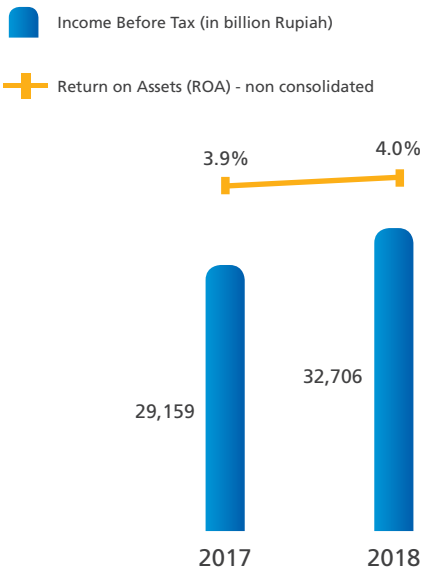
Movement of Allowance for Impairment Losses on Financial Assets (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Beginning Balance	**14,634**	**13,915**	**719**	**5.2%**
Addition of Allowance During the Year	2,677	2,624	53	2.0%
Assets Written-off During the Year (-/-)	3,054	2,149	905	42.1%
Recoveries on Assets Previously Written-off	147	235	(88)	-37.4%
Exchange Rate Differences & Others	45	9	36	400.0%
Ending Balance	**14,449**	**14,634**	**(185)**	**-1.3%**

Income Before Tax

BCA recorded income before tax of Rp32.7 trillion in 2018, an increase of 12.2% compared to the previous year. This growth was supported by an increase in operating income consisting of net interest income, which increased 8.3%, and operating income other than interest, which grew 17.1%. At the end of 2018, the Return on Assets (ROA) was 4.0%.

Income Before Tax and ROA

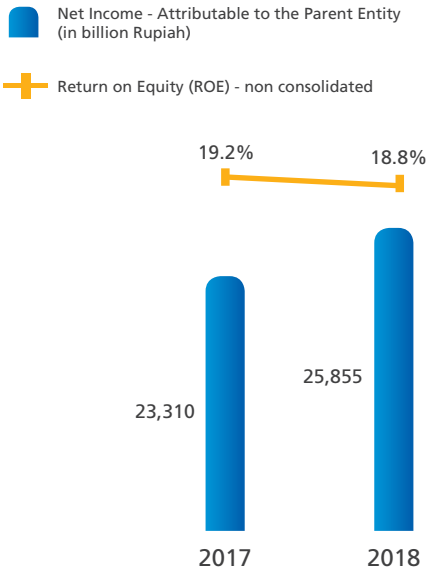


Net Income

Net income attributable to the equity holders of the parent entity increased by 10.9%, to Rp25.9 trillion in 2018. The increase in net income encouraged an increase in Earnings Per Share (EPS) to Rp1,049 per share in 2018, compared to Rp945 per share in 2017. Return on Equity (ROE) was 18.8% in 2018.

BCA always maintains a balance between capital requirements and the interests of shareholders. In recent years the Bank's dividend payout ratio has been 20–30% of net income, in order to support the capital position and meet the needs of business developments.

Net Income and ROE
attributable to the parent entity



Statement of Comprehensive Income

The statements of comprehensive income records changes in equity over a period of time, other than changes that resulted from transactions with shareholders in their capacity as shareholders.

The statements of comprehensive income of BCA for 31 December 2018 and 31 December 2017, are as follows:

Comprehensive Income (in billion Rupiah)

	2018	2017
Net Income	**25,852**	**23,321**
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability	410	(850)
Income tax	(284)	213
Revaluation surplus of fixed assets	2,164	(4)
Items that will be reclassified to profit or loss		
Unrealized (gains) losses for available-for-sale financial assets	(1,865)	1,875
Income tax	457	(468)
Foreign exchange differences arising from translation of financial statements in foreign currency	28	(2)
Others	-	(9)
Total Other Comprehensive Income	**910**	**755**
Total Comprehensive Income	**26,762**	**24,076**
Net Income attributable to:		
Equity holders of parent entity	**25,855**	**23,310**
Non-controlling interest	(3)	11
Comprehensive Income attributable to:		
Equity holders of parent entity	**26,766**	**24,064**
Non-controlling interest	(4)	12
Earning per Share attributable to Equity Holders of The Parent Entity (in Rupiah)	**1,049**	**945**

The total comprehensive income attributable to equity holders of the parent entity increased 11.2% to Rp26.8 trillion. This increase was mainly due to revaluation surplus of fixed assets of Rp2.2 trillion. Periodically, BCA conducts assets revaluation.

In other comprehensive income, BCA recorded Rp1.9 trillion in unrealized losses on available-for-sale financial assets in 2018. This was due to the large composition of placements with available-for-sale financial assets with a fixed interest rate. The portfolio recorded a lower market value than its previous valuation as a result of rising interest rate in 2018.

CASH FLOW

Cash Flows (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Cash Flows from Operating Activities	4,913	9,659	(4,746)	-49.1%
Cash Flows from Investing Activities	20,628	(20,620)	41,248	200.0%
Cash Flows from Financing Activities	(7,298)	(6,656)	(642)	9.6%
Net (Decrease) Increase in Cash and Cash Equivalents	18,243	(17,617)	35,860	203.6%
Cash and Cash Equivalents, Beginning of Year	83,377	100,320	(16,943)	-16.9%
Effect of Foreign Exchange Rate Fluctuations on Cash and Cash Equivalents	1,692	674	1,018	151.0%
Cash and Cash Equivalents, End of Year	103,312	83,377	19,935	23.9%

Cash Flow from Operating Activities

In 2018, BCA recorded a net cash flow surplus from operating activities of Rp4.9 trillion, compared to the previous year's Rp9.7 trillion. During 2018, this surplus was mainly derived from the receipt of interest and sharia income, fees and commissions, which totaled Rp67.2 trillion, while customer deposits came in at Rp46.0 trillion. Cash flow from operating activities in 2018 was lower than in 2017, which was mainly due to increased lending. Cash flow for loan disbursement was Rp71.3 trillion in 2018, compared to Rp52.9 trillion in 2017.

Cash Flow from Investing Activities

Cash inflow from investing activities during 2018 was Rp20.6 trillion, compared to outflow of Rp20.6 trillion in 2017. This was mostly due to the rise of cash inflow proceeds from investment securities that matured during the year of Rp102.9 trillion in 2018, compared to Rp70.9 trillion in 2017.

Cash Flow from Financing Activities

The net cash flow used for financing activities in 2018 was Rp7.3 trillion, compared to the previous year's Rp6.7 trillion. The greater cash outflow for financing activities is consistent with lower borrowing by subsidiaries. The cash outflow was also used for payment of cash dividends of Rp6.4 trillion, compared to Rp5.2 trillion in 2017.

KEY FINANCIAL RATIOS

Financial Ratios (non consolidated)

	2018	2017	2016	2015	2014
ROA	4.0%	3.9%	4.0%	3.8%	3.9%
ROE	18.8%	19.2%	20.5%	21.9%	25.5%
NIM	6.1%	6.2%	6.8%	6.7%	6.5%
LDR	81.6%	78.2%	77.1%	81.1%	76.8%
NPL	1.4%	1.5%	1.3%	0.7%	0.6%
CAR	23.4%	23.1%	21.9%	18.7%	16.9%
CER	44.3%	44.4%	43.9%	46.5%	44.2%
BOPO	58.2%	58.6%	60.4%	63.2%	62.4%

DEBT SERVICE ABILITY AND LOAN RECEIVABLES COLLECTABILITY

BCA has the ability to fulfill all its long and short-term obligations. The Bank's capacity in meeting these obligations is reflected in positive assessments from external rating agencies, as shown below:

Fitch Ratings

	Rating
Outlook	Stable
Local long term rating	AAA (idn)
Issuer default - long term rating	BBB
Issuer default - short term rating	F3
Support rating	3

Moody's

	Rating
Outlook	Stable
Bank Deposits	Baa2 / P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
Issuer rating	Baa2

In accordance with POJK No. 14/POJK.03/2017 concerning the Recovery Plan for Systemic Banks, BCA issued subordinated bonds of Rp500 billion in 2018 in fulfilling obligations to issue debt with capital characteristics. For these subordinated bonds, BCA made interest payments in accordance with a predetermined payment schedule. The subordinated bonds received an idAA rating from PT Pemeringkat Efek Indonesia.

BCA has a solid financial position and debt service ability, reflected in the Bank's levels of solvability, liquidity, rentability and collectability. In terms of solvability, BCA has adequate capital for credit, market and operational risks. The capital adequacy ratio (CAR) was 23.4%, above the minimum requirement of the risk profile set by the regulator. The Bank's solid capital position supports the sustainable loan growth and capital requirements of its subsidiaries.

BCA managed a solid liquidity position, reflected in the Loan to Deposit Ratio (LDR) of 81.6%. The macroprudential intermediation ratio (RIM), which is a refinement of the loan to deposit ratio and loan to funding ratio and takes into account the securities portfolio in addition to loans, stood at 82.5%. BCA's liquidity position was largely supported by sticky funds in the form of current accounts and savings accounts, supported by excellence in the transaction banking core business.

BCA continues to maintain its liquidity by making short-term placements with risk-free instruments, with secondary reserves reaching Rp99.4 trillion or 15.8% of total third party funds. BCA's secondary reserves are mostly placements with Bank Indonesia including securities issued by Bank Indonesia.

BCA has a solid rentability, reflected in the ratio of Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM) and Cost to Income. The Bank's ROA and ROE ratios in 2018 were 4.0% and 18.8%, respectively. The NIM ratio reached 6.1%. The cost to income ratio stood below 50%, at a healthy 44.3%.

Loan collectability was well maintained, reflected in the non-performing loans ratio at 1.4%, compared to 1.5% in the previous year and lower than the banking sector average of 2.4%.

CAPITAL STRUCTURE AND MANAGEMENT POLICY

Capital Structure

BCA's capital structure is derived from:

- BCA capital structure is mostly core capital, amounting to Rp149.4 trillion, contributing 95.7% to the Bank's total capital.
- Supplementary capital (Tier 2) mostly consists of a required general allowance for productive assets (maximum of 1.25% RWA credit risk). Supplementary capital was Rp6.6 trillion or 4.3% of total capital.

Capital Components (consolidated - in billion Rupiah)

	2018	2017
Capital		
Tier 1 Capital	149,413	129,240
Tier 2 Capital	6,639	5,368
Total Capital	**156,052**	**134,608**
Risk Weighted Assets (Credit, Operational and Market Risk)	651,532	570,459
Capital Adequacy Ratio (CAR) - consolidated	**24.0%**	**23.6%**
Capital Adequacy Ratio (CAR) - non consolidated	**23.4%**	**23.1%**

Management Policy on Capital Structure

BCA ensures an adequate capital position to support the business development of the Bank and its subsidiaries. Its capital adequacy is calculated using the Capital Adequacy Ratio (CAR) indicator. BCA has an adequate capital level with a CAR ratio of 23.4%, above the minimum requirement of 9.99% according to the risk profile, as well as an additional 3.375% capital as a buffer. BCA has formed a buffer in accordance with Bank Indonesia regulation provisions regarding systemic banks' compliance with the implementation of conservation buffers, countercyclical buffers and capital surcharges.

The Bank and all its subsidiaries have carried out integrated stress tests using various scenarios that have resulted in changes to the level of NPLs and their effects on income, liquidity position and capital position. In general, the stress test results show that the liquidity and capital positions of BCA and subsidiaries are adequate to anticipate losses from potential risks based on scenarios used.

The Bank's capital requirements can be fully met from the growth of a healthy financial performance. A significant portion of net income is held to increase capital each year. As for 2018, BCA for the first time issued subordinated bonds as part of a recovery plan to fulfill the Bank's obligations as a systemic bank based on OJK regulation No. 14/POJK.03/2017. The Rp500 billion subordinated bonds were recorded as supplementary capital (Tier 2).

Basis for Management Policy on Capital Structure

BCA capital policies are constantly adjusted in response to business potential and continue to observe principles of prudence. With reference to the regulation of the Financial Services Authority, the Board of Directors prepares capital plans as part of the Bank's Business Plan and obtains approval from the Board of Commissioners. The policy on capital structure refers to Financial Services Authority Regulation No. 11/POJK.03/2016 dated 2 February 2016 and No. 34/POJK.03/2016 dated 26 September 2016 concerning Minimum Capital Requirements for Commercial Banks.

MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURE IN 2018

Purpose of Material Commitments for Capital Expenditure

Material commitments for capital expenditure are intended to strengthen the Bank's business through network expansion, information technology infrastructure development and other investments in support of BCA's operational activities.

Source of Funds for Capital Expenditure

Capital expenditure in 2018 was funded by equity generated from accumulated income. BCA has sufficient sources from internal funding to finance capital expenditure. For the past five years, BCA's net income has increased by an average of 12.7% per year.

Currency and Foreign Exchange Risk Mitigation Related To Capital Expenditures

BCA purchased capital goods, both domestically and from abroad. Invoices and payments were mostly denominated in Rupiah, thus minimizing exchange rate risk.

CAPITAL EXPENDITURE REALIZED IN 2017 AND 2018

In 2018, BCA made capital goods investments of Rp2.6 trillion, up 49.6% over the previous year. BCA consistently invests in capital goods, mainly to strengthen the transaction banking core business. The majority of investments in capital goods were categorized under office furniture, fixtures, and equipment, which includes investments in ATMs, EDCs, information technology and other fixed assets for network support.

The following is information on capital expenditure in 2017 and 2018.

Capital Expenditures Investment (in billion Rupiah)

	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Land	17	53	(36)	-67.9%
Buildings	299	150	149	99.3%
Office furnitures, fixtures and equipments	1,759	938	821	87.5%
Motor vehicles	15	14	1	7.1%
Construction in progress	505	580	(75)	-12.9%
Total	**2,595**	**1,735**	**860**	**49.6%**

TARGET ACHIEVEMENTS IN 2018

Throughout 2018 BCA performed above the targets set. In 2018, the Bank's loan portfolio was Rp538.1 trillion, an increase of 15.1%, exceeding the target set at the beginning of the year of 7%-9%. In terms of funding, BCA recorded growth in third party funds of 8.4% to a total of Rp629.8 trillion, driven by growth in current accounts and savings accounts. This was also in excess of the initial target, which was set at 5%-7%.

For profitability ratios, BCA recorded Return on Assets (ROA) and Return on Equity (ROE) of 4.0% and 18.8%, respectively, exceeding the target of a 3.5% minimum ROA and within the ROE target of 17%-19%.

The following is an overview of the Bank's financial performance compared with initial targets.

	Target	Achievement
Loan growth	7%-9%	15.1%
Third Party Funds growth	5%-7%	8.4%
ROA	≥ 3.5%	4.0%
ROE	17%-19%	18.8%

Liquidity and capital positions were maintained at healthy levels with a capital adequacy ratio (CAR) of 23.4% and a Loan to Deposit Ratio (LDR) of 81.6%.

BUSINESS SEGMENT PERFORMANCE OVERVIEW

A detailed description of management analysis and discussion per business segment can be seen in this Annual Report in the Business Review and Business Support section, pages 106-239.

Transaction Banking

Transaction Banking is BCA's core business and supports its overall business. BCA continuously makes efforts to strengthen the transaction banking business, which plays an important role in the collection of third party funds. The Bank maintains the sustainability of its core business by expanding its customer base, undertaking product and service development initiatives, and developing network infrastructure. Convenience and security in transactions and a reliable banking system are the Bank's main priorities.

In 2018, BCA served more than 19 million customer accounts through reliable Internet and mobile banking platforms, with 1,249 branches, 17,778 ATMs and hundreds of thousands of EDCs. The average number of transactions served continued to increase to over 17 million per day in 2018, higher than 14 million in 2017.

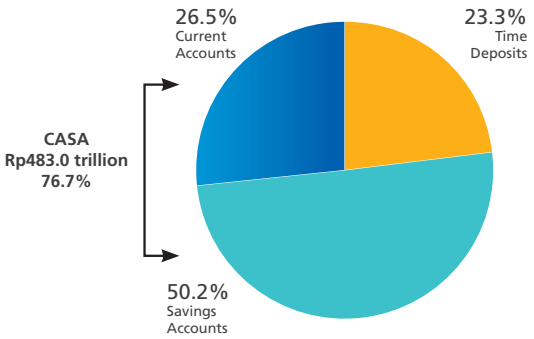
Besides investing in the branch network, BCA continues to refine internet and mobile banking services and utilize the latest technology in product and service innovations. The ongoing trend of customer preference shifting to digital transactions supports the improving efficiency of the transaction process.

Through comprehensive transaction banking services, BCA maintained its position as one of the leading transaction banks in Indonesia with a Current Accounts and Savings Accounts (CASA) market share of 15.4%. BCA recorded positive growth in CASA funds of 8.9% to Rp483.0 trillion at the end of 2018, accounting for 76.7% of its total third party funds. Overall, BCA posted 8.4% growth in third party funds to Rp629.8 trillion at the end of 2018.

Third Party Funds (in billion Rupiah)

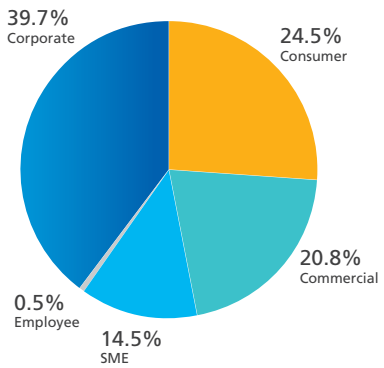
	2018	2017	Increase / (decrease)	
			Nominal	Percentage
CASA	483,004	443,666	39,338	8.9%
Current Accounts	166,822	151,250	15,572	10.3%
Savings Accounts	316,182	292,416	23,766	8.1%
Time Deposits	146,808	137,449	9,359	6.8%
Total Third Party Funds	**629,812**	**581,115**	**48,697**	**8.4%**

Composition of Third Party Funds



Rp629.8 trillion

Composition of Loans
(non consolidated)

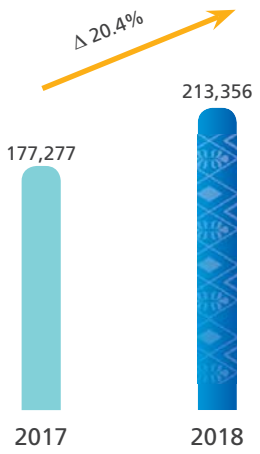


Rp537.9 trillion

Corporate Banking

Supported by adequate liquidity and capital, BCA recorded significant loan growth, especially in corporate loans. The Bank continued to take advantage of opportunities and potential in each of the economic sectors, while taking into account the risk profile. Lending was prioritized for leading companies in each industry and those with long-term relationships with BCA.

Corporate Banking
(non consolidated, in billion Rupiah)



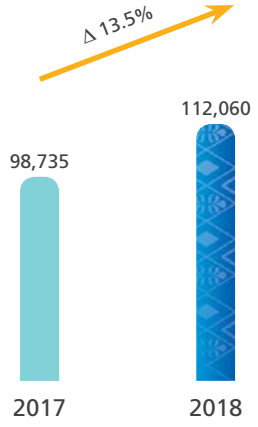
BCA recorded corporate loan growth of 20.4%, bringing the total portfolio to Rp213.3 trillion. Aside from demand for corporate working capital loans, BCA saw a significant increase in investment loans, including for Government infrastructure projects. The NPL for corporate loans stood at 1.3%.

To support the growth of corporate loans, BCA continued to strengthen credit support infrastructure and ensure adequate quantity and quality of human resources. BCA continues to improve the competence of its human resources by providing training programs, mainly focused on efforts to nurture customer relations and understand customer businesses.

Commercial and SME Banking

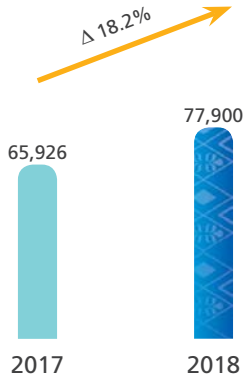
In 2018, BCA posted 15.4% growth in commercial and SME loans to Rp190.0 trillion with an NPL ratio at 1.6%. The Bank serves commercial customers through 14 commercial business centers in Indonesia's central business cities, such as Jakarta, Semarang, Bandung, Surabaya and Malang as well as others cities outside Java. Capacity development of commercial business centers continued throughout 2018 with a focus on accelerating credit processing and increasing human resource capabilities. At the end of 2018, commercial loans reached Rp112.1 trillion, an increase of 13.5%.

Commercial Loan Portfolio
(non consolidated, in billion Rupiah)



The Bank's SME lending is supported by a branch network spread strategically in trade and urban centers across Indonesia. BCA set initiatives to encourage SME loan growth, among others, by developing special credit products and schemes aligned with the needs of SME customers and developing SME centers for centralized credit processing, in several cities in Indonesia. At the end of 2018, SME loans reached Rp77.9 trillion, an increase of 18.2%.

SME Loan Portfolio
(non consolidated, in billion Rupiah)



Individual Banking

Customer base growth in various segments created an increasing need for individual banking solutions, including consumer loan products such as mortgages, vehicle loans and credit cards.

At the end of 2018, the Bank's consumer loans reached Rp131.7 trillion, contributing 24.5% of the total loan portfolio. Amid rising interest rates, BCA continued to maintain positive growth in the consumer loan portfolio. In the last decade, consumer credit has grown by a 20.2% compound annual growth rate (CAGR). Within the consumer loan portfolio, mortgages reached Rp78.8 trillion, a 7.9% increase and 59.8% of total consumer loans. Vehicle loans grew 4.4% to Rp40.0 trillion, contributing 30.4% of total consumer loans. The outstanding credit card portfolio increased 11.8% to Rp12.9 trillion, 9.8% of total consumer loans.

Mortgage-base lending represents one of the main pillars of our consumer loan portfolio. Mortgage-base lending also caters for productive activities or business use such as lending for commercial properties.

All of our mortgage-base products emphasize on collateral quality and repayment capacity. BCA implements prudence in its lending activities, which helps the Bank maintain a healthy loan portfolio.

In 2018, BCA again held a number of events with attractive promotional programs for consumer credit products to stimulate credit demand. Consumer lending is one of the main business activities that supports the Bank's efforts in fostering long-term customer relations, to provide opportunities for offering individual banking products and services.

Consumer Loans (in billion Rupiah, non consolidated)

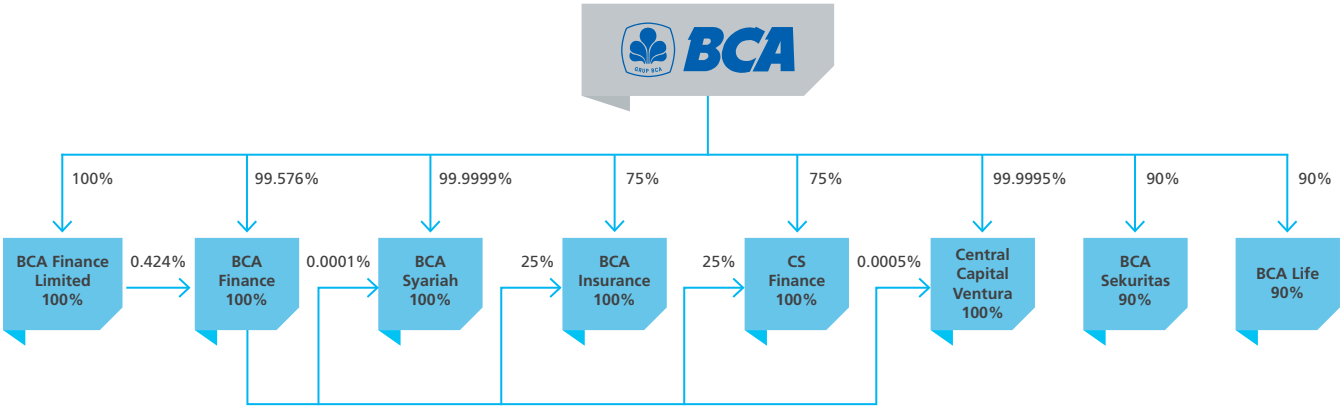
	2018	2017	Increase / (decrease)	
			Nominal	Percentage
Mortgages	78,780	73,025	5,755	7.9%
Vehicle Loans*	39,998	38,302	1,696	4.4%
Credit Cards	12,893	11,528	1,365	11.8%
Total	**131,671**	**122,855**	**8,816**	**7.2%**

* Including 2-wheeler financing of Rp2.1 trillion in 2018 and Rp2.6 trillion in 2017

SUBSIDIARY PERFORMANCE OVERVIEW

BCA continuously enhances synergy with its subsidiaries across various business lines to provide comprehensive financial solutions for customers. Subsidiary business lines include vehicle financing, remittances, Sharia banking, securities, general and life insurance, as well as venture capital.

BCA Subsidiaries Ownership Structure



PT BCA Finance

Established in 1981 and brought under BCA ownership in 2001, BCA Finance is a leading finance company in Indonesia, engaged in car financing for both new and used cars. BCA's ownership of BCA Finance shares is 100% (directly and indirectly).

BCA Finance provides car financing, backed by a joint financing funding scheme with BCA. The funding collaboration supports BCA Finance's solid funding position with low cost funds. In addition to having 67 branches in strategic cities, BCA Finance also works with the Bank in marketing vehicle financing products through BCA branch offices. BCA Finance serves more than 554,000 customers. To serve customer needs outside of work days, BCA Finance provides a weekend service at Wisma Pondok Indah and a service point at Mall Artha Gading. The locations of the two outlets are strategic and have been showing high traffic. BCA Finance cooperates with dealers and showrooms to increase its reach and distribution network. During the month of February to March 2018, it offered a competitive financing product with interest rate of 3.61% for a two- or three-year tenor.

BCA Finance uses technology to improve efficiency and support the marketing process, including mobile apps. In order to facilitate BCA Finance customer installment payments, BCA provides payment facilities through BCA auto debit, virtual accounts, BCA ATMs and other services.

The total assets under management of BCA Finance in 2018 were Rp51.6 trillion, growing by 5.1% from Rp49.1 trillion in 2017. BCA Finance's net income in 2018 was Rp 1.6 trillion, a 10.1% increase.

In appreciation of its performance, BCA Finance received The Best Performance Multifinance award at the 2018 Bisnis Indonesia Financial Awards and The Most Profitable Finance Company award at the 2018 Infobank Multifinance Awards.

PT Central Santosa Finance

PT Central Santosa Finance (CS Finance) was established in 2010, focusing on motorcycle financing. The Bank's effective ownership is 100%.

As of 31 December, 2018, CS Finance had 77 branches spread in regions across Java, Sumatra and Kalimantan. As with BCA Finance, CS Finance maintains synergy with BCA in marketing its products through the BCA branch network and conducting joint financing schemes. Leveraging on the development of digital technology, CS Finance utilizes e-commerce channels and digital platforms to expand marketing access. CS Finance also utilizes technology to simplify the credit process and improve service quality.

As demand for motorcycle financing is yet to fully recover, in 2018 CS Finance focused on improvement of the credit process and infrastructure in response to the decline in asset quality in recent years. The NPL ratio under BCA book was recorded at 3.1% in 2018, from 3.0% the previous year.

Total assets under management in 2018 were Rp3.2 trillion, down 23.0% from Rp4.1 trillion at the end of 2017. CS Finance's net income was Rp39.5 billion in 2018, down 3.5% from the previous year's Rp41.0 billion.

PT Bank BCA Syariah

PT Bank BCA Syariah is a subsidiary of BCA that facilitates customer needs for Sharia banking products. The effective ownership in BCA Syariah shares is 100%.

At the end of 2018, BCA Syariah had a network of 64 branches, including 38 Sharia service units spread across strategic cities in Indonesia. BCA Syariah collaborates with the BCA banking system, providing added value for BCA Syariah customers through ease of transactions at BCA ATMs and EDC machines, as well as access to Halo BCA call center services. BCA Syariah also made adjustments to the Bank's systems and infrastructure to support the implementation of the National Payment Gateway (GPN) policy.

In 2018, BCA Syariah recorded solid growth in assets, financing and third party funds. In 2018, BCA Syariah's total assets grew 18.5% to Rp7.1 trillion, with financing up 16.9% to Rp4.9 trillion, and the Non-Performing Financing (NPF) ratio at 0.3%. Asset growth was supported by a 16.3% increase in third party funds to Rp5.5 trillion. BCA Syariah posted net income of Rp58.4 billion, an increase of 22.0% for 2018.

In appreciation of its performance, in 2018 BCA Syariah was awarded in Indonesia Sharia Finance Award 2018 as Top 5 Customer Choice Award Bank Umum Syariah from Warta Ekonomi and awarded Top Bank Syariah 2018 by Businessnews.

PT BCA Sekuritas

BCA Sekuritas is a subsidiary of BCA, engaged in securities brokerage and underwriting. BCA ownership of BCA Sekuritas is 90%.

BCA Sekuritas is growing its business in brokerage services, both equities and fixed income securities such as medium term notes, negotiable certificates of deposit, Indonesian retail bonds, corporate bonds and sukuk. BCA Sekuritas also provides services for customers to obtain funding through debt securities and the equity market by providing broad access to market investors, especially from institutional investors, insurance companies, banks, and pension funds.

BCA Sekuritas continues to refine its infrastructure, including by improving the reliability of online trading applications. To facilitate communication with customers or prospective customers, BCA Sekuritas manages social media accounts that provide information about its activities and marketing programs. BCA Sekuritas also has joint marketing activities together with BCA, such as at the BCA Expo in major cities in Indonesia.

In 2018, the total assets of PT BCA Sekuritas were Rp626 billion, down 13.6% from Rp725 billion in 2017. PT BCA Sekuritas recorded net income of Rp33.6 billion in 2018 from Rp55.5 billion in 2017. The achievement of higher net income in 2017 was supported by an one-off increase in trading volume outside the regular market.

BCA Sekuritas ranked 7th as Lead Manager for 2018 IDR bond issuance based on Bloomberg League Table.

PT Asuransi Umum BCA

PT Asuransi Umum BCA (BCA Insurance), is a subsidiary of BCA that provides vehicle insurance products, fire insurance and marine cargo insurance, and others. The Bank's ownership of shares in this company is 100% (direct and indirect). BCA Insurance maintains synergy in serving general insurance needs for consumer credit customers of BCA group and cooperates in marketing with BCA's branches and events.

In 2018, BCA Insurance launched a mobile app for reporting insurance claims, seeking information on the locations of the nearest branch office and partner workshops. BCA Insurance expanded the use of e-policies on fire insurance products in 2018, where in the previous year e-policies were introduced to vehicle insurance products. BCA Insurance has also prepared an Application Programming Interface (API) to interact with business partners through market places to promote its products.

BCA Insurance's total assets at the end of 2018 rose by 22.0% to Rp1.7 trillion. Gross premium income increased by 21.4% to Rp0.8 trillion, while net income in 2018 was Rp87.6 billion, an increase of 38.0%.

For its performance in 2018, BCA Insurance achieved the Warta Ekonomi Top 100 Enterprises 2018 as Best in Financial Industry – Insurance, and Insurance Award 2018 as Best General Insurance 2018 in category equity Rp240 billion – Rp500 billion from Media Asuransi.

PT Asuransi Jiwa BCA

With an effective ownership of 90%, BCA maintains synergy with PT Asuransi Jiwa BCA (BCA Life) to provide life insurance services for customers, including life insurance products for customers of mortgages and vehicle loans. BCA and BCA Life collaborated on the 'Tahapan Berjangka (Tahaka)' product offering, a periodic savings product with life insurance protection. For Solitaire and Prioritas customers, BCA and BCA Life offer inheritance planning through the BCA Life Heritage Protection life insurance program.

Synergy between BCA and BCA Life is also leveraged in the marketing field, through the use of BCA communication media, such as the Prioritas magazine and BCA website. To facilitate communication with customers, BCA Life has developed a mobile service that can be accessed by all customers anywhere, anytime. Customers can now use the chat feature on the company's website and communicate through social media accounts to obtain company service information. BCA Life also organizes health seminars and financial planning to introduce insurance programs for BCA customers.

Given that BCA Life is a relatively new company and life insurance products have long-term breakeven characteristics, in 2018 BCA Life recorded a loss of Rp68.5 billion, compared to the previous year's loss of Rp43.2 billion. In term of gross premiums, BCA Life saw 33.4% growth to Rp629 billion in 2018. Its total assets increased by 7.2% to Rp903 billion in 2018.

In 2018, BCA Life was granted the Contact Center Service Excellence Award for the Life and Health Insurance category from Service Excellence and the Indonesia Digital Innovation Award for Life Insurance category from Warta Ekonomi Magazine.

BCA Finance Limited

BCA Finance Limited is a company wholly owned by BCA. It has an active role in facilitating the needs of remittance transactions in Hong Kong, which has a large number of Indonesian workers. BCA Finance Limited also performs a strategic function in facilitating trade finance services for BCA customer partners in Hong Kong and China. It also invests in financial instruments.

In 2018, BCA Finance Limited recorded total assets of Rp772 billion, relatively stable from the previous year. Net income was Rp11.5 billion, down 28.0% due to declining income from spot and derivative transactions.

PT Central Capital Ventura

PT Central Capital Ventura (CCV) is a subsidiary of BCA established in 2017. CCV has a special interest in investing in start up fintech companies that are still in the early phase. Investing activities are directed to support BCA group's service ecosystem and give value added to BCA as a group. The Bank's ownership of shares of CCV is 100% (directly and indirectly).

The development of digital technology and the growth of the fintech business have created opportunities for BCA to collaborate in the industry through CCV. By 2018, CCV had invested in several fintech companies and will continue to assess other investment opportunities in potential fintech companies. In 2018 BCA started to expand its collaboration with CCV business partners. We monitored closely the need for an additional capital injection in CCV in accordance with opportunities and investment prospects.

CCV investment has increased four times in total compared to 2017, and it made 13 investments in 2018.

CCV's total assets were recorded at Rp205 billion at the end of 2018, relatively stable compared to the previous year. In line with increasing investing activities and its long-term business nature, CCV posted a loss of Rp0.3 billion, compared to a profit of Rp4.5 billion a year earlier.

MATERIAL INFORMATION AND FACTS THAT OCCURRED AFTER THE ACCOUNTANT'S REPORT

There were no significant events, material information or facts occurring after the date of the accountant's report.

PROSPECTS AND STRATEGIC PRIORITIES IN 2019

Indonesian Economy and Banking Sector Prospects in 2019

In 2018, the Indonesian economy successfully overcame several challenges caused by the global economic conditions, and GDP grew 5.2%. Stepping into 2019, we believe in the resilience of Indonesia's macroeconomic conditions and the banking sector to face dynamic changes on the global stage. The realization of infrastructure projects initiated by the Government and the large contribution of domestic consumption will support better economic growth. We are optimistic that the Indonesian economy has great prospects and long-term potential.

Supported by economic growth, the Indonesian banking sector will continue to grow in 2019. The sector has a strong foundation with a healthy capital adequacy ratio of 23.0%. The non-performing loans ratio is at a tolerable 2.4%. Proactively the regulator helped maintain the liquidity conditions of the banking sector.

The banking sector certainly needs to be aware of liquidity risk and must pay attention to the risk of decreasing credit quality. The pace of credit growth was higher than the increase in third party funds in 2018, thus tightening the sector's loan to deposit ratio.

Rapid technological developments will continue to encourage banks to improve the efficiency of the banking transaction process and innovate digital products and services. The banking sector also needs to be wary of the rapid growth of fintech companies that start to disrupt the banking sector. The growth of fintech companies has also created new opportunities for collaboration with banks.

BCA Business Prospects and Strategic Priorities in 2019

Indonesian banking assets are expected to grow in line with domestic economic growth. We believe the Indonesian banking sector has great potential going forward. BCA will consistently invest in developing its transaction banking network and capabilities, exploring untapped opportunities for lending in various segments. The business development of the subsidiaries will also strengthen BCA group's performance and relationships with customers. The following are BCA's strategic steps for 2019 in the areas of payment settlement services, lending, other banking solutions and subsidiary business development.

I. Payment Settlement Services

Enhancement of payment settlement services is one of BCA's top priorities and supports solid CASA funds collection. Product and service development along with investment in multi-channel network infrastructure are directed at increasing customer experience and oriented towards improving the convenience, security and reliability of the transaction banking system.

BCA will continue to assess developing customer needs and capture opportunities to increase the number of customers in various segments. With the use of the latest technological developments, BCA continues to develop products and services and ensures that the transaction banking system's capacity and capabilities will grow over time. Mobile and internet banking services will always be improved in accordance with trends in smartphone and internet usage. Collaboration with fintech and e-commerce businesses will continue to expand the franchise and the BCA transaction banking ecosystem.

In line with the development of transaction services across various e-channels, the role of branch offices will be more focused on building relationships with customers. Investments in the expansion of the branch office network will be focused on cash offices and BCA Express, non-permanent branches equipped with digital devices. Gradually, BCA will continue to increase automation in aspects of branch services and operations. Employees at branch offices will be more equipped with the ability to interact and build relationships with customers, so they can provide better and more comprehensive banking services.

II. Prudent Lending

Solid capital, healthy liquidity and a large transaction banking customer base provide significant opportunities for BCA to increase its loan portfolio for both the business and individual segments. The Bank will continue to improve credit infrastructure, while maintaining prudence. BCA maintains a diversified loan portfolio to minimize concentration risk. BCA will also monitor movement in market interest rates and adjust credit pricing accordingly.

In 2019, it is estimated that credit for the business segment will continue growing at a faster rate than consumer credit, given the sensitivity of the consumer segment to interest rate trends. In the corporate segment, BCA prioritizes lending to leading corporations with a good track record. Providing credit to corporate debtors will support the Bank's efforts in financing throughout the business chain and create opportunities for the provision of more comprehensive banking products and services. In the commercial and SME segments, BCA will strengthen the functions of commercial business centers and SME centers to explore business opportunities and enhance the credit process. Special credit products and schemes continue to be developed to cater to loan demand.

Demand for consumer loans is also expected to grow slower than business loans in line with the higher cycle of interest rates. One of the challenges faced in efforts to increase consumer lending is the large portion of repayments settled each year. To stimulate demand for consumer loans, BCA will continue to offer attractive products and organize special events. BCA will increase mortgage-base lending activities, enhance synergy with subsidiaries in offering vehicle loans and conduct credit card promotions according to customer segmentation.

To support the lending process, BCA always equips account officers and relationship officers with knowledge of credit products, the ability to build relationships with customers and to understand

customer businesses. The use of technology will also play a role in simplifying credit processing.

III. **Comprehensive Banking Solutions and Business Development of Subsidiaries**

The developing variety of customer needs has encouraged BCA to continue providing comprehensive financial products and services, such as foreign exchange, trade finance, cash management and a range of products and services from the subsidiaries. BCA believes these efforts will strengthen retention and relationships with customers. Through its subsidiaries, BCA caters to customer needs for vehicle financing, remittance transactions, Sharia banking, securities and insurance.

In line with the Bank's commitment to grow together with its subsidiaries, BCA will continue to support the capital of subsidiaries according to their respective business developments. It is hoped that the subsidiaries will increase their contribution to the overall performance of BCA in the future.

Financial Projections in the 2019 Business Plan

BCA regularly reviews its business performance and implementation in establishing projections and formulating budget. In the 2019 business plan, BCA has set a target for credit growth of 8-10%. We aim for positive growth in all credit segments (corporate, commercial & SME, and consumer) and expect this to contribute to the Bank's overall profitability. On the funding side, BCA estimates growth of third party funds of 7-9%. In relation to profitability ratios, BCA strives to achieve ROA no lower than 3.5% and ROE of 16-18%.

BCA is committed to maintaining an adequate capital position to sustain future business growth. Therefore, the Bank will review the dividend payout ratio to maintain capital solidity and support the achievement of targets in relation to asset growth, capital expenditure and new business activities. BCA predicts the organic growth of capital will remain the cornerstone of business development in 2019.

BCA always acts with prudence to achieve the projections and work within the prepared budget. By monitoring macroeconomic factors and the banking industry in 2019, BCA will continue to adapt and, where necessary, take strategic steps to adjust business plans in line with new developments to protect the interests of stakeholders.

MARKETING

The marketing focus for banking products in 2018 was on the expansion of digital services and increasing customer experience and loyalty. BCA continuously improves the effectiveness of its marketing communications and education of its banking products and services.

In addition to conventional marketing activities, BCA also emphasizes the use of digital and social media for marketing purposes, in line with customer behavior trends and the growth of Internet and smartphone users in Indonesia. Digital and social media are effective platforms for reaching out to the wider community, especially the younger generation.

The solution and call center Halo BCA plays a role in providing information for customers who face difficulties using BCA services. Communication with Halo BCA via telephone, video call or media chat on the Bank's website, gives access to information about BCA products and services. The Bank also has information services through the company's website and official accounts on social media applications.

Below are highlights of BCA's marketing programs in 2018:

- BCA organized a number of promotional activities for individual banking products and solutions in major cities in Indonesia, including organizing the BCA Expoversary event as a part of the 61st BCA Anniversary. At the BCA Expoversary, there was a competitive vehicle financing offer available with a 3.61% fixed rate for a three-year credit period. BCA also offered low interest rate mortgages during February-March 2018 fixed at 5.61% for two years and with a cap of 6.61% for the next three years,

with the requirement of keeping the bank account balance at five times the initial installment.

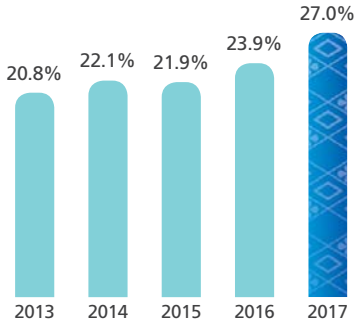
- With the increase in online shopping activities, BCA collaborated with e-commerce companies in the promotion of digital transaction services for online shopping, such as through Sakuku, KlikPay and BCA credit cards.
- In line with customer overseas travel needs, BCA organized travel fairs to strengthen the BCA credit card brand and conducted promotions for airline ticket purchases. These promotions were supported by leading airlines, including Singapore Airlines, Garuda Indonesia and Air Asia, and involved several well-known travel agents.
- BCA continued to develop the VIRA service, a Virtual Assistant that can be accessed through popular chat applications by utilizing chatbot technology. VIRA has a role in the marketing program to provide information on BCA promotions.
- In addition to marketing to external parties, BCA also increased the awareness of digital services for employees. Through a special program in 2018, the Bank sought to improve digital awareness and encourage employees to use BCA digital services.
- BCA continued to collaborate with strategic partners in other promotions and marketing to strengthen the brand awareness of BCA products and services.

DIVIDEND POLICY

BCA determines dividend payments through an approval mechanism at the Annual General Meeting of Shareholders. The Bank consistently reviews annual dividend payments to maintain the solidity of the capital position in supporting asset growth, capital expenditure and new business activities.

Regarding the latest dividend payments, based on the results of the General Meeting of Shareholders on 5 April 2018, the shareholders approved the distribution of a portion of 2017 net income as a cash dividend of Rp6.3 trillion or Rp 255 per share (paid through an interim dividend of Rp80 per share on 20 December 2017 and a final dividend of Rp175 per share paid on 30 April 2018). This is equivalent to 27.0% of 2017's net income. BCA also distributed a portion of 2018 net income in the form of interim dividends of Rp85 per share paid on 21 December, 2018.

Dividend Payout Ratio



MANAGEMENT AND/OR EMPLOYEE STOCK OPTION PLAN

During 2018, there was no program to provide stock options to the Board of Directors, Board of Commissioners or employees.

REALIZATION OF PUBLIC OFFERING FUNDS

In 2018, BCA did not make public offerings in the form of issuing new shares. Public offerings were made in the form of subordinated bonds of Rp 500 billion in 2018. Funds from the issuance of the subordinated bonds were used for lending and were realized.

MATERIAL INFORMATION ABOUT INVESTMENT, EXPANSION, DIVESTMENT AND ACQUISITION

There were no material transactions or activities related to investment, expansion, divestment, or acquisition in 2018.

BCA's corporate actions were as follows:

- BCA issued bonds for the first time in July 2018, in the form of series A Subordinated Bonds I with a seven-year tenor (7.75% coupon rate) and 12-year series B (8.0% coupon rate). As a part of continuous public offering scheme, BCA issued a total of Rp500 billion subordinated bonds in 2018. These received an idAA rating from Pefindo.

BCA attained a very adequate Tier 1 capital position, but the Bank had an obligation to issue subordinated bonds as one of the systemic banks, stipulated by the OJK. Issuance of subordinated bonds fulfilled one of the obligations in the recovery plan according to applicable regulations. The funds from the subordinated bonds were earmarked for business development, especially for lending. BCA fulfilled its obligation to pay the first coupon in October 2018.

- Previously, BCA had an investment in PT Bank Sumitomo Mitsui Indonesia with an ownership portion of 1% at Rp 41.9 billion. In connection with the planned merger of PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) with PT Bank Sumitomo Mitsui Indonesia, BCA made an additional investment of Rp255.2 billion in BTPN in October 2018 to maintain its ownership share of 1% of the merge bank.

INFORMATION ON MATERIAL TRANSACTIONS WITH CONFLICTS OF INTEREST

During 2018, there were no material transactions carried out by BCA that could be categorized as transactions with conflicts of interest.

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES

BCA conducted transactions with related parties, but they did not contain any conflicts of interest relating to business operations.

Details of material transactions with related parties (amount, type of transaction and the nature of relationships with related parties) can be seen in the audited consolidated financial statements in Note No. 47 on pages 683-688.

GROUP-WIDE FUNDING, COMMITMENTS AND OTHER FACILITIES TO SINGLE OUTSIDE DEBTORS

The combined loan facilities provided by the Bank and subsidiaries to single debtors or groups of debtors were Rp233.9 trillion or 43.5% of the Bank's total outstanding loans as of 31 December 2018. The NPL of the loan portfolio was 1.0%. The majority was joint financing from BCA and its subsidiaries engaged in car financing (BCA Finance) and Sharia banking (BCA Syariah), for the same debtor.

Combined Lending Facilities provided by the Bank and its Subsidiaries (in billion Rupiah, except number of debtors)

Collectability	Number of Debtors	Facilities at Subsidiaries				Facilities in BCA	Total Exposure
		BCA Finance	BCA Finance Limited	BCA Syariah	Central Santosa Finance		
Current	612,219	3,180	176	2,161	238	221,548	227,303
Special Mention	62,952	153	-	251	46	3,670	4,120
Substandard	3,525	7	-	-	3	874	884
Doubtful	3,658	1	-	-	4	920	925
Loss	5,879	24	-	-	3	599	626
Total	**688,233**	**3,365**	**176**	**2,412**	**294**	**227,611**	**233,858**

IMPACT OF CHANGES IN LAWS AND REGULATIONS

In 2018 there were new regulations issued that influenced the business activities of the Bank and its subsidiaries. The following are some of these rules:

- Bank Indonesia Regulation No. 20/3/PBI/2018 dated 29 March 2018 regulates the minimum reserves requirements, which is set in line with banking liquidity conditions. Rupiah primary reserves remain at 6.5% with the average reserve requirement increasing to 2%. Bank Indonesia also imposes average reserves requirements in foreign currency at 2% of the total minimum reserve requirement in foreign currency at 8%. The provision also stipulates that there is no more current account service (return) provided by Bank Indonesia, which previously was set at 2.5% per year. Through the Members of the Board of Governors Regulations No. 20/30/PADG/2018 dated 30 November 2018, Bank Indonesia continues

to maintain rupiah primary reserves of 6.5% with the average reserve requirement increasing to 3%. Referring to this policy, BCA made necessary adjustments to fulfill minimum reserves requirements in rupiah and foreign currencies.

- Under Bank Indonesia Regulation No. 20/4/PBI/2018 dated March 29, 2018, Bank Indonesia introduced macroprudential policy instruments in the form of the Macroprudential Intermediation Ratio (RIM), which is an improvement from the Loan to Funding Ratio (LFR) by taking into account the components of securities held by the bank. Bank Indonesia also introduced a macroprudential liquidity buffer (PLM), which is an improvement of the secondary reserve, where the obligation to fulfill the PLM in the form of securities can be used in repo transactions with Bank Indonesia to a maximum of 2% of rupiah third party funds. Referring to the Bank Indonesia regulations, BCA adjusted its internal policies, fulfilled the PLM provisions, and maintained the RIM level according to the limits set by BI.
- Referring to Bank Indonesia Regulation No. 20/6/PBI/2018 dated 3 May 2018, electronic money providers can increase the electronic money limit (unregistered) to a maximum of Rp2,000,000. In accordance with these provisions, BCA increased its electronic money limit, which in turn increased the value of electronic money transactions.
- Through Bank Indonesia Regulation No. 20/8/PBI/2018 dated 30 July 2018, Bank Indonesia relaxed the loan to value (LTV) requirement and made adjustments on maximum amount, stages and disbursement mechanics of mortgages for property under construction (indent properties).

BCA's management considers these latest regulations to have a positive impact on the national banking sector. BCA has implemented these laws and regulations within its business activities.

CHANGES IN ACCOUNTING POLICIES

The Financial Accounting Standard Board of Indonesian Institute of Accountants (DSAK-IAI) issued the following relevant new standards, amendments and interpretations which were effective on or after 1 January 2018 as follows:

- SFAS 69 Agriculture
- SFAS 111 Accounting Wa'd
- Amendment to SFAS 2 Statements of Cash Flows about Disclosure Initiative
- Amendment to SFAS 13 Investment Property about Transfers of Investment Property
- Amendment to SFAS 16 Property, Plant and Equipment
- Amendment to SFAS 46 Income Tax about Deferred Tax Assets Recognition for Unrealized Loss
- Amendment to SFAS 53 Share-Based Payments about Classification and Measurement of Share-based Payment Transactions
- Annual Improvements to SFAS 15 Investments in Associates and Joint Ventures
- Annual Improvements to SFAS 67 Disclosures of Interests in Other Entities

The implementation of the above new/revised standards had no material effect on the consolidated financial statements for the current or prior financial years.

PRIME LENDING RATE

In connection with Financial Services Regulation No. 32/POJK.03/2016 concerning Transparency and Publication of Bank Reports, BCA implemented transparency of its prime lending rate to the public through website publications, newspapers and annual reports. This enhances corporate governance and encourages healthy competition in the banking industry.

The prime lending rate calculation is based on three components: the cost of loanable funds; overhead costs incurred by the Bank in the lending process; and the profit margin determined for lending activities.

Detailed information on changes to the prime lending rate are available at branches, and can be accessed on BCA's website at www.bca.co.id and through national daily newspapers. BCA's quarterly prime lending rates in 2018 were as follows.

Quarterly Prime Lending Rate (effective % p.a)

End of Period	Prime Lending Rate Based on Loan Segment			
	Corporate Loan	Retail Loan	Consumer Loan	
			Mortgage	Non Mortgage
Quarter IV - 2017	9.75	9.90	9.90	6.50
Quarter I - 2018	9.75	9.90	9.90	6.68
Quarter II - 2018	9.75	9.90	9.90	7.47
Quarter III - 2018	9.75	9.90	9.90	8.33
Quarter IV - 2018	9.75	9.90	9.90	8.33

Note:
a. Prime Lending Rate is used as the basis for determining lending rates to be charged to the Bank's customers. The Prime Lending Rate does not include the estimated individual credit risk premium which depends on the Bank's risk assessment on each debtor or group of debtors. Therefore, the lending rate for each debtor might be different from the Prime Lending Rate.
b. Non-mortgage consumer loans do not include credit card and uncollateralized credit loans.
c. Non-mortgage consumer loans Prime Lending Rate is the Prime Lending Rate for vehicle loans provided to customers through a joint financing program with PT BCA Finance.
d. The Prime Lending Rate for mortgages is the variable rate (floating rate).

BUSINESS CONTINUITY

BCA continues to implement strategic policies in accordance with economic development and the banking sector. A strong capital position, healthy liquidity and good loan quality are the Bank's main priorities in maintaining solid financial performance.

In maintaining continuity of business activities, the Bank maintains the trust of its customers by continuing to provide comprehensive financial solutions. Through investments in information technology, BCA ensures the reliability of its system, adequate capacity and capability to facilitate customer transactions.

Periodically, BCA reviews and updates hardware, network core systems, software and operating systems. BCA also manages network infrastructure that operates in real-time and is supported by a redundant system. To maintain the continuity of its business operations, BCA operates two data centers in Jakarta that operate on a mirroring principle and manages a disaster recovery center that is fully integrated with the two data centers.

BCA has a business continuity plan that is designed to ensure the continuity of the Bank's business even in the event of a significant disturbance. The plan takes into account the possibility of natural disasters, such as large-scale earthquakes.

Human resources are an important asset in managing the business and operations of the Bank. BCA continuously improves the competence of its employees and ensures adequate human resources. The focus of human resource development is to support innovation in digital banking services and strengthen relationships with customers. The process of regeneration and succession of leadership is managed prudently to ensure the sustainability of the organization in the future.

INNOVATION
Award

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Corporate Governance

> "PT Bank Central Asia Tbk consistently strives to realize the implementation of Good Corporate Governance principles."

Good corporate governance is one of the supporting pillars for the Company's growth and sustainability. PT Bank Central Asia Tbk ("Company") consistently strives to realize the implementation of good corporate governance principles in accordance with applicable regulations to provide added value for the Company and for all stakeholders.

INTRODUCTION

1. Implementation of Corporate Governance Objectives

The Company continuously strives to apply the principles of good corporate governance and constantly adjust to the latest provisions. The implementation of good corporate governance principles in the Company has been intended to:

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

2. References

The hierarchy of the Company's governance policies are as follows:

- Regulatory;
- Internal;
- Best Practice.

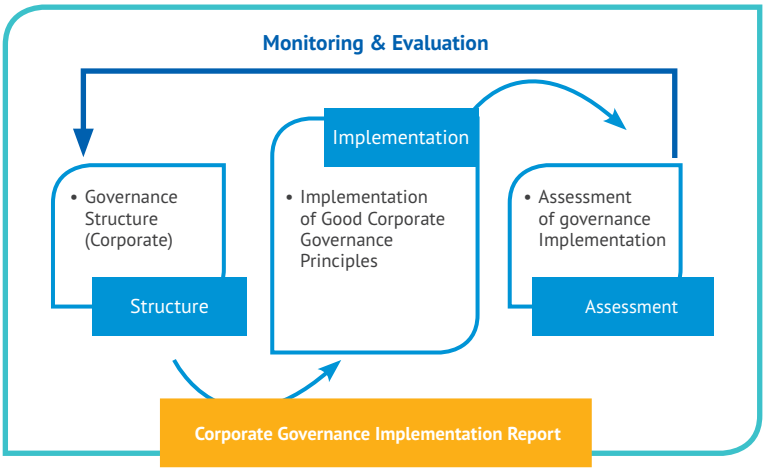
The drafting of the Company's Good Corporate Governance policies has been done based on the following:

- Law No. 8 Year 1995 on the Capital Markets.
- Law No. 40 Year 2007 on the Limited Liability Company.
- Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates.
- Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers of Public Companies.
- Financial Services Authority Regulation No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.
- Financial Services Authority Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.
- Financial Services Authority Regulation No. 21/POJK.04/2015 on Implementing Corporate Governance Guidelines of Public Companies.
- Financial Services Authority Regulation No. 45/POJK.03/2015 on the Application of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
- Financial Services Authority Regulation No. 55/POJK.04/2015 on the Establishment and Implementation Guidelines of the Audit Committee.
- Financial Services Authority Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Preparation of Charter of Internal Audit Unit.
- Financial Services Authority Regulation No. 5/POJK.03/2016 on Bank Business Plan.
- Financial Services Authority Regulation No. 29/POJK.04/2016 on the Annual Report of Issuers or Public Companies.
- Financial Services Authority Circular Letter No.32/SEOJK.04/2016 on Amendment Financial Services Authority Regulation No. 6/POJK.03/2015 on Transparent and Publication Bank Report.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on the implementation Good Corporate Governance for Commercial Banks.
- Financial Services Authority Regulation No. 10/POJK.04/2017 on Amendment to the Rules of the Financial Services Authority No.32/POJK.04/2014 on the Plan and Implementation of the Public Companies' General Meetings of Shareholders.
- Financial Services Authority Regulation No. 11/POJK.04/2017 on Ownership Report or Any Changes in the Share Ownership of Public Companies.
- Financial Services Authority Circular Letter No.14/SEOJK.03/2015 on Integrated Risk Management Implementation for Financial Conglomerates.

- Financial Services Authority Circular Letter No.15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Circular Letter No.32/SEOJK.04/2015 on the Guidelines for Corporate Governance.
- Financial Services Authority Circular Letter No.30/SEOJK.04/2016 on Form and Content of Annual Report of Issuer or Company.
- Financial Services Authority Circular Letter No.25/SEOJK.03/2016 on Business Plan of Commercial Banks.
- Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 on the implementation of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.
- Financial Services Authority Circular Letter No. 43/ SEOJK.03/2016 on Transparency and Publication of Commercial Bank Reports.
- Financial Services Authority Circular Letter No.13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.
- The Company's Articles of Association.
- Roadmap of Indonesian Corporate Governance Guidelines issued by the Financial Services Authority (FSA).

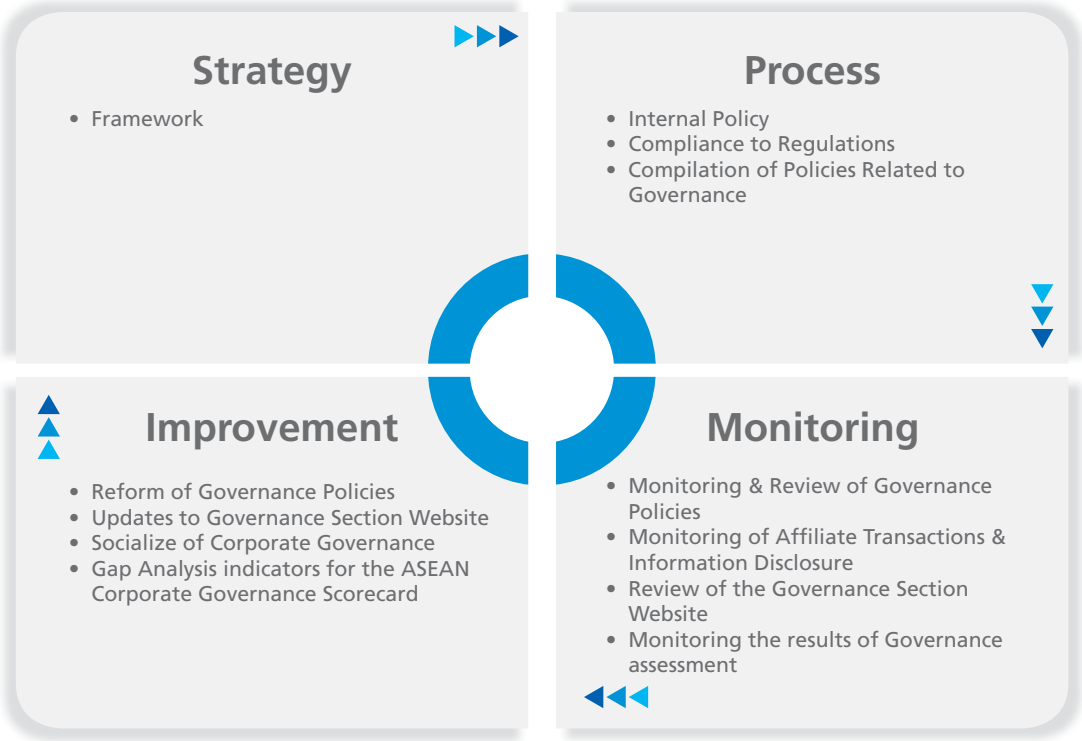
Aside from referring to the above provisions, the Company also referred to the Good Corporate Governance Implementation Guidelines namely ASEAN Corporate Governance Scorecard (ACGS).

3. Good Corporate Governance Framework and Action Plan



Company's Good Corporate Governance Framework

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



The Company's Good Corporate Governance Action Plan for 2018

Remarks:
The realization of Good Corporate Governance Action Plan in 2018 are as follows:
1. The Company's governance strategy is prepared based on governance framework.
2. In implementing the governance strategy carried out by the Company through a process. The process in question is the activities of the Company to implement the principles of governance, among others :
   - Compliance with external provisions;
   - Compliance with internal policies;
   - Compilation of policies related to governance.

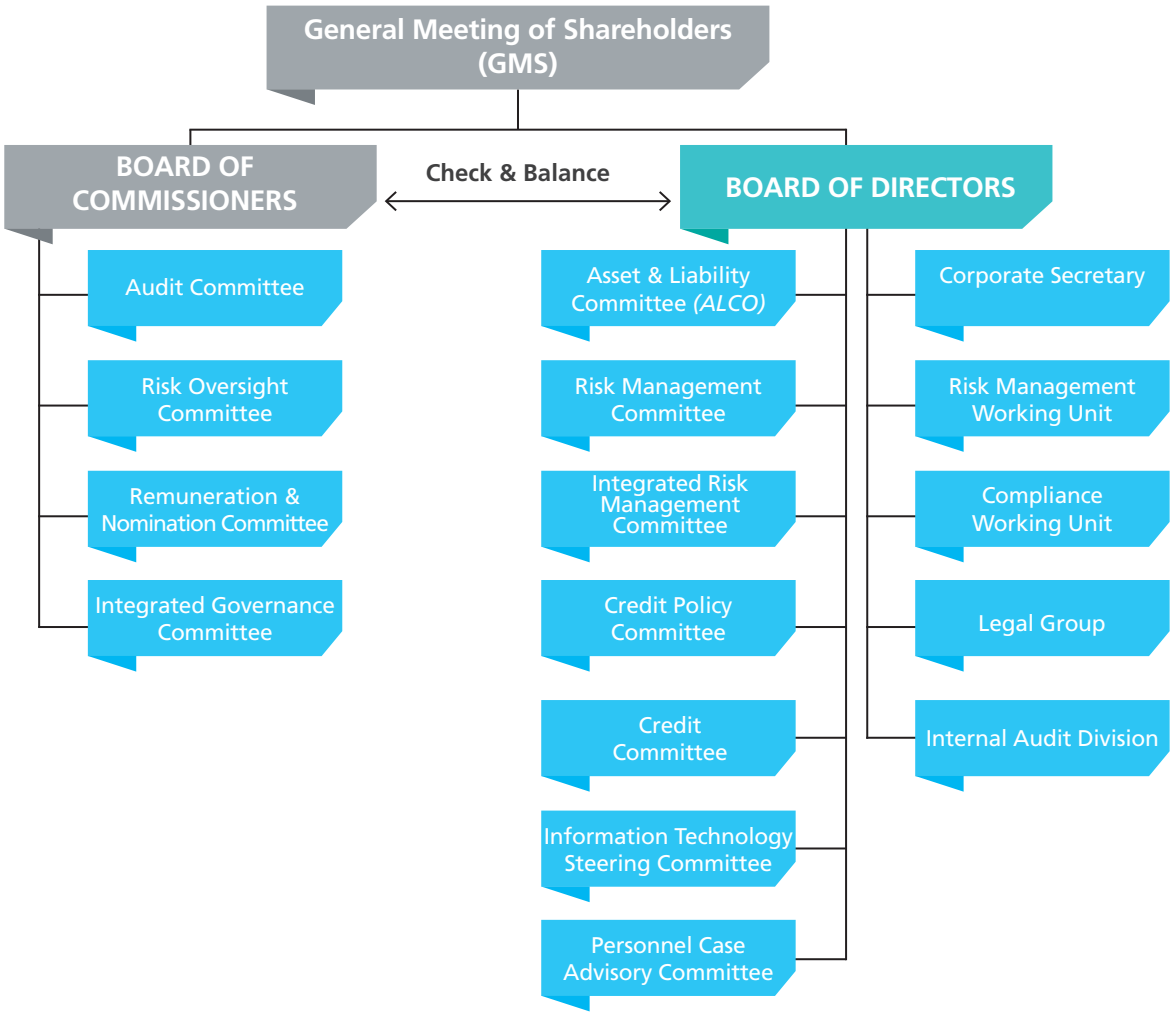
3) After implementing a process, monitoring the effectiveness of governance practices needs to be carried out so that the application of principles of governance in the Company is better and in accordance with the latest provisions. Monitoring carried out in 2018, among others :
   - Monitoring & Review of Governance Policies;
   - Monitoring of Affiliate Transactions & Information Disclosure;
   - Review of the Governance Section Website;
   - Monitoring the results of the Governance assessment.

4) Improvement is a follow-up of monitoring results aimed at providing added value, perfection and/or correction in implementing the governance principles in the Company. Improvement that has been done during 2018 include:
   - Revision of Governance Policy, specifically in relation to Insider Trading and Dividend Distribution.
   - Updating the Governance Section on the Website, which aims to facilitate the provision of information on governance for stakeholders and the community.
   - Conduct socialization of Governance (sharing & articles), in the form of updating articles related to governance on the Company's internal portal as well as socialization that addresses issues surrounding good corporate governance such as socialization of values, principles and implementation of governance, antifraud awareness, affiliate transactions and conflict of interests.
   - Gap analysis indicators for ASEAN Corporate Governance Scorecard.

A. Corporate Governance Structure

The Company's corporate governance structure is a governance organization scheme consist of General Meeting of Shareholders (GMS) as the highest organ down to supporting work/business units of governance in the Company. Each work/business unit has clear duties and responsibilities, this reflects the implementation of check and balance principles as well as the implementation of the Company's internal control system.

The Company's Corporate Governance Structure



The Company's Corporate governance structure consists of:

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

B. Implementation

The realization of the Company's solid commitment to implement good corporate governance among others through the following:

1. Existing Internal Policies Regarding Good Corporate Governance

Internal policies related to good corporate governance are means to fulfill compliance of regulations, to support the good corporate governance's infrastructure, and as one of the means of good corporate governance implementation. Several policies related to good corporate governance in the Company are among others, as follows:

a. Articles of Association.
b. Codes of Conduct.

c. Corporate Governance Guidelines based on the Decision Letter of the Board of Directors No. 168/SK/DIR/2018 dated October 24, 2018 on Adjustment of the Corporate Governance Guidelines.
d. The Board of Commissioners Charter and the Board of Directors Charter which are integral to the Corporate Governance Guidelines.
e. Integrated Governance Guidelines based on the Decision Letter of the Board of Directors No. 160A/SK/DIR/2017 dated November 21, 2017 on Revised Integrated Governance Guidelines.
f. Assessment Policy for the Board of Commissioners and Directors based on the Decision Letter of the Board of Directors No.215/SK/DIR/2018 December 31, 2018 on the Board of Directors and Commissioners Self-Assessment Policy.
g. Guidelines for Transactions and Conflict of Interest based on Board of Directors Decision Letter No. 079/SK/DIR/2017 dated Juni 21, 2017 on Affiliate Transactions and Transactions Containing Conflicts of Interest.
h. Conflicts of Interest Policy based on the Decision Letter of the Board of Directors No. 219/SK/DIR/2003 on Provisions concerning Conflicts of Interest.
i. Anti-Fraud Guidelines based on the Decision Letter of the Board of Directors No. 064/SE/POL/2015 dated April 7, 2015 on Anti-Fraud Strategy Implementation Guidelines.
j. Integrated Compliance Guidelines based on the Decision Letter of the Board of Directors No. 037/SK/DIR/2017 dated March 27, 2017 on Integrated Compliance Risks Management Policy.
k. Internal Control Guidelines based on Board of Directors Decision Letter No. 183/SK/DIR/2017 dated December 13, 2017 on Internal Control System Standard Guidelines (PSSPI) of PT Bank Central Asia, Tbk.
l. Internal Audit Charter based on Board of Directors Decision Letter No.065/SK/DIR/2018 dated April 26, 2018.
m. Audit Committee Charter based on Board of Commissioners Decision Letter No.160/SK/KOM/2018 dated August 24, 2018.
n. Risk Oversight Committee Charter based on Board of Commissioners Decision Letter No. 188/SK/KOM/2017 dated July 12, 2017.
o. Policies related Remuneration and Nomination Committee based on Board of Commissioners Decision Letter No.035/SK/KOM/2017 dated February 24, 2017 on Structure of Remuneration and Nomination Committee.
p. Anti-Money Laundering Policy based on Board of Directors Decision Letter No. 065/SK/DIR/2015 dated May 15, 2015.
q. The Company's Whistleblowing System Implementation Policy based on Board of Directors Decision Letter No. 146/SK/DIR/2017 dated November 1, 2017.
r. Guidelines on Anti-Money Laundering and Prevention of Counter-Terrorism Financing based on Board of Directors Decision Letter No. 143/SK/DIR/2018 dated September 20, 2018.
s. Policy related to Procurement Procedure of Goods and/or Services based on:
   - The Board of Directors Decision Letter No. 130/SK/DIR/2017 dated October 10, 2017 on Procurement of Logistics and Building Goods and/or Services Provisions;
   - The Board of Directors Decision Letter No. 089/SK/DIR/2018 dated June 6, 2018 on Procurement of Goods and/or Services Related to Information Technology (IT) Provisions.
t. Insider Trading Policy contained in the Company's Corporate Governance Guidelines.

Governance Guidelines

The Company has a governance policy in the form of governance guidelines that have been updated and ratified through Board of Directors Decision Letter No. 168/SK/DIR/2018 dated October 24, 2018 on Adjustment of Corporate Governance Guidelines. The referred guidelines regulate among others about:

- Good Corporate Governance Principles.
- General Meeting of Shareholders (GMS) and its execution.
- Board of Commissioners and its guidelines & rules.
- Supporting Committees for the Board of Commissioners and its guidelines & rules.
- Board of Directors and its guidelines & rules.
- Information and Communication Functions.
- Information Disclosure.
- Insider Trading.
- Dividend Distribution.
- Self-Assessment Report on Implementation of Governance and Integrated Governance.
- Annual Report on the Implementation of Corporate Governance and Integrated Governance.
- Principles of the Company's governance guidelines can be downloaded on the Company's website in the Governance section (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola).

Insider Trading Transaction Policy

Insider Trading Transaction Policy is regulated in the Corporate Governance Guidelines. Insider transaction policies regulate, among others, the legal basis of policies, prohibitions, exceptions and compliance with insider transaction policies. In relation to insider transactions, Company Persons must comply with prevailing capital market regulations and uphold the values of the Company's Code of Ethics, such as safeguarding personal interests as a banking entity or customer, not abusing their position and authority for personal gain or his family and did not commit a disgraceful act that could harm his professional image and the image of the Company in general. Principles of insider trading policies can be downloaded on the Company's website in the Governance Policy section (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola).

Dividend Policy

Dividend policy is regulated in the Corporate Governance Guidelines. Dividend policy regulates the legal basis of policy, consideration of dividend distribution, dividend distribution proposals, and GMS decisions related to dividends. Announcements (publications), schedules and procedures of dividend distribution refers to the applicable rules and/or regulations, including the provisions of Bank Indonesia, the Financial Services Authority (FSA), the Indonesia Stock Exchange (BEI), taxation and the Company's Articles of Association. The main points of dividend policy can be downloaded on the Company's website in the Governance Policy section (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola). Throughout 2018, the realization of dividend payments has been carried out in accordance with applicable regulations.

Conflicts of Interest Policy

The Company has a Conflicts of Interest Policy based on Board of Directors Decision Letter No. 219/SK/DIR/2003 on Provisions Concerning Conflicts of Interest. In implementing the governance practices in increasing public trust, a policy that regulates conflicts of interest is needed which is intended to provide guidance for bank ranks as individuals who always prioritize values in dealing with customers, partners and fellow workers.

Emergency Management Policy

The Emergency Management Policy is regulated in the Company's Integrated Financial Conglomerate Business Continuity Policy based on Board of Directors Decision Letter No. 180/SK/DIR/2017 dated December 11, 2017. The Integrated Business Continuity of the Company's Financial Conglomerate is the application of Business Continuity to ensure the continuity of the Company's business and Members of the Company's Financial Conglomerate in the event of a disruption. Matters regulated in the said policy include the business continuity plan policy, the protocol

from the Company to the members of the Company's Financial Conglomerates and vice versa as well as the priority order of Recovery.

Information Technology Governance Policy

Along with the rapid development of banking technology, the Company requires a Guide to Information Technology Governance. The Company's Information Technology Governance Guidelines include several policies including guidelines related to information technology risk, management of information technology changes, management of information technology problems, information technology quality control, information technology capacity management, information technology communication network management and data centre physical security. The measurement of the maturity level of information technology has also been carried out by the Company.

Procurement Policy

In implementing and supporting banking business activities, the Company often requires procurement in the form of goods and services. For this reason, a procurement guideline is needed so that the Company gets the quality of goods and/or services as expected consistently based on the applicable provisions and principles of good governance. The procurement policy in the Company basically includes goods procurement and/or logistics services and buildings as well as information technology related procurement. The updated procurement policy of the Company is stated in the Board of Directors Decision Letter No. 130/SK/DIR/2017 dated October 10, 2017 dan No. 018/SK/DIR/2018 dated February 1, 2018. Policies for the procurement of logistics goods and/or services and buildings, among others include procurement requirements and authorities, centralized and decentralized procurement systems, types of goods and/or services, handling procurement problems, grouping activities, supporting documents, procurement processes/flows including vendor selection. Procurement policies related to information technology include procurement coverage, trial activities and end user computing, procurement recommendations and approvals, authority for procurement recommendations & approvals, multi-principal/multivendor/multibrand implementation, and procurement guidelines. The procurement policy principles can be downloaded on the Company's website in the Governance Policy section. Regarding vendor procurement, Company Persons are subject to the Code of Ethics Related to Vendors which can be seen on page 475 Section of the Code of Ethics for this Annual Report. Throughout 2018, the Company has carried out the procurement and/or appointment process of suppliers/contractors in accordance to the Company's internal policies related to Procurement of Goods/Services/Information Technology and other stipulated provisions.

Communication Policy

The Company realizes the importance of communication policies that regulate communication between the Company and its stakeholders. The Company has a Communication and Information Disclosure Policy as outlined in the Governance Guidelines. The Company's communication and disclosure policy settings include arrangements relating to the Corporate Secretary, Reporting and Disclosure, Investor Relations, Communication Media, Information Access, Disclosure Levels Determination, Transparency Aspects of the Company's Conditions, and Information or Material Facts Disclosure. The Company consistently provides easy access for stakeholders and wider community to communicate and to get disclosed information and data of the Company. The communication policy points can be downloaded on the Company's website in the Governance Policy section.

Affiliate Transaction and Conflicts of Interest Policy

Can be viewed on page 453 Affiliate Transaction Section of this Annual Report.

Loan Policy for Board of Directors and Commissioners

Can be viewed on page 479 Provision of Funds for Related Parties Section of this Annual Report.

2. **Fulfillment of Good Corporate Governance Principles**

The good corporate governance principles contained in Indonesia regulations served as the guidelines for implementing good corporate governance practices in the Company. Based on this view, the Company committed to consistently improve good corporate governance principles implementation in accordance with prevailing laws and regulations and the development of best practices in corporate governance and the ASEAN Corporate Governance Scorecard.

a. Basic Principles of Good Corporate Governance

Based on the Financial Services Authority Regulation No. 55/POJK.03/2016 on Governance Implementation for Commercial Banks and Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Governance Implementation for Commercial Banks, the implementation of governance in the banking industry must always be based on 5 (five) basic principles which are: Transparency, Accountability, Responsibility, Independence, and Fairness.

Fulfillment of Good Corporate Governance Principles

Transparency	• The company discloses information in a timely, clear, and easily accessible manner to stakeholders. • The company discloses important information in accordance to the procedures set forth in the capital markets regulations and/or other related laws. • The disclosure principles adopted by the Company does not reduce the Company's obligation to fulfill the provisions on bank and job confidentiality.
Accountability	• Members of the Board of Directors and Commissioners have clear duties and responsibilities. • The Board of Directors and Commissioners take account for their performance at the Annual General Meeting of Shareholders of the Company. • The Company establishes clear responsibilities for each unit of the organization that should be in line with the Company's vision, mission, business objectives and strategies. This can be seen in the Company's Organizational Structure, where each unit of the organization acts in accordance with its responsibilities.
Responsibility	• The company always adheres to prudential banking principles in conducting its business activities. • The company also acts as a good corporate citizen.
Independency	• The company acts professionally, free from pressure/intervention from any parties, and is objective in every decision making. • The company avoids conflict of interests all the time.
Fairness	• The company pays consistent attention to the interests of all stakeholders based on the principle of equality and equal treatment. • The company provides opportunities to all shareholders to express their opinions at the General Meeting of Shareholders. • All stakeholders have access to information in accordance with the principle of transparency.

b. Implementation of Transparent Corporate Governance Guidelines (Recommendation from Financial Services Authority Circular Letter No. 32/SEOJK.04/2015).

In accordance with Article 3 of Financial Services Authority Regulation No. 21/POJK.04/2015 on the Implementation of Transparent Corporate Governance Guidelines, which basically states that a Public Company must disclose information on the application of recommendations as referred to the Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 on Transparent Corporate Governance Guidelines, so the implementation are as follows:

Fulfillment of the Financial Services Authority Circular Letter OJK No.32/SEOJK.04/2015

No	Recommendations	Descriptions
A	PUBLIC COMPANY RELATIONSHIP WITH SHAREHOLDERS IN GUARANTEEING SHAREHOLDER RIGHTS	
	1st Fundamental **Increase the Value of General Meetings of Shareholders (GMS).**	
1.1	Public Company has a method of voting, both open and closed voting systems to uphold independence, and the interests of shareholders.	Implementation : **Comply** The voting procedures of the Company's General Meeting of Shareholders (GMS) shall be governed in the GMS Rules of Order (announce in the beginning of GMS event) and in the Articles of Association to foster the independence and interest of shareholders. To ensure transparency, shareholders and the public can also download the Company's GMS rules on the Company website https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Aksi-Korporasi in GMS Rules of Order section. In the Company's Annual General Meeting and Extraordinary General Meeting of Shareholders held on April 5, 2018, voting ordinance for every agenda of the GMS was conducted in an open manner in accordance with the instruction and guidelines given by the GMS Chairman. Shareholders or authorized proxy for a shareholder who disagrees or abstains on the proposed agenda may raise a hand to submit ballot paper to the Securities Administration Agency and to be verified by Notary in accordance with Company's GMS Rules of Order. More info on page 309.
1.2	All members of the Board of Directors and Commissioners of the Public Company must be present at the Annual GMS.	Implementation : **Comply** The attendance of all members of the Board of Directors and Commissioners during the Annual GMS and Extraordinary GMS on April 5, 2018 were as follows: 5 (five) members of the Board of Commissioners = 100% 11 (eleven) members of the Board of Directors = 100% More info on page 306.
1.3	Summary of minutes of the GMS is available to Public on the Company Website for at least 1 (one) year.	Implementation : **Comply** The company has published a summary of the minutes of the GMS on the company's website and has been available for fore than 1 (one) year. The summary of minutes of the Annual General Meeting and Extraordinary General Meeting of Shareholders 2018 as well as the summary of minutes of the past five GMS before 2018, can be downloaded from the Company's website: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Aksi-Korporasi. More info on page 304.
	2nd Fundamental **Improving The Quality of Public Company Communications with Shareholders and Inventors.**	
2.1	The Public Company has a communication policy with shareholders or investors.	Implementation : **Comply** The Company has a communication policy with shareholders set out in the Corporate Governance Manual of Part I Chapter of the Communication Function. The Company has an Investor Relations working unit that has the duty and responsibility of managing and coordinating the communication process with shareholders communities or other capital market communities. The forms of communication managed include organizing analyst meeting to present the company's performance, attending conference events and non-deal road shows, receiving visits also conference calls from investors and delivering information through the company's website at investor relations section. More info on page 291.
2.2	The Public Company disclosed the Company's communication policy with shareholders or investors on the Website	Implementation : **Comply** The Company has disclosed its communication policy with Shareholders in the Company's website that can be viewed at: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola More info on page 291.

No	Recommendations	Descriptions
B	FUNCTION AND ROLE OF THE BOARD OF COMMISSIONERS	
	3rd Fundamental **Strengthen the Membership and Composition of The Board of Commissioners.**	
3.1	The members of the Board of Commissioners is determined by considering the state of the Public Company.	Implementation : **Comply** The number of members of the Company's Board of Commissioners as of December 31, 2018 is 5 (five), of whom 3 (three) are Independent Commissioners. For the determination of the number of members of the Board of Commissioners, the Company's Remuneration and Nomination Committee is tasked to provide recommendations to the Board of Commissioners regarding the composition of the positions of members of the Board of Commissioners. Such recommendations also given with consideration to the applicable rules/regulations as well as the condition, capacity, objectives and the fulfillment of the Company's needs. More info on page 326 - 328.
3.2	The determination of the composition of the members of the Board of Commissioners takes into account the diversity of skills, knowledge, and experience required.	Implementation : **Comply** The Remuneration and Nomination Committee of the Company has duties, among others, to prepare and make recommendations to the Board of Commissioners regarding: • Systems and procedures for the election and/or replacement of members of the Boards of Directors and Commissioners; • The composition and positions of members of the Boards of Directors and Commissioners; • Policies and criteria required in the nomination process; • Performance evaluation policy for members of the Boards of Directors and Commissioners; The diversity policy in the composition of the Board of Commissioners is written on the Work Manuals and Code of Conducts of the Board of Commissioners Section 3 about Criteria and Composition of the Board of Commissioners. The composition of the Board of Commissioners has reflected diversity of its members, in terms of education (field of study) work experiences, age, and expertise regardless of gender, ethnicity, religion and race. The diversity of each member of the Board of Commissioners who are highly competence, supports the improvement of the Company's performance. More info on page 327.
	4th Fundamental **Improve Implementation Quality of Duties and Responsibilities of the Board of Commissioners.**	
4.1	The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners	Implementation : **Comply** The Company has its own assessment policy for the Board of Commissioners as stated in the Corporate Governance Manuals. The self-assessment policy of the Board of Commissioners is the guidelines used as a form of accountability in assessing the performance of the Board of Commissioners. Evaluation on the Board of Commissioners' self-assessment results was done based on the recommendation from the Nomination and Remuneration Committee. More info on page 369.
4.2	Self-assessment policy to assess the performance of the Board of Commissioners is disclosed through the Annual Report of the Public Company.	Implementation : **Comply** The Company has disclosed its own performance assessment policy of the Board of Commissioners through this Annual Report of the Company. More info on page 369.
4.3	The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners should any member be involved in financial crime.	Implementation: **Comply** Policies relating to the resignation of members of the Board of Commissioners from its position should any member be involved in financial crime are contained in the Code of Conduct of the Board of Commissioners of the Company. Article 14 of the Company's Articles of Association has provided for the resignation of members of the Board of Commissioners.

No	Recommendations	Descriptions
4.4	The Board of Commissioners or the Committee performing the Nomination and Remuneration functions shall establish a succession policy in the Nomination of the members of the Board of Directors	Implementation : **Comply** The Remuneration and Nomination Committee of the Company is in charge of formulating the Board of Directors' succession policy. Implementation of the succession policy of the Board of Directors includes the provision of recommendations regarding the system, procedures and candidates for the Board of Directors for the selection and/or replacement of members of the Board of Directors to the Board of Commissioners to be submitted to the GMS. More info on page 391.
C	**FUNCTION AND ROLES OF THE BOARD OF DIRECTORS**	
	5th Fundamental **Strengthen the Membership and Composition of the Board of Directors.**	
5.1	Determination of the number of members of the Board of Directors is based on the consideration on the Public Company's conditions and the effectiveness of decision making.	Implementation : **Comply** The members of the Company's Board of Directors as of December 31, 2018 is 12 (twelve). For the determination of the number of members of the Board of Directors, the Remuneration and Nomination Committee is tasked to provide recommendations to the Board of Directors regarding the composition of the members of the Board of Directors. The Company has also considered the condition, capacity, objectives, and the fulfillment of the Company's needs. More info on page 341 - 343.
5.2	The determination of the composition of the members of the Board of Directors takes into account the diversity of skills, knowledge, and experience required.	Implementation : **Comply** The Company's Remuneration and Nomination Committee has duties to prepare and make recommendations to the Board of Commissioners regarding: • Systems and procedures for the election and/or replacement of members of the Boards of Directors and Commissioners; • The composition of the positions of members of the Boards of Directors and Commissioners; • The policies and criteria required in the nomination; • Performance evaluation policy for members of the Boards of Directors and Commissioners; thus the determination of the composition of the members of the Board of Commissioners has taken into account to the diversity of skills, knowledge and experience required. More info on page 342.
5.3	Members of the Board of Directors overseeing the accounting or finance division have expertise and/or knowledge in accounting.	Implementation : **Comply** Members of the Board of Directors overseeing the accounting and finance division have experience in finance and accounting. More info on page 65 (Vera Eve Lim profile).
	6th Fundamental **Improving Implementation Quality of Duties and Responsibilities of Board of Directors.**	
6.1	The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.	Implementation : **Comply** The Company has its own self-assessment policy for the Board of Directors as stated in the Corporate Governance Manuals. This self-assessment done in adherence to the Bank's Business Plans approved by the Board of Commissioners. The Board of Directors' self-assessment results (included President Director) was evaluated by the Board of Commissioners in a meeting based on the recommendations from Remuneration and Nomination Committee. More info on page 370.

No	Recommendations	Descriptions
6.2	The self assessment policy to assess the performance of the Board of Directors is disclosed through the Public Company's annual report.	Implementation : **Comply** The performance assessment of the Board of Directors has been disclosed in this Public Company's Annual Report. More info on page 370.
6.3	The Board of Directors has a policy related to the resignation of members of the Board of Directors should any member be involved in a financial crime.	Implementation : **Comply** Policies relating to the resignation of members of the Board of Directors from its position should any member be involved in financial crime are contained in the Code of Conduct of the Board of Directors of the Company and Article 11 of the Company's Articles of Association has covered the regulations in relation to the resignation of members of the Board of Directors.
D	**PARTICIPATION OF STAKEHOLDERS**	
	7th Fundamental **Improving Corporate Governance through Stakeholder Participation.**	
7.1	The Public Company has a policy to prevent the occurrence of insider trading.	Implementation : **Comply** The Company's Insider Trading Policy has been included in the Corporate Governance Manuals of the company. The policy principals of insider trading can be found at the company's website in the governance-related policies section: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola More info on page 290.
7.2	The Public Company has anticorruption and anti-fraud policies.	Implementation : **Comply** The Company has anti-corruption policies set forth in the Company's Code of Ethics and anti-fraud policies set forth in the Anti-Fraud Strategy Stipulation. More info on page 446.
7.3	The Public Company has a policy on the selection and upgrading of suppliers or vendors.	Implementation : **Comply** The Company has policies set forth for procurement of goods and services related to logistics, buildings and information technology as outlined in the Decision Letters of the Board of Directors No. 130/SK/DIR/2017 dated October 10, 2017 and No. 089/SK/DIR/2018 dated June 6, 2018. The policy regulates the value of procurement transactions and the selection method used (tender, direct selection/price comparison, direct appointment, repeat order, payment system, etc.) so that the procurement process in the Company is fair and transparent. More info on page 291 & 475.
7.4	The Public Company has a policy for the fulfillment of creditor rights.	Implementation : **Comply** The Company has a policy of fulfilling creditor's rights with reference to the relevant provisions that regulate: - Rights to obtain clear information. - Rights to deliver suggestion/inputs, complains/reports and obtain the solutions. - Rights to claim creditor rights in accordance with the signed agreement. - Rights to access Audited Financial Report and Annual Report of the Company. - Rights to obtain information and ease of access for announcements, invitations, and results of Annual General Meeting of Shareholders as stated in the established procedures in relation to the GMS.

No	Recommendations	Descriptions
7.5	The Public Company has a whistleblowing system policy.	Implementation : **Comply** The Company has established a Whistleblowing System Policy set forth in the Decision Letter of the Board of Directors No.146/SK/DIR/2017 dated November 1, 2017 on the Implementation of Whistleblowing System in BCA. The principals of this whistleblowing system has been disclosed at the Company's website in the governance-related policies: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola More info on page 449.
7.6	The Public Company has a policy of providing long-term incentives to Directors and employees.	Implementation : **Comply** The incentive policy for the Board of Directors has been disclosed in this Annual Report. The incentive policy for the employees has been disclosed in the Joint Employment Agreement and Decision Letter No.063/SK/Dir/2014 on Principal Policies of Performance Assessment, Position/Rank and Payroll.
E	**INFORMATION DISCLOSURE**	
	8th Fundamental **Improve the Implementation of Information Disclosure.**	
8.1	The Public Company uses information technology more widely aside from Website as a medium of information disclosure.	Implementation : **Comply** The use of information technology as a medium of the Company's Information Disclosure: a. External, such as: • Website (www.bca.co.id), • HaloBCA, • Twitter accounts (@XpresiBCA,@GoodLife, @BizGuideBCA,@HaloBCA,@BankBCA, KartuKreditBCA), • Facebook accounts (/XpresiBCA,/GoodLifeBCA, /BizGuideBCA, /BankBCA, KartukreditBCA), • YouTube account (www.youtube.com/solusibca), • Kaskus (BankBCA I KASKUS), • Slideshare (www.slideshare.net/SolusiBCA), • LinkedIn (PT Bank Central Asia Tbk), • Instagram (@goodlifeBCA), • Line (BankBCA) b. Internal Internal Information Disclosure medium through MyBCA Intranet portal, Employee's Facebook Group (BCA Semua Beres), Info BCA Magazine, and Plasma TV. More info on page 457.
8.2	The Public Company's Annual Report discloses the ultimate beneficiary of Company's shareholding ownership of at least 5% (five percent), in addition to the disclosure of the final beneficial owner in the share ownership of Public Company through the major shareholder or controller.	Implementation : **Comply** The Company's Annual Report has disclosed: a. List of Company's Shareholders with share ownership of 5% or more, b. List of ultimate beneficiary in the Company's shareholding ownership, also c. The Company's principal shareholders/controller. More info on page 322.

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

The OECD Corporate Governance Principles are as follows:

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

3. Internalization:

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

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

The written statement in the commitment reads as follows:

1) Declaration of the presence or absence of shares ownership / participation of 10% or more shares in a company on behalf of self or wife / husband and / or children, both individually or collectively;
2) Statement of whether the person in charge serves as Commissioner / Directors / workers / partners / allies / becomes management of the company point 1) above and / or other companies;
3) Statement if in the reporting period, the company referred to in point 1) or 2) above receives credit or becomes a partner of the Bank;
4) Statement of whether or not the involvement of transactions in the process of granting credit / transactions as partners;
5) Statement of the presence or absence of familial relations with the owner, Commissioner / Directors and / or Bank partners;

6) Statement of whether the person concerned is the manager / member of another organization that might allow a conflict of interest to occur;
7) A statement of whether or not the person concerned has received a gift / reward / gift from parties related to the Bank which can have a negative impact and influence the Bank's decision and / or the price exceeds the reasonable limit;
8) Other statements relating to Conflict of Interest outside the points above.

b. Dissemination of Corporate Values

Corporate Values that are embeded in every individual employee covers:

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

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

Internalization of the corporate culture values is conducted through sharing sessions, corporate values dissemination is conducted in a face-to-face session with leaders and colleagues within one division or better known as Community of Practice (COP), corporate values comic, intranet dissemination, video plays on internal portal and corporate values videos that can be accessed and downloaded anytime.

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Dissemination of Corporate Values through Video on Internal Portal

The Company also has a SMART SOLUTION program that aims to provide excellent service, focus on fulfilling customer needs and providing financial solutions. To support the SMART SOLUTION program, the Company offers a SMART Solution Reward Program. This reward program can also be an evaluation, promoting stronger corporate values application, and improving team engagement and customer engagement. These cultural internalization programs nurture the behavior of personnel to support the implementation of values, good corporate governance, innovation, risk-consciousness and productivity.

c. Dissemination of Good Corporate Governance

Dissemination of Good Corporate Governance is done through:

1) Dissemination of Principles and Implementation of Good Corporate Governance.

   Dissemination of principles and implementation of good corporate governance is done by means of Corporate Governance Bulletin on MyBCA internal portal, which is accessible to employees throughout Indonesia. The Corporate Governance Bulletin Series presents the latest understanding, practices and newest regulation information about corporate governance. Aside from bulletin, the dissemination of good corporate governance also done through COP or sharing

session that convey themes related to corporate governance, such as the importance of information disclosure, the implementation of corporate governance in banking industries, and the like.

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

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

AFA Comic

Anti Fraud Dissemination through e-Learning

3) Affiliate Transactions and Conflict of Interest Socialization.
Reporting of affiliate transactions and conflict of interest is one essential factor for the implementation of Good Corporate Governance principles; therefore, the Company seeks to play an active role to disclose information or reports of affiliate transactions and conflict of interest. Policies related to affiliate transaction and conflict of interest reports are set out in Board of Directors Decision Letter No. 079/SK/DIR/2017 dated June 21, 2017 on Affiliate Transactions and Transactions Containing Conflict of Interest. Socialization is done through sharing session, GCG Bulletin Series, and Internal Memorandum. To facilitate socialization, the policy can also be downloaded on the MyBCA intranet portal, accessible to all Company employees throughout Indonesia.

The implementation of good corporate governance is an important factor in maintaining the trust of shareholders and stakeholders toward the Company. This has become increasingly important along with the growth of business risks and challenges faced by the banking industries. Through the implementation of good corporate governance principles, the Company is expected to maintain its solid and competitive business sustainability.

C. Assessment of Good Corporate Governance Implementation

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

1. Internal Assessment

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

Assessment Criteria

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

a. Implementation of duties and responsibilities of the Board of Directors;
b. Implementation of duties and responsibilities of the Board of Commissioners;
c. Comprehensiveness and execution of committee duties;
d. Conflict of interest handling;
e. Implementation of compliance function;
f. Implementation of internal audit function;
g. Implementation of external audit function;
h. Implementation of risk management system including internal control system;
i. Provision of funds to related parties and provision of large funds (large exposure);
j. Transparency of the Company's financial and non-financial conditions, corporate governance implementation and internal reports; and
k. The Bank's strategic plan.

The parties conducting the assessment

Self-assessment is done by involving unit or functions that are related to the 11 (eleven) assessment factors, among others the Board of Commissioners, Directors, Committee, Internal Audit Division, Compliance Work Unit, Risk Management Work Unit, Corporate Secretary, and other related units.

Self-Assessment Result

The result of self-assessment on good corporate governance implementation for 2018 is ranked number 1 (one), with details as follows:

Self-Assessment Result on the Implementation of Good Corporate Governance

	Rating	Rating Definition
Individual	1	Management Company's management has implemented a generally excellent Good Corporate Governance. This is reflected in the fulfillment of the principles of Good Corporate Governance, in general, the weakness is not significant and can be mitigated immediately by the Company management.
Analysis		
Based on self-assessment analysis on governance structure, process, and outcome aspects in each Good Corporate Governance Implementation Assessment Factor, can be concluded as follows: 1. Governance structure aspect on all Good Corporate Governance Implementation Assessment Factors are complete and fully sufficient. 2. Governance process aspect on all Good Corporate Governance Implementation Assessment Factors are highly effective and supported by fully sufficient structure and infrastructure (governance structure). 3. Governance outcome aspect on mostly all Good Corporate Governance Implementation Assessment Factors are of high quality resulting from mostly effective governance process that is fully supported by sufficient structure and infrastructure (governance structure).		

2. **External Assessment**

The good corporate governance implementation assessment of the Company in 2018 has also been done by external parties, namely Indonesian Institute for Corporate Governance (IICG) together with SWA Magazine and Indonesian Institute for Corporate Directorship (IICD).

Corporate Governance Perception Index (CGPI)

The CGPI theme carried out during August to Oktober 2017 was "Transformation of Business Models in the Framework of Good Corporate Governance".

a. **The Party Conducting the Assessment**

The external parties who conduct the CGPI assessment of 2017 were IICG and SWA Magazine.

b. **Assessment aspects**

The CGPI's assessment aspects of 2017 were as follows :

- Governance Structure, including indicators of governance policies and structure.
- Governance Process, including system indicators and governance mechanism.
- Governance Results, including output indicators and governance quality.

The CGPI Program 2017 has 3 (three) assessment scope, among others are:

- Compliance, namely fulfilling compliance towards various laws and regulations.
- Conformance, namely ensuring harmony with norms, ethics, and values.
- Performance, namely realizing the achievement of financial and non-financial performance of the company.

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

Score 85-100 = Most Trusted
Score 70-84 = Trusted
Score 55-69 = Fairly Trusted

c. **Assessment Result**

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

The CGPI 2017 assessment titled the Company as Most Trusted. This demonstrated that the Company organization and all its personnel have been highly committed and have made serious and consistent efforts in implementing good corporate governance in managing the changes in the Company based on good corporate governance principles thus the Company changed and progressed toward a condition that creates value for the stakeholders.

d. **Assessment Result Recommendation**

Recommendations for CGPI 2017 assessment results are among others as follows:

The Company is expected to be able to develop the concept of transforming business models based on the principles of good corporate governance.

e. **Reasons for Not Implementing the Recommendations :**

None

f. **Conclusion :**

- Structural Aspects: The Company has a complete and adequate organizational structure.
- Process Aspects: The Company has adapted to changes in its industrial and business environment.
- Results Aspect: The Company has outputs, and the output quality and external impacts that have met the expectations.

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

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

a. **The Party Conducting the Assessment**

The party conducting the assessment is the IICD. IICD conducts evaluations and rating

on the largest capitalized 100 (hundred) public companies listed on the Indonesia Stock Exchange.

b. **Assessment Aspects**

The IICD CG Award assessment instrument is Corporate Governance (CG) Scorecard, which is also used by other Institutes of Directors in several ASEAN countries. Indonesia together with 5 other ACMF (ASEAN Capital Markets Forum) member states (Malaysia, Philippines, Singapore, Thailand and Vietnam) agreed to adopt the criteria in which is a more detailed description of the corporate governance principles issued by the Organization for Economic Cooperation and Development (OECD) and acts as a benchmark assessment for the ASEAN CG Scorecard. The assessment of the ASEAN CG Scorecard is based on publicly accessible documentation. The aspects of the assessments are among others:

Point	Criteria
A	Shareholder Rights
B	Equal treatment toward shareholders
C	Stakeholders' Role
D	Disclosures and Tranparency
E	Responsibilities of the Board of Directors and Commissioners

c. **Assessment Result**

In 2018, during the 10th IICD Corporate Governance Conference & Award 2018, the Company won the award for "Best Right of Shareholders" and "Top 50 The Biggest Market Capitalization Public Listed Companies".

d. **Reasons for Not and Not Yet Implementing the Recommendations**

None.

GENERAL MEETINGS OF SHAREHOLDERS

The General Meeting of Shareholders is the highest corporate governance organ in the Company that has authority not given to the Board of Directors or the Board of Commissioners within the limits specified in the law and/or articles of association.

Implementation of Annual GMS and Extraordinary GMS 2018 (hereinafter referred to as "GMS")

In 2018, the Company held an GMS on 5 April 2018, at the Grand Ballroom, Hotel Indonesia Kempinski, 11th floor, Jalan M.H. Thamrin No. 1, Jakarta 10310.

The agenda (along with an explanation of each agenda point) discussed in the GMS is available at the Corporate Secretariat-Headquarters of the Company and has been uploaded on the Company's website on the same date as the date of the GMS Notice.

1. Procedures for Organizing GMS

a. The procedures for organizing the 2018 GMS are as follows:

The Company has previously made clear and detailed notification of the GMS agenda to the Financial Services Authority 5 (five) working days prior to the announcement of the GMS, as referred to in letter No. 105/DIR/2018 dated February 20, 2018.

b. In accordance with the provisions of Article 21 Paragraph 2 of the Company's Articles of Association, prior to calling for the 2018 RUPS, the Company announced that GMS of 14 (fourteen) days will be called before the 2018 GMS is summoned, without taking into account the date of announcement and the date of the GMS. Announcement of the invitation to call the GMS was published in the daily newspapers Bisnis Indonesia and The Jakarta Post on 27 February 2018.

As stated in the GMS announcement, a shareholder or more who (together) represents 1/20 (one twentieth) or more of the total shares of the Company with legitimate voting rights issued by the Company can propose the agenda of the GMS. The proposal of the Company's

Shareholders will be included in the agenda of the GMS if it complies with the provisions of Article 21 Paragraph 6 of the Company's Articles of Association and Article 12 of the Financial Services Authority Regulation No. 32/POJK.04/2014 dated 8 December 2014 concerning the Plan and Implementation of the General Meeting of Shareholders of the Public Company.

c. To facilitate shareholders, proxy forms could be downloaded on the Company's website in the Governance section or can be obtained every working day during working hours at the Securities Administration Bureau, namely PT RAYA SAHAM REGISTRA, Plaza Sentral Building 2nd Floor, Jalan Jendral Sudirman Plot 47-48, Jakarta, 12930.

d. The notice of the GMS was carried out by placing advertisements in newspapers 21 (twenty-one) days before the date of the GMS, without taking into account the notice and date of the GMS. The notice of the GMS was published in Bisnis Indonesia and The Jakarta Post daily newspapers, dated 14 March 2018, and the Company has submitted an explanation for each agenda that requires shareholder approval.

e. When calling for the GMS, the Company also submitted the 2017 Annual Corporate Report to the Financial Services Authority in the form of hard copy and soft copy. In addition, the 2017 Annual Report is available to shareholders on the Company's website.

f. Shareholders or representatives of shareholders entitled to attend the GMS are shareholders whose names are registered in the Register of Shareholders on 13 March 2018 at 16.15 Western Indonesian Time.

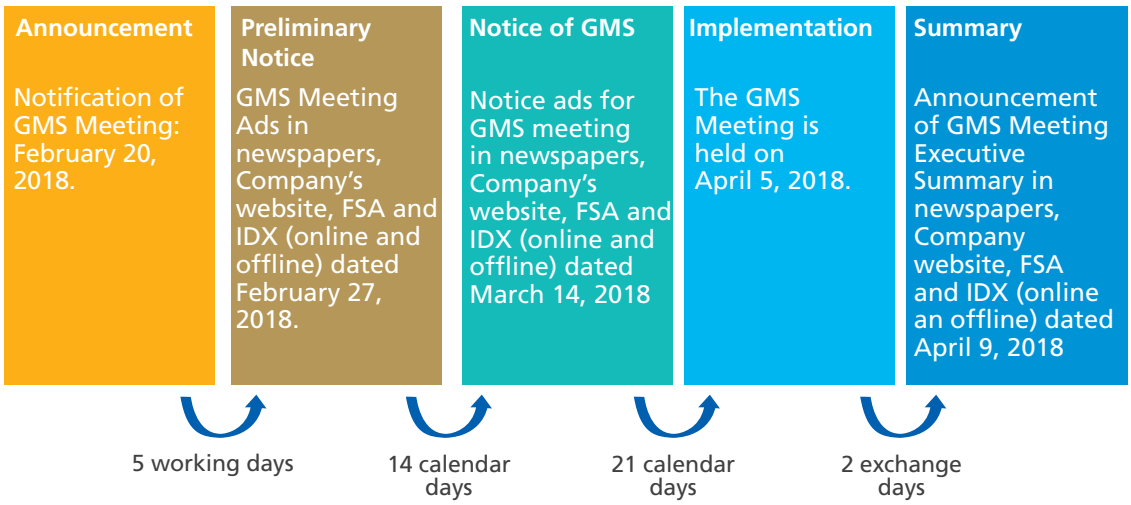
g. Every share issued has 1 (one) voting right unless the Articles of Association of the Company determine otherwise.

h. The Company strives to publish the results of the GMS voting on the Company's website within 1 (one) working day after the GMS is held.

i. The Company submitted a Summary of the Minutes of GMS to the Financial Services Authority and the Indonesia Stock Exchange and announced them to the public in the Bisnis Indonesia and The Jakarta Post daily newspapers within 2 (two) working days after the GMS, namely on 9 April 2018.

j. The Company submitted the Minutes of the GMS to the Financial Services Authority and the Indonesia Stock Exchange on 23 April 2018. Copies of the Minutes of Information could be accessed and downloaded publicly on the Company's website in the Corporate-Action section – GMS.

GMS Schedule



Announcement of GMS Meeting advertisement on newspaper

Announcement

PT BANK CENTRAL ASIA Tbk (the "Company")

PRELIMINARY NOTICE

ANNUAL GENERAL MEETING OF SHAREHOLDERS
AND
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to inform all Shareholders of the Company that the Company is going to hold its Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders (the **"Company's GMS"**) on 5 April 2018.

In accordance with the provisions of Article 21 paragraph 4 of the Company's Articles of Association and Article 13 paragraphs 1 and 3 of Regulation of the Financial Services Authority No. 32/POJK.04/2014 dated 8 December 2014 on the Plan and Organization of the General Meeting of Shareholders of Publicly-Held Companies as amended by the Regulation of the Financial Services Authority No. 10/POJK.04/2017 dated 14 March 2017 (the **"OJK Regulation on the Organization of GMS"**), the Notice of the Company's GMS will be issued on 14 March 2018 through announcement in 1 (one) Indonesian language daily newspaper of wide circulation in the Republic of Indonesia and 1 (one) English language daily newspaper, as well as on the website of the Indonesia Stock Exchange and the Company's website.

Those eligible to attend the Company's GMS are the Shareholders or the Shareholder's proxies that are recorded on the Company's Register of Shareholders as at 13 March 2018, 16:15 Western Indonesia Time.

One or more Shareholders that (collectively) represent at least 1/20 (one-twentieth) of the total number of outstanding shares of the Company with valid voting rights may propose the agenda items for the Company's GMS. The agenda items proposed by the Company's Shareholders will be included in the agenda for the Company's GMS to the extent that they are in compliance with the provisions of Article 21 paragraph 6 of the Company's Articles of Association, and Article 12 of the OJK Regulation on the Organization of GMS, namely:

a. The proposal shall be made in writing and shall have been received by the Board of Directors of the Company not later than 7 March 2018, 16:00 Western Indonesia Time;
b. The proposal is made and put forward in good faith;
c. The proposal is accompanied by the reasons for which it is submitted and the relevant materials of the proposed agenda item for the Company's GMS;
d. The proposal is one that requires approval from the Company's GMS and is not contrary to the prevailing laws and regulations; and
e. The Board of Directors of the Company is of the opinion that the proposal has been made and put forward in the interests of the Company and has a direct bearing on the Company's business.

Jakarta, 27 February 2018

PT BANK CENTRAL ASIA Tbk
Board of Directors

www.bca.co.id — BCA Always by your side

Notice for GMS

PT BANK CENTRAL ASIA Tbk (the "Company")

NOTICE

OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
AND
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of the Company hereby invites the Shareholders of the Company to attend the Company's Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders (**"the Company's GMS"**), which will be held:

Day/Date : Thursday, 5 April 2018
Venue : Grand Ballroom
Hotel Indonesia Kempinski – 11th Floor
Jalan M.H. Thamrin No. 1
Jakarta 10310
Time : 09.00 Western Indonesia Time - onwards

Agenda for the Annual General Meeting of Shareholders (AGM):
1. Approval of the Annual Report including the Company's Financial Statements and the Board of Commissioners' Report on its Supervisory Duties for the financial year ended 31 December 2017 and grant of release and discharge of liability *(acquit et decharge)* to all members of the Board of Directors and the Board of Commissioners of the Company for all actions taken in relation to the management and supervision of the Company in the financial year ended 31 December 2017.
2. Appropriation of the Company's profits for the financial year ended 31 December 2017.
3. Appointment of the members of the Board of Directors of the Company.
4. Determination of the amount of salary or honorarium and benefits for the financial year 2018 as bonus payment *(tantième)* for the financial year 2017 payable to the Board of Directors and the Board of Commissioners of the Company.
5. Appointment of the Registered Public Accountant to audit the Company's books and accounts for the financial year ended 31 December 2018.
6. Grant of powers and authority to the Board of Directors to pay interim dividends for the financial year ended 31 December 2018.
7. Approval of the Company's Recovery Plan.

Agenda for the Extraordinary General Meeting of Shareholders (EGM):
Amendment of the Company's Articles of Association.

General Provisions:
1. This Notice of the Company's GMS constitutes an official invitation to the meeting in accordance with the provisions of Article 21 paragraph 4 of the Company's Articles of Association, and the Company will not extend a separate invitation to the Company's Shareholders.
2. The Shareholders that are entitled to attend or be represented in the Company's GMS are those whose names are listed on the Register of Shareholders as at Tuesday, 13 March 2018, 16:15 Western Indonesia Time (WIB).
3. Holders of the shares in the collective custody of PT Kustodian Sentral Efek Indonesia ("KSEI") intending to attend the Company's GMS must register through the Stock Exchange Member/the Custodian Bank holding the securities account at KSEI to obtain a Written Confirmation to Attend the Meeting ("KTUR").
4. Any Shareholder or its proxy who will attend the Company's GMS is kindly requested to submit to the registration officer, a copy of his/her Resident ID card (KTP) or any other identification card, and the original copy of the KTUR before entering the Company's GMS room. Any authorized representative of a corporate Shareholder must submit a copy of his/her Resident ID card (KTP) or other identification card, the original copy of the KTUR, as well as a copy of the latest articles of association and the deed containing the latest composition of the board members of the legal entity he/she represents.
5. (a) A Shareholder who is unable to attend the Company's GMS may be represented by a proxy by submitting a valid power of attorney in a form satisfactory to the Board of Directors of the Company. Any member of the Board of Directors or the Board of Commissioners and any employee of the Company may act as a proxy for the Shareholder in the Company's GMS, but any vote cast by proxy shall not be counted when the voting is conducted by a poll.
   (b) The power of attorney form can be obtained on any business day during normal business hours at the Securities Administration Bureau, i.e. PT RAYA SAHAM REGISTRA, Gedung Plaza Sentral Lantai 2, Jalan Jendral Sudirman Kaveling 47-48, Jakarta 12930.
   (c) The power of attorney shall have been received by the Securities Administration Bureau at the address as specified in point (b) above, no later than Thursday, 29 March 2018, 16:00 Western Indonesia Time (WIB).
6. The materials for the Company's GMS are available at the Company's head office, Menara BCA, 20th Floor, Jalan M.H. Thamrin No.1 Jakarta 10310, during the normal business hours of the Company, from the date of this Notice of the Company's GMS until the date of the Company's GMS. The materials for the Company's GMS can be obtained by downloading them from the Company's website (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan) or by making a written request to the Corporate Secretary of the Company and such request shall have been received no later than 1 (one) business day before the date of the Company's GMS.
7. The explanation of each item on the agenda for the Company's GMS is available on the Company's website (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tentang-Tata-Kelola-Perusahaan).
8. To facilitate the arrangement of the Company's GMS and to ensure that the Company's GMS will run in good order, the Shareholders or their proxies are kindly requested to be present at the Company's GMS venue by 08.30 Western Indonesia Time (WIB).

Jakarta, 14 March 2018
PT BANK CENTRAL ASIA Tbk
Board of Directors

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GMS Executive Summary Publicity

PT BANK CENTRAL ASIA Tbk

ANNOUNCEMENT

SUMMARY OF MINUTES OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
AND EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

PT Bank Central Asia Tbk, domiciled in Central Jakarta (hereinafter the "**Company**") hereby announces that the Company has held the 2018 Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders (the "**2018 GMS of the Company**") with the minutes thereof as summarized below.

A. Day/Date, Venue, Time, and Agenda

Day/Date : Thursday, 5 April 2018
Venue : Grand Ballroom, Hotel Indonesia Kempinski – 11th Floor
Jalan M.H. Thamrin No. 1
Jakarta 10310
Time : Annual General Meeting of Shareholders: 09.31 – 12.08 (Western Indonesia Time)
Extraordinary General Meeting of Shareholders: 12.13 – 12.58 (Western Indonesia Time)
Agenda : **Annual General Meeting of Shareholders:**
1. Approval of the Annual Report including the Company's Financial Statements and the Board of Commissioners' Report on its Supervisory Duties for the financial year ended 31 December 2017 and grant of release and discharge of liability (*acquit et decharge*) to all members of the Board of Directors and the Board of Commissioners of the Company for all actions taken in relation to the management and supervision of the Company in the financial year ended 31 December 2017;
2. Appropriation of the Company's profits for the financial year ended 31 December 2017;
3. Appointment of the members of the Board of Directors of the Company;
4. Determination of the amount of salary or honorarium and benefits for the financial year 2018 as well as bonus payment (*tantième*) for the financial year 2017 payable to the Board of Directors and the Board of Commissioners of the Company;
5. Appointment of the Registered Public Accountant to audit the Company's books and accounts for the financial year ended 31 December 2018;
6. Grant of powers and authority to the Board of Directors to pay interim dividends for the financial year ended 31 December 2018;
7. Approval of the Company's Recovery Plan.

Extraordinary General Meeting of Shareholders:
Amendment of the Company's Articles of Association.

B. Members of the Board of Directors and the Board of Commissioners of the Company participating in the 2018 GMS of the Company

The 2018 GMS of the Company was attended by the following members of the Board of Directors and the Board of Commissioners of the Company:

Board of Directors:

President Director	: Mr. Jahja Setiaatmadja
Vice President Director	: Mr. Eugene Keith Galbraith
Vice President Director	: Mr. Armand Wahyudi Hartono
Director	: Mr. Y. Susanto Budiman
Director (concurrently serving as Director of Compliance)	: Mr. Tan Ho Hien/Subur alias Subur Tan
Director	: Mr. Henry Koenali
Independent Director	: Mr. Erwan Yuris Ang, SH, MH
Director	: Mr. Rudy Susanto
Director	: Mrs. Lukmanawaty Suwono
Director	: Mr. Santoso
Director	: Mrs. Inawaty Handoyo

Board of Commissioners:

President Commissioner	: Mr. Ir. Djohan Emir Setijoso
Commissioner	: Mr. Tonny Kusnadi
Independent Commissioner	: Mr. Cyrillus Harinowo
Independent Commissioner	: Mr. Dr. Ir. Raden Pardede
Independent Commissioner	: Mr. Sumarto Marsal

C. Chairperson of the 2018 GMS of the Company

The 2018 GMS of the Company was chaired by Mr. Ir. Djohan Emir Setijoso in his capacity as President Commissioner of the Company.

D. Shareholders' Attendance

The Company's Annual General Meeting of Shareholders was attended by shareholder of the above proxies representing 21,045,140,015 shares or equal to 85.338% of 24,655,010,000 shares, being the total outstanding shares of the Company.

The Company's Extraordinary General Meeting of Shareholders was attended by the shareholders and their proxies representing 21,045,140,015 shares or equal to 85.338% of 24,655,010,000 shares, being the total outstanding shares of the Company.

E. Mechanism for Adopting Resolutions

The resolutions on all agenda items are to be passed through deliberation for a consensus, and if the consensus cannot be reached, the resolutions will be passed by means of voting.
Voting on each proposal outlined on the agenda for the 2018 GMS of the Company shall be conducted verbally by means of vote posting, in which the shareholders or their proxies that cast negative votes or abstain in respect of the proposal will give a show of hands and submit their ballot papers, which will then be counted by PT RIMA SAHAM REGISTRA as the Securities Administration Bureau of the Company and further verified by a Notary as an independent public official.

F. Opportunity to Raise Questions and/or Give Opinions

The shareholders or any of their proxies were given the opportunity to raise questions and/or to give opinions about each item on the agenda for the 2018 GMS of the Company. The number of shareholders that raised questions and/or gave opinions is provided in point G below.

G. Voting Outcomes/Decisions

The results of the poll conducted at the 2018 GMS of the Company, and the number of shareholders that raised questions and/or gave opinions about each item on the agenda for the 2018 GMS of the Company are as follows:

Annual General Meeting of Shareholders:

Agenda	Affirmative Votes	Negative Votes	Abstentions	Questions
First item	21,036,605,315 (99.9326%)	5,043,200 (0.0179%)	12,496,400 (0.0595%)	1
Second item	21,007,625,390 (99.7956%)	16,132,925 (0.0806%)	16,381,700 (0.1838%)	None
Third item	20,868,299,802 (99.0865%)	178,992,868 (0.8503%)	17,871,295 (0.0849%)	None
Fourth item	20,389,014,164 (96.8616%)	657,881,669 (3.0813%)	17,114,209 (0.0969%)	None
Fifth item	20,442,784,372 (98.0886%)	601,745,543 (2.7539%)	10,990,400 (0.1936%)	None
Sixth item	20,987,629,390 (99.7326%)	35,133,925 (0.0806%)	20,380,700 (0.1868%)	None
Seventh item	20,209,832,025 (99.8041%)	None	5,997,600 (0.0959%)	None

Extraordinary General Meeting of Shareholders:

Affirmative Votes	Negative Votes	Abstentions	Questions
18,113,103,284 (76.7887%)	4,928,750,493 (21.2245%)	2017,806,238 (7.1796%)	None

H. Resolutions of the 2018 GMS of the Company

The Annual General Meeting of Shareholders has adopted resolutions, as summarized below:

The First Item on the Agenda:

i. Approving the Annual Report, including the Board of Commissioners' Report on its Supervisory Duties, for the financial year ended 31 December 2017 as contained in the 2017 Annual Report;

ii. Ratifying the Company's Financial Statements, which include the Company's Balance Sheet and Profit and Loss Statement for the financial year ended 31 December 2017, audited by the Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PricewaterhouseCoopers) as contained in the 2017 Annual Report;

iii. Granting a release and discharge of liability (*acquit et decharge*) to members of the Company's Board of Directors and Board of Commissioners for their respective management and supervisory actions taken during the financial year ended 31 December 2017, to the extent that such actions were reflected in the Company's Annual Report and Financial Statements for the financial year ended 31 December 2017 and any relevant supporting documents thereof.

Board of Commissioners

President Commissioner	: Mr. Ir. DJOHAN EMIR SETIJOSO
Commissioner	: Mr. TONNY KUSNADI
Independent Commissioner	: Mr. CYRILLUS HARINOWO
Independent Commissioner	: Mr. Dr. Ir. RADEN PARDEDE
Independent Commissioner	: Mr. SUMARTO MARSAL

Board of Directors

President Director	: Mr. JAHJA SETIAATMADJA
Vice President Director	: Mr. EUGENE KEITH GALBRAITH
Vice President Director	: Mr. ARMAND WAHYUDI HARTONO
Director	: Mr. Ir. SUWASNO BUDIMAN
Director (concurrently serving as Director of Compliance)	: Mr. TAN HO HIEN/SUBUR alias SUBUR TAN
Director	: Mr. LIANAWATY SUWONO
Independent Director	: Mr. ERWAN YURIS ANG, SH, MH
Director	: Mr. RUDY SUSANTO
Director	: Mrs. LUKMANAWATY SUWONO
Director	: Mr. SANTOSO
Director	: Mrs. INAWATY HANDOYO
Director	: Miss VERA EVA LIM

The appointment of Miss VERA EVA LIM as a director of the Company shall be effective as of the date of approval by the Financial Services Authority ("OJK") for such appointment and will continue until the close of the Annual General Meeting of Shareholders of the Company to be held in 2021 (two thousand twenty-one).

However, the term of office of the other members of the Board of Directors of the Company shall be for a period of 3 (three) years, namely, i.e. commencing from the effective date of their term of office and will end at the close of the Annual General Meeting of Shareholders of the Company to be held in 2021 (two thousand twenty-one).

The term of office in respect of the appointments set forth above shall not prejudice the right of the General Meeting of Shareholders to modify the composition of the Board of Commissioners and the Board of Directors of the Company within and during the relevant term of office.

In accordance with the provisions of Article 12 paragraph 9 of the Company's Articles of Association, the Annual General Meeting of Shareholders shall further authorize the Board of Commissioners to determine the duties and authorities of and among the members of the Board of Directors;

iii. Granting powers and authority to the Board of Directors of the Company, with the right of substitution, to take any and all necessary actions, including but not limited to, to notify the composition of the Board of Commissioners and the Board of Directors to be made in a notarial deed before a Notary, including the composition of the Board of Commissioners and the Board of Directors after obtaining an Approval Letter from the OJK in respect of the resolution of the Annual General Meeting of Shareholders, and subsequently file any notice with the competent authorities, and take any and all necessary actions in respect of such resolution in accordance with the prevailing laws and regulations;

iv. Resolving that the grant of power under point iii of this resolution shall be effective as of the approval by the Annual General Meeting of Shareholders of the proposal set out in this agenda item.

The Fourth Item on the Agenda:

i. a. Granting full power and authority to PT DWIMURNA INVESTAMA ANDALAN, as the majority shareholder of the Company, to determine the amount of honorarium and benefits to be paid to the Company's the members of the Board of Commissioners who served over the financial year 2018;

b. Granting full power and authority to the Company's Board of Commissioners to determine the amount of salary and benefits to be paid by the Company to the members of the Board of Directors of the Company who served over the financial year 2018.

In exercise of the power and authority mentioned above:
aa. PT DWIMURNA INVESTAMA ANDALAN, as the current majority shareholder of the Company will consider recommendations from the Board of Commissioners, which will take into account recommendations made by the Remuneration and Nomination Committee;
bb. The Board of Commissioners will consider recommendations from the Remuneration and Nomination Committee;

ii. Upon taking into account the performance of the members of the Board of Commissioners and the Board of Directors of the Company who served in and during the financial year 2017, and with due observance of Regulation of the Financial Services Authority No. 55/POJK.03/2016 on the Implementation of Corporate Governance for Commercial Banks, in conjunction with article 75 paragraph 1 of Law Number 40 of 2007 on Limited Liability Companies, and the inputs from the Board of Commissioners with due regard for the recommendations made by the Remuneration and Nomination Committee, the Annual General Meeting of Shareholders further resolved that a maximum amount of Rp15,000,000,000.00 (fifteen billion rupiah) shall be allocated to the members of the Board of Commissioners and the Board of Directors who served in and during the financial year 2017.
In relation to such bonus payments (*tantième*), PT DWIMURNA INVESTAMA ANDALAN, as the current majority shareholder of the Company, is hereby granted the power and authority to determine the amount of bonuses (*tantième*) to be paid to the members of the Board of Commissioners and the Board of Directors who served in and during the financial year 2017 and to determine the distribution of such bonuses (*tantième*) among the members of the Board of Commissioners and the Board of Directors who served in and during the financial year 2017, including all matters related to such bonus payments;

iii. Resolving that such power and authority as described in point i and ii above will be effective as of the date on which the proposals on this agenda item are approved by the Annual General Meeting of Shareholders;

iv. The amount of salary or honorarium and benefits to be paid by the Company to the members of the Board of Directors and the Board of Commissioners who serve in the financial year 2018, and the amount of bonuses (*tantième*) to be paid by the Company to the members of the Board of Directors and the Board of Commissioners who served over the financial year 2017 will be set out in the 2018 Annual Report.

The Fifth Item on the Agenda:

i. Granting power and authority to the Board of Commissioners to determine the Registered Public Accountant registered with the Financial Services Authority (including a Registered Public Accountant registered with the Financial Services Authority that is a member of such Registered Public Accounting Firm) and to determine the amount of fee and other requirements in relation to the appointment of such Registered Public Accounting Firm registered with the Financial Services Authority (including a Registered Public Accountant registered with the Financial Services Authority that is a member of such Registered Public Accounting Firm) with due observance of the recommendations from the Audit Committee and the prevailing laws and regulations;

ii. Resolving that such power and authority will be effective as of the date on which the proposals on this agenda item are approved by the Annual General Meeting of Shareholders.

The Sixth Item on the Agenda:

i. Granting power and authority to the Company's Board of Directors (subject to the approval of the Board of Commissioners), to the extent the financial condition of the Company allows and subject to the prevailing laws and regulations, to determine and pay out interim dividends for the financial year ended 31 December 2018, provided that to ensure compliance with Article 72 of Law No. 40 of 2007 on Limited Liability Companies, if the interim dividends are to be distributed, then the distribution must be made to the shareholders before the end of the financial year 2018, including to determine the form, amount and method of payment of such interim dividends;

ii. Resolving that such power and authority will be effective as of the date on which the proposals on this agenda item are approved by the Annual General Meeting of Shareholders.

The Seventh Item on the Agenda:

i. Approving the Company's Recovery Plan, as contained in the Recovery Plan of PT Bank Central Asia Tbk 2018, which has been registered with the supervisive administration of the Financial Services Authority as evident in letter from the Financial Services Authority Number S-179/IK.10/2018 dated 14 March 2018 on the Recovery Plan of PT Bank Central Asia Tbk 2018 ("the Company's Recovery Plan");

ii. In the event a situation and condition requires the Board of Directors of the Company to implement one or more options under the Company's Recovery Plan but such condition requires urgent and immediate action, making it impossible to hold the General Meeting of Shareholders, then in respect of the implementation of one or more options that require the former approval of the General Meeting of Shareholders, the Board of Directors of the Company is hereby authorized to implement one or more options under the Company's Recovery Plan with the prior approval of the Board of Commissioners;

iii. Resolving that the grant of such power and authority shall be effective as of the date on which the proposals on this agenda item are approved by the Annual General Meeting of Shareholders.

The Extraordinary General Meeting of Shareholders has adopted resolutions, as summarized below:

i. Approving the amendment of Article 11 paragraph 5, Article 11 paragraph 6, Article 11 paragraph 15, Article 12 paragraph 4, Article 13 paragraph 1, Article 14 paragraph 1, Article 14 paragraph 5 and Article 16 paragraph 1 of the Company's Articles of Association, the addition of Article 14 paragraph 14 of the Company's Articles of Association and approving the deletion of Article 14 paragraph 4 of the Company's Articles of Association as contained in the Proposed Amendments to the Articles of Association, which have been presented in the slides presented during the Extraordinary General Meeting of Shareholders, the Annual General Meeting of Shareholders, however, any other provisions in Deed Number 171 dated 23 April 2015 made before Notary Irwan Seendjaj, SH, M.Kn., which has been notified to the Minister of Law and Human Rights of the Republic of Indonesia as evident from the letter issued by the Director General of General Law Administration dated 23 April 2015 Number AHU-AH.01.03-0920837 and has been recorded in the Register of Companies as evident from letter Number AHU-0936701.AH.01.11. Tahun 2015 dated 28 April 2015 ("Deed Number 171 of 2015") to the extent not amended and/or deleted, shall remain in its force and effect;

ii. Revoking the entire provisions of the Company's Articles of Association including those which are not amended, as contained in Deed No. 171 of 2015;

iii. Granting power and authority to the Board of Directors of the Company, with the right of substitution, to take any and all necessary actions, including but not limited to, to notify or file any notice with, or causing them to be expressed in a notarial deed before a Notary, amending and/or re-drafting the provisions of Article 11, Article 12, Article 13, Article 14, Article 16 and Article 24 of the Company's Articles of Association in accordance with such resolutions, as may be required by and in accordance with the applicable laws and regulations, making or causing to be made and signing all necessary deeds, letters and instruments, and further making any application for approval and/or filing any notice of amendment of the Company's Articles of Association with competent authorities, making any and all necessary adjustments and/or additions of any nature to obtain such approval and/or ensure the acceptance of such notice, as well as filing and signing all other applications and documents, electing the place of domicile and taking any other actions as may be required.

Jakarta, 9 April 2018
PT BANK CENTRAL ASIA Tbk

BOARD OF DIRECTORS

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2. Shareholders' Rights

The Company has guidelines regarding shareholder rights that aim to protect the rights of both majority and minority shareholders as stipulated in the Articles of Association, Corporate Governance Guidelines, and in other related regulations. The rights of the intended shareholders include the following rights:

a. Present or represented by his or her proxy at the GMS.
b. Propose GMS agenda items in accordance with applicable regulations.
c. Obtain the publication of the GMS material no later than 28 (twenty-eight) days before the GMS is held.
d. Get the opportunity to ask questions and/or express opinions in each discussion of the GMS agenda.
e. Get the same treatment from the Company.
f. Voting at the GM.
g. To nominates candidates the Board of Commissioners and / or Board of Directors.
h. At all times, appoint a member of the Board of Directors or more to increase the number of existing members of the Board of Directors or to replace members of the Board of Directors who are dismissed based on or if vacancies occur in the Board of Directors.
i. Dismiss members of the Board of Commissioners at any time before his or her term of office ends.
j. At all times, appoint a member of the Board of Commissioners or more to increase the number of members of the existing Board of Commissioners or to replace the dismissed members of the Board of Commissioners.
k. Obtain dividend payments in accordance with applicable procedures and conditions.
l. Carry out other rights and/or authorities based on the Company's Articles of Association and applicable laws and regulations.

3. Presence of Management, Committees and Shareholders

The GMS was attended by the President Commissioner and all members of the Company's Board of Commissioners, President Director, Deputy President Director, and all members of the Company's Board of Directors, all Chairman and Committees under the Company's Board of Commissioners (Audit Committee, Risk Monitoring Committee, Remuneration & Nomination Committee, and the Integrated Governance Committee) and shareholders or their proxies.

Attendance of All Members of the Board of Commissioners and Directors of the Company at the GMS, namely:

Board of Commissioners

Name	Position
Ir. Djohan Emir Setijoso	President Commissioner cum Member of the Remuneration and Nomination Committee
Tonny Kusnadi	Commissioner
Cyrillus Harinowo	Independent Commissioner cum Chairman of the Audit Committee
Dr. Ir. Raden Pardede	Independent Commissioner cum Chairman of the Remuneration and Nomination Committee
Sumantri Slamet	Independent Commissioner cum Chairman of the Risk Monitoring Committee and Chairman of the Integrated Governance Committee

Board of Directors

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

The number of shares with voting rights present or represented at the Annual General Meeting of Shareholders in 2018 was 21,045,120,015 shares or 85.358% of the total shares that have been issued and paid up by shareholders, hence the provisions of attendance quorum as stipulated in Article 23 Paragraph 1 (a) the Company's Article of Association been fulfilled.

The number of shares with voting rights that are present or represented in the Extraordinary GMS in 2018 was 21,040,160,015 shares or 85.338% of the total shares that have been issued and paid up by shareholders, therefore the provisions of the quorum of attendance as stipulated in Article 23 Paragraph 1 (a) The Company's Articles of Association have been fulfilled.

4. GMS Chairperson

The GMS was chaired by Mr. Ir. Djohan Emir Setijoso as the President Commissioner, in accordance with Article 22 Paragraph 1 (a) of the Company's Articles of Association.

Policies related to the Chair of the GMS are regulated in the Articles of Association of the Company, namely as follows:

- In the event that the President Commissioner or members of the Board of Commissioners appointed by the Board of Commissioners to lead the GMS has a conflict of interest with the agenda which decided by GMS is chaired by other members of the Board of Commissioners who have no conflict of interest appointed by the Board of Commissioners.
- In the event that all members of the Board of Commissioners have a conflict of interest, the GMS will be chaired by the President Director.
- In the event that the President Director has a conflict of interest over the agenda decided at the GMS, then the GMS is chaired by the Deputy President Director appointed by the Board of Directors and has no conflict of interest.
- In the event that the President Director and Deputy President Director have a conflict of interest, the GMS is led by other members of the Board of Directors who have no conflict of interest.
- In the event that all members of the Board of Directors have a conflict of interest, the GMS shall be chaired by one of the non-controlling shareholders chosen by the majority of other shareholders present at the GMS.

5. GMS Agenda 2018

2018 Annual GMS Agenda:

1. Approval of the Annual Report including the Financial Statements of the Company and the Board of Commissioners Supervisory Task Report for the financial year ending on 31 December 2017 and providing repayment and release of responsibilities (acquit et decharge) to members of the Board of Directors and Board of Commissioners of the management and supervision actions conducted in the financial year ending 31 December 2017;

2. Determination of the use of the Company's profit for the financial year ending on 31 December 2017;
3. Appointment of members of the Company's Board of Directors.
4. Determination of salaries or honoraria, and allowances for fiscal year 2018 and bonuses for the 2017 financial year to the Board of Directors and Board of Commissioners of the Company;
5. Appointment of Registered Public Accountants to examine the Company's books for the financial year ending 31 December 2018;
6. Provision of power and authority to the Board of Directors to pay interim/temporary dividends for the financial year ending 31 December 2018;
7. Approval of the Company's Recovery Plan.

2018 Extraordinary GMS agenda items:
Amendment Article of Association of the company.

All agendas, explanations of the AGMS agenda, and profile information of the Company's Director Candidates have been publicized and are available on the Company's website (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Aksi-Korporasi) in accordance with the provisions relating to the procedures for holding a Public Company GMS.

6. GMS Rules of Conduct

The Company has provided information regarding voting procedures summarized in the GMS Rules of Conduct. The rules of the Annual GMS and the Extraordinary GMS of 2018 were read before the start of the GMS. The shareholders or those with power of attorney who represent them who attended the GMS were asked to pay attention to the following rules:

a. Register with the registration officer by showing your identity card and submitting the original Written Confirmation to the Meeting (KTUR) and the original power of attorney (for those who are the attorneys of the shareholders).
b. Occupying the seat provided.
c. Not talking about fellow participants so as not to interfere with the GMS.
d. Asking questions only on occasions set by the Chair during the GMS. Requesting to ask questions is done by raising your hand. Questions to be written in the form that will be given by the officers to then be read by themselves through loudspeakers and then the inquiry forms to be submitted to the GMS officers. The questions raised must be directly related to the on going GMS event. If several questions are asked about the same material, then the questions will be answered at once.
e. Do not cut/interrupt other people's conversations.
f. To fulfill the provisions of Law No. 40 Year 2007 concerning Limited Liability Companies and Articles of Association of Article 23 Paragraph 8, the decision will be taken based on deliberation to reach consensus. If deliberations for consensus are not reached, then the proposal submitted is carried out by voting.
g. Decisions regarding proposals submitted at the Annual GMS are valid if approved by more than 1/2 (one-half) of the total shares with voting rights present at the Annual GMS. For proposals submitted at an Extraordinary GMS, the decision is valid if it is approved by at least 2/3 (two-thirds) of the total number of votes present at the Extraordinary GMS.
h. To launch the GMS, voting on proposals submitted at each GMS event (both about oneself and other matters) will be carried out verbally by the sound pooling method with the following procedures:
   1) The Chairperson of the GMS will ask the shareholders or the power of attorney representing him who does not approve or abstain (blank vote) against the proposal submitted to raise his hand to submit the ballot. The ballot will then be calculated by PT Raya Saham Registra, as the Company's Securities Administration Bureau and then verified by a Notary as an independent general official.
   2) Shareholders or attorneys representing him who do not raise their hands and submit ballots that do not agree or abstain (blank vote) against the proposed proposal, are deemed to have agreed to the proposal submitted without the Chairperson of the GMS to ask the shareholders or their representative to raise their hands in agreement.

i. The shareholders or those with power of attorney who represent them who cast an abstention (blank vote) are considered to cast the same vote as the vote of the majority of shareholders who cast their votes.

j. Shareholders or attorneys representing them who have registered but left the GMS room and who did not report the matter to the registration officer before the GMS was completed were considered present and agreed to the proposal submitted at the GMS.

k. During the GMS, mobile phones and/or other communication devices brought by GMS participants in the GMS room were deactivated.

7. Decision Making Methods

Pursuant to Article 23 Paragraph 8 of the Company's Articles of Association, the decision on the motion filed in each GMS agenda was taken on the basis of deliberation for consensus. If the deliberation of consensus was not reached then the decision would be taken by voting.

8. Voting Mechanism of GMS

Each shareholder or proxy representing him or her has the right to ask questions and/or submit opinions to the Chairperson of the GMS before voting was held for each agenda item of the GMS.

In each discussion of the GMS agenda items, the Chairperson of the GMS provides an opportunity for the shareholders or those with power of attorney who represents them to ask questions before the vote was held.

At the First Agenda of the 2018 Annual GMS, there was 1 (one) question from the Company's shareholders and the Company's Board of Directors responded to the question in question.

Voting on proposals submitted in each agenda of the GMS was carried out verbally by the sound pooling method conducted by the way the shareholders or power of attorney who do not agree or abstain (blank vote) to the proposed proposal raised their hands to submit ballots and then letters votes were calculated by PT Raya Saham Registra as the Company's Securities Administration Bureau and then verified by a Notary as an independent party, in accordance with the GMS Rules of Conduct.

Annual General Meeting of Shareholders :

Agenda	Agree	Disagree	Abstain	Inquiries
First	21,029,505,515 (99.926%)	3,510,100 (0.017%)	12,104,400 (0.057%)	1
Second	20,987,425,390 (99.726%)	18,133,925 (0.086%)	39,560,700 (0.188%)	Nil
Third	20,848,295,852 (99.065%)	178,952,868 (0.850%)	17,871,295 (0.085%)	Nil
Fourth	20,385,014,164 (96.863%)	437,981,445 (2.081%)	222,124,406 (1.056%)	Nil
Fifth	20,642,784,472 (98.088%)	361,745,143 (1.719%)	40,590,400 (0.193%)	Nil
Sixth	20,987,425,390 (99.726%)	18,133,925 (0.086%)	39,560,700 (0.188%)	Nil
Seventh	21,035,923,015 (99.956%)	Nil	9,197,000 (0.044%)	Nil

Extraordinary General Meeting of Shareholders:

Agree	Disagree	Abstain	Inquiries
16,112,593,084 (76.580%)	4,469,760,492 (21.244%)	457,806,439 (2.176%)	Nil

Independent Parties Conducting Calculations and/or Validation of Sides in GMS

The party that performs the vote count and/or validates the vote at the GMS was PT Raya Saham Registra as the Company's Securities Administration Bureau and the Company has appointed an independent party namely Irawan Soerodjo SH, MSi., as the Public Notary to verify the vote count.

9. Decision of GMS 2018 and Its Realization

The Decision of the 2018 Annual GMS and the Realization are as follows:

No	Agenda	2018 Annual GMS Decision				Realization
1.	**First Agenda Item** Approval of the Annual Report including the Company's Financial Report and the Board of Commissioners' Supervisory Task Report for the financial year ending on 31 December 2017 and providing repayment and release of responsibilities (acquit et decharge) to members of the Board of Directors and Board of Commissioners of the management and supervision conducted in the financial year ending 31 December 2017.	I	Approve the Annual Report, including the Board of Commissioners' Supervisory Task Report for the financial year ending 31 December 2017 contained in the 2017 Annual Report.			Realized.
		II	Ratify the financial statements covering the Company's Balance Sheet and Profit and Loss Statement for the financial year ended 31 December 2017 which has been audited by the Tanudiredja Public Accountant Firm, Wibisana, Rintis & Rekan (member of the PricewaterhouseCoopers firm network) contained in the 2017 Annual Report.			
		III	Provide repayment and release of responsibilities (*acquit et decharge*) to members of the Board of Directors and Board of Commissioners of the Company for management and supervision actions carried out by each member of the Board of Directors and Board of Commissioners during the financial year ending 31 December 2017 provided that the actions are recorded in the Report Annual and Financial Statements of the Company for the financial year ending on 31 December 2017 and supporting documents.			
			Votes			
			Agree	Disagree	Abstain	
			21,029,505,515 (99.926%)	3,510,100 (0.017%)	12,104,400 (0.057%)	
2.	**Second Agenda Item** Determination of the use of the Company's Profit for the financial year ending on 31 December 2017.	I	Determine that in accordance with the Company's Balance Sheet and Profit and Loss Calculation for the financial year ended 31 December 2017, which has been audited by the Tanudiredja, Wibisana, Rintis & Rekan Public Accounting Firm (member of the PricewaterhouseCoopers firm network), the Company's net income in the financial year ending on December 31, 2017 amounting to Rp23,309-993,511,865.00 (twenty-three-trillion three-hundred-nine-billion nine-hundred-ninety-three-million five-hundred-eleven-thousand eight-hundred-sixty-five rupiah) ("2017 Net Profit").			Realized. On 30 April 2018 the Company distributed cash dividends for the financial year ended 31 December 2017 to the entitled shareholders.

No	Agenda	2018 Annual GMS Decision	Realization
	Second Agenda (Continue)	II Establish the use of 2017 Net Profit, which is Rp23,309,993,511,865.00 (twenty-three-trillion three-hundred-nine-billion nine-hundred-ninety-three-million five-hundred-eleven-thousand eight-hundred-sixty-five rupiah) as follows: 1. In the amount of Rp233,099,935,119.00 (two-hundred-thirty three-billion ninety-nine-million nine-hundred-thirty-five-thousand one-hundred-and-nineteen rupiah) set aside for reserve funds. 2. In the amount of Rp6,287,027,550,000.00 (six-trillion two-hundred-eighty-seven-billion twenty-seven million five-hundred-fifty-thousand rupiah) or in the amount of Rp255.00 (two-hundred-fifty-five rupiah) per share distributed as cash dividends for financial year ending on 31 December 2017 to shareholders who have the right to receive cash dividends, where the amount of cash dividends includes interim dividends of Rp1,972,400,800,000.00 (one-trillion nine-hundred-seventy-two-billion four-hundred-million eight-hundred-thousand rupiah) or in the amount of Rp80.00 (eighty rupiah) per share paid by the Company on 20 December 2017 so that the remainder was Rp.4,314,626,750,000.00 (four-trillion three-hundred-fourteen-billion six-hundred-twenty-six-million seven-hundred-fifty-thousand rupiah) or in the amount of IDR 175.00 (one-hundred-seventy-five rupiah) per share. The payment of the dividend applies with the following terms and conditions: (i) The remaining dividends for the 2017 financial year will be paid for each share issued by the Company recorded in the Register of Shareholders of the Company on the recording date (recording date) to be determined by the Board of Directors; (ii) For the payment of the remainder of the 2017 financial year dividends, the Directors will deduct dividend tax in accordance with the applicable tax regulations; (iii) The Board of Directors is given the power and authority to determine matters relating to the payment of the remainder of the 2017 financial year dividend, including (but not limited to): (aa) Determining the recording date referred to in item (i) to determine the shareholders of the Company who are entitled to receive payment for the remainder of the 2017 financial year dividend; and (bb) Determining the date of payment for the remainder of the 2017 financial year dividends, and other technical matters without prejudice to the Stock Exchange regulations where the Company's shares are listed. 3. The remainder of the 2017 Net Profit that is not determined for use is determined as retained earnings.	
		III Declare authorization in point II of item 2 of this decision valid since the motion filed in this event was approved by the Annual General Meeting of Shareholders.	

Votes		
Agree	Disagree	Abstain
20,987,425,390 (99.726%)	18,133,925 (0.086%)	39,560,700 (0.188%)

No	Agenda	2018 Annual GMS Decision		Realization
3.	**Third Agenda Item** Appointment of members of the Company's Board of Directors.	I	Appoint Ms. VERA EVE LIM as the Director of the Company, which is effective if and from the date the Financial Services Authority gives approval to the appointment, with a term of office until the closing of the Company's Annual General Meeting of Shareholders to be held in 2021 (two thousand and twenty one).	Realized.
		II	Stating thus the composition of the members of the Board of Commissioners and Directors of the Company as of the closing of this Annual General Meeting of Shareholders are as follows: **Board of Commissioners** President Commissioner: Mr. Ir. DJOHAN EMIR SETIJOSO Commissioner: Mr. TONNY KUSNADI Independent Commissioner: Mr. CYRILLUS HARINOWO Independent Commissioner: Mr. Dr. Ir. RADEN PARDEDE Independent Commissioner: Mr. SUMANTRI SLAMET **Directors** President Director: Mr. JAHJA SETIAATMADJA Deputy President Director: Mr. EUGENE KEITH GALBRAITH Deputy President Director: Mr. ARMAND WAHYUDI HARTONO Director: Mr. Ir. SUWIGNYO BUDIMAN Director (cum Compliance Director): Mr. TAN HO HIEN/ SUBUR also known as SUBUR TAN Director: Mr. HENRY KOENAIFI Independent Director: Mr. ERWAN YURIS ANG, SH, MH; Director: Mr. RUDY SUSANTO Director: Mrs. LIANAWATY SUWONO Director: Mr. SANTOSO Director: Mrs. INAWATY HANDOYO Director: Miss VERA EVE LIM The appointment of Ms. VERA EVE LIM as Director of the Company is effective if and from the date the Financial Services Authority (OJK) gives approval to the appointment, with a term of office until the closing of the Company's Annual General Meeting of Shareholders to be held in 2021 (two-thousand and twenty-one). Whereas the term of office of other members of the Board of Commissioners and Directors does not change, starting from the effective date of office and will expire at the closing of the Company's Annual General Meeting of Shareholders, which will be held in 2021 (two-thousand and twenty-one). The term of office in the appointments above does not reduce the rights of the General Meeting of Shareholders to amend the composition of the above members of the Board of Commissioners and Board of Directors of the Company in and during the term of office in progress. In accordance with the provisions in Article 12 Paragraph 9 of the Company's Articles of Association, then the Annual General Meeting of Shareholders authorizes the Board of Commissioners to determine the distribution of duties and authorities among members of the Board of Directors.	

No	Agenda	2018 Annual GMS Decision				Realization
		III	Giving power and authority to the Directors of the Company, with the right of substitution to issue decisions regarding the composition of the Board of Commissioners and Directors mentioned above in the deed made before the Notary, including the composition of the Board of Commissioners and Directors after obtaining an Approval from the Financial Services Authority regarding the General Meeting decision The Annual Shareholders mentioned above, and subsequently notify the competent authorities, and carry out all and every action required in connection with the decision in accordance with the applicable laws and regulations.				
		IV	Declare authorization in item III of this decision effective since the motion filed in this event is approved by the Annual General Meeting of Shareholders.			
			Votes			
			Agree	Disagree	Abstain	
			20,848,295,852 (99.065%)	178,952,868 (0.850%)	17,871,295 (0.085%)	
4.	**Fourth Agenda Item** Determination of salary or honorarium, and allowances for fiscal year 2018 and bonuses for 2017 financial year to the Board of Directors and Board of Commissioners of the Company.	I	a. Giving full power and authority to PT DWIMURIA INVESTAMA ANDALAN as the majority shareholder in the Company, to determine the amount of honorarium and benefits to be paid by the Company to members of the Board of Commissioners serving during the 2018 financial year. b. Giving full power and authority to the Board of Commissioners of the Company to determine the amount of salary and benefits to be paid by the Company to members of the Company's Board of Directors serving during the 2018 financial year. In carrying out the powers and authorities mentioned above: aa. PT DWIMURIA INVESTAMA ANDALAN as the majority shareholder in the Company at this time, will pay attention to recommendations from the Board of Commissioners, in which the Board of Commissioners will pay attention to recommendations from the Remuneration and Nomination Committee. bb. The Board of Commissioners will pay attention to recommendations from the Remuneration and Nomination Committee.				Realized.

No	Agenda	2018 Annual GMS Decision				Realization
		II	Taking into account the performance of the members of the Board of Commissioners and the Board of Directors of the Company who serve in and during the 2017 financial year, and by observing the Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks in conjunction with Article 71 Paragraph 1 of Law Number 40 of 2007 concerning Limited Liability Companies, and consideration from the Board of Commissioners after observing the input from the Remuneration and Nomination Committee, and subsequently stipulating a maximum of Rp355,000,000,000.00 (three-hundred-fifty-five-billion rupiah) calculated using the 2017 net income reference year of Rp23,309,993,511,865.00 (twenty-three-trillion three-hundred-nine-billion nine-hundred-ninety-three-million five-hundred-eleven-thousand eight-hundred-sixty-five rupiah) to be paid as a bonus to members of the Board of Commissioners and Directors of the Company serving in and during the financial year 2017. In connection with the granting of the tantiem, PT DWIMURIA INVESTAMA ANDALAN as the majority shareholder in the Company at this time, was given the power and authority to determine the amount of bonus to be distributed to members of the Board of Commissioners and Directors who served in and during the financial year 2017, and stipulated the distribution of tantiem among the members of the Board of Commissioners and the Board of Directors of the Company who serve in and during the 2017 financial year, including everything related to the payment of the tantiem.				
		III	Declare the authorization and authority contained in point I and item II of this decision effective from the motion filed in this event to be approved by the Annual General Meeting of Shareholders.			
		IV	The amount of salary or honorarium, and allowances to be paid by the Company to the members of the Board of Directors and Board of Commissioners serving during fiscal year 2018, as well as the amount of bonus to be paid by the Company to members of the Board of Directors and Board of Commissioners in and during the financial year 2017 will be loaded in the Annual Report for fiscal year 2018.			
			Votes			
			Agree	Disagree	Abstain	
			20,385,014,164 (96.863%)	437,981,445 (2.081%)	222,124,406 (1.056%)	

No	Agenda	2018 Annual GMS Decision				Realization
5.	**Fifth Agenda Item** Appointment of Registered Public Accountants to examine the Company's books for the financial year ending 31 December 2018.	I	Giving the power and authority to the Board of Commissioners to appoint a Registered Public Accountant Firm at the Financial Services Authority (including Registered Public Accountants in the Financial Services Authority incorporated in the Registered Public Accountant Firm) who will audit the Company's books and records for the financial year ending on 31 December 2018 and determine the amount of honorarium and other requirements regarding the appointment of a Registered Public Accountant Firm in the Financial Services Authority (including Registered Public Accountants in the Financial Services Authority incorporated in the Registered Public Accountant Firm) by taking into account the recommendations of the Audit Committee and applicable legislation.				Realized. The Board of Commissioners has appointed Registered Public Accounting Firms, namely the Tanudiredja Public Accountant Office, Wibisana, Rintis & Rekan, a member of PwC International (including Registered Public Accountants, Lucy Luciana Suhenda who is a member of the Registered Public Accountants Office) who will audit the Company's books for the year 2018. The selection of Public Accountants is based on the conditions presented in the Annual AGM, namely considering the quality, terms and competitive prices for the Company.
		II	Declare the granting of power of attorney and such authority as from the proposal submitted at this event approved by the Annual General Meeting of Shareholders.			
			Votes			
			Agree	Disagree	Abstain	
			20,642,784,472 (98.088%)	361,745,143 (1.719%)	40,590,400 (0.193%)	
6.	**Sixth Agenda Item** Provision of power and authority to the Board of Directors to pay interim/ temporary dividends for the financial year ending December 31, 2018.	I	Giving power and authority to the Board of Directors of the Company (with the approval of the Board of Commissioners), if the financial situation of the Company allows and taking into account the applicable legal and regulatory provisions, to set and pay interim dividends for the financial year ending 31 December 2018, provided that, to comply with Article 72 of Law Number 40 of 2007 concerning Limited Liability Companies, if the interim dividend is to be distributed, the dividend must be made before the end of 2018 fiscal year to shareholders, including determining the form, size and method temporary/interim dividend payment.				Realized. On 21 December 2018, the Company distributed interim dividends for the financial year ended 31 December 2018 to the entitled shareholders.
		II	Declare the granting of power of attorney and such authority as from the proposal submitted at this event received and approved by this Annual General Meeting of Shareholders.				
			Votes				
			Agree	Disagree	Abstain		
			20,987,425,390 (99.726%)	18,133,925 (0.086%)	39,560,700 (0.188%)		

No	Agenda	2018 Annual GMS Decision				Realization
7.	**Seventh Agenda Item** Approval of the Company's Recovery Plan.	I	Approve the Company's Recovery Plan, as contained in the PT Bank Central Asia Tbk Recovery Plan in 2018, which was recorded in the Financial Services Authority supervision administration based on a letter from the Financial Services Authority Number S-17/PB.3/2018 14 March 2018 concerning PT Bank Central Asia Tbk's Recovery Plan in 2018 ("Company Action Plan").			Realized.
		II	In the event of a situation where the Board of Directors of the Company must carry out one or several options in the Company's Action Plan, given that these conditions require immediate and urgent action so that the General Meeting of Shareholders is not possible beforehand, in connection with the implementation of one or several options which requires the approval of the General Meeting of Shareholders with this Annual General Meeting of Shareholders giving the Board of Directors the power and authority to carry out one or several options in the Company's Action Plan by first obtaining Board of Commissioners approval.			
		III	Declare the granting of power of attorney and such authority as from the proposal submitted at this event received and approved by this Annual General Meeting of Shareholders.			
			Votes			
			Agree	Disagree	Abstain	
			21,035,923,015 (99.956%)	Nil	9,197,000 (0.044%)	

In the Extraordinary General Meeting of Shareholders in 2018 a decision was made, essentially as follows:

No	Agenda	2018 Extraordinary GMS Decision				Realization
	Amendment to the Company's Articles of Association.	I	Approved the amendment of Article 11 Paragraph 5, Article 11 Paragraph 6, Article 11 Paragraph 15, Article 12 Paragraph 4, Article 13 Paragraph 1, Article 14 Paragraph 1, Article 14 Paragraph 5 and Article 16 Paragraph 1 of the Company's Articles of Association, addition of Article 14 Paragraph 14 The Articles of Association of the Company, as well as approve the abolition of Article 24 Paragraph 4 of the Company's Articles of Association as contained in the Proposed Amendment to the Articles of Association which have been aired on slides and submitted to the shareholders or proxy representing them at the Extraordinary General Meeting of Shareholders, while articles others in Deed Number 171 dated April 23, 2015 made before Notary Dr. Irawan Soerodjo, SH, M.Si., and has been notified to the Minister of Law and Human Rights of the Republic of Indonesia as evidenced by a letter issued by the Director General of General Legal Administration dated 23 April 2015 Number AHU-AH.01.03-0926937 and has been registered in List of Companies Number AHU3496701.AH.01.11.Tahun 2015 dated 23 April 2015 ("Deed Number 171 Year 2015") that was not amended and/or deleted remains valid and valid.				Realized.
		II	Reiterate all articles of the Company's Articles of Association including those that were not amended, which are now contained in Deed Number. 171 of 2015.			
		III	Giving authority and authority to the Board of Directors of the Company, with the right of substitution, to do all and any action required in connection with such decision, including but not limited to the declaration/declaration in the acts made before the Notary, to modify and/or arrange return the entire provisions of Article 11, Article 12, Article 13, Article 14, Article 16 and Article 24 of the Company's Articles of Association in accordance with such decision, as required by and in accordance with the prevailing laws and regulations, make or order to make and sign deeds the deed and the necessary documents and documents, and hereinafter to submit an application for approval and/or to notify the change of the Company's Articles of Association on the decision of this Extraordinary General Meeting of Shareholders to the competent authority and to make alterations and/which is somehow necessary to obtain the consent and/or acceptance of such notice, as well as to file and sign all applications and other documents, to choose a place of residence and to perform any other action that may be required.				
			Votes			
			Agree	Disagree	Abstain	
			16,112,593,084 (76.580%)	4,469,760,492 (21.244%)	457,806,439 (2.176%)	

10. Decision of Annual GMS 2017 and Realization

The decision of the 2017 Annual GMS and its realization are as follows:

No	Agenda	2017 Annual GMS Decision				Realization
1.	**First Agenda Item** Approval of the Annual Report including the Company's Financial Statements and the Board of Commissioners' Supervisory Task Report for the financial year ending 31 December 2016 and providing repayment and release of responsibilities (acquit et decharge) to members of the Board of Directors and Board of Commissioners of the management and supervision conducted in the financial year ending on December 31, 2016.	I	Approve the Annual Report, including the Company's Board of Commissioners Supervisory Task Report for the financial year ended 31 December 2016 contained in the 2016 Annual Report book.			Realized.
		II	Ratify the Financial Report which includes the Company's Balance Sheet and Profit and Loss Statement for the financial year ended 31 December 2016 which has been audited by the Public Accounting Firm Siddharta Widjaja & Rekan, a member of KPMG International contained in the 2016 Annual Report book.			
		III	Provide repayment and release of responsibilities (*acquit et decharge*) to members of the Board of Directors and Board of Commissioners of the Company for management and supervision actions carried out by each member of the Board of Directors and Board of Commissioners during the financial year ending 31 December 2016, provided that the actions are recorded in the Report Annual and Financial Statements of the Company for the financial year ending on 31 December 2016 and supporting documents.			
			Votes			
			Agree	**Disagree**	**Abstain**	
			18,211,116,477 (99.912%)	(Nil)	16,072,600 (0.088%)	
2.	**Second Agenda Item** Determination of the use of the Company's profit for the financial year ending on 31 December 2016.	I	Determine that in accordance with the Company's Balance Sheet and Profit and Loss Calculation for the financial year ended 31 December 2016, which has been audited by the Public Accounting Firm Siddharta Widjaja & Rekan, a member of KPMG International, the Company's net profit for the financial year ended 31 December 2016 is Rp20,605,736,459,842.00 (twenty-trillion six-hundred-five-billion seven-hundred-thirty-six-million four-hundred-fifty-nine-thousand eight-hundred-and-forty-two rupiah) ("2016 Net Profit").			Realized. On 28 April 2017 the Company has distributed cash dividends for the financial year ended 31 December 2016 to the entitled shareholders.

No	Agenda	2017 Annual GMS Decision	Realization
	Second Agenda (Continue)	II Determine the use of 2016 Net Profit, which is Rp20,605,736,459,842.00 (twenty-trillion six-hundred-five-billion seven-hundred-thirty-six-million four-hundred-fifty-nine-thousand eight-hundred-and-forty-two rupiah) as follows: 1. In the amount of Rp206,057,364,598.00 (two-hundred-six-billion fifty-seven-million three-hundred-sixty-four-thousand five-hundred-ninety-eight rupiah) set aside for reserve funds. 2. Rp4,931,002,000,000.00 (four-trillion nine-hundred-thirty-one-billion two-million rupiahs) or in the amount of Rp200.00 (two hundred rupiah) per share distributed as cash dividends for the financial year ending 31 December 2016 to shareholders who have the right to receive cash dividends, where the amount of cash dividends includes interim dividends in the amount of Rp1,725,850,700,000.00 (one-trillion seven-hundred-twenty-five-billion eight-hundred-fifty-million seven-hundred-thousand rupiah) or equal to Rp 70.00 (seventy rupiah) per share paid by the Company on 22 December 2016, so that the remainder is Rp3,205,151,300,000 (three-trillion two-hundred-five-billion one-hundred-fifty-one-million three-hundred-thousand rupiah) or equal to Rp130.00 (one hundred thirty rupiah) per share. The payment of the dividend applies the following terms and conditions: (i) the remaining dividends for the 2016 financial year will be paid for each share issued by the Company registered in the Register of Shareholders of the Company on the recording date (recording date) to be determined by the Board of Directors. (ii) for the payment of the remainder of the 2016 financial year dividends, the Directors will deduct dividend tax in accordance with the applicable tax regulations. (iii) the Board of Directors is given the power and authority to determine matters relating to the payment of the remaining 2016 financial year dividends, including (but not limited to): (aa) determine the date of recording (recording date) referred to in item (i) to determine the shareholders of the Company who are entitled to receive payment for the remainder of the 2016 financial year dividend. (bb) determine the date of payment for the remainder of the 2016 financial year dividends, and other technical matters without prejudice to the Stock Exchange regulations where the Company's shares are listed. 3. The remainder of the 2016 Net Profit that is not determined for use is determined as retained earnings.	
		III Declare authorization in item II of point 2 of this decision effective since the motion filed in this event is approved by the Meeting.	

Votes		
Agree	**Disagree**	**Abstain**
18,106,963,678 (99.340%)	79,042,599 (0.434%)	41,182,800 (0.226%)

No	Agenda	2017 Annual GMS Decision	Realization
3.	**Third Agenda Item** Determination of salary or honorarium and allowances for the 2017 financial year and bonus for the 2016 financial year to the Board of Directors and Board of Commissioners of the Company.	I (i) Giving full power and authority to PT DWIMURIA INVESTAMA ANDALAN as the majority shareholder of the Company, to determine the amount of honorarium and benefits to be paid by the Company to members of the Board of Commissioners serving during the financial year 2017. (ii) Giving full power and authority to the Board of Commissioners of the Company to determine the amount of salary and benefits to be paid by the Company to members of the Company's Board of Directors who are serving during the financial year 2017. In carrying out the powers and authorities mentioned above: i. PT DWIMURIA INVESTAMA ANDALAN as the majority shareholder in the Company at this time, will pay attention to recommendations from the Board of Commissioners, which the Board of Commissioners will pay attention to recommendations from the Remuneration and Nomination Committee. ii. The Board of Commissioners will pay attention to recommendations from the Remuneration and Nomination Committee.	Realized.
		II Taking into account the performance of members of the Board of Commissioners and the Board of Directors of the Company who are serving in and during the 2016 financial year and by observing the Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks in conjunction with article 71 Paragraph 1 of Law No. 40 of 2007 concerning Limited Liability Companies, and consideration from the Board of Commissioners after noting the input from the Remuneration and Nomination Committee, stipulates a maximum of Rp309,086,046,898.00 (three-hundred-nine-billion eighty-six-million forty-six-thousand eight-hundred-eighty-eight rupiah), which is calculated by reference to 1.5% of the value of the Company's Net Profit for the financial year 2016, to be paid as a bonus to members of the Board of Commissioners and Directors of the Company serving in and during the 2016 financial year. In connection with the granting of the tantiem, the Meeting hereby grants full power and authority to PT DWIMURIA INVESTAMA ANDALAN, as the majority shareholder in the Company at this time, to determine the amount of bonus that will be distributed to members of the Board of Commissioners and Directors who serve in and during the year book 2016, and stipulates the distribution of the bonus among the members of the Board of Commissioners and the Board of Directors of the Company serving in and during the financial year 2016, including everything related to the payment of the bonus.	
		III Declare the authorization and authority contained in item I and item II of this decision effective from the time the motion filed in this event is approved by this Meeting.	
		IV The amount of salary or honorarium, and allowances to be paid by the Company to members of the Board of Directors and Board of Commissioners serving during the 2017 financial year, as well as the amount of bonus to be paid by the Company to members of the Board of Directors and Board of Commissioners in and during the financial year 2016, will be published in the Annual Report for the 2017 financial year.	

Votes		
Agree	Disagree	Abstain
17,839,671,978 (97.874%)	160,380,992 (0.880%)	227,136,107 (1.246%)

No	Agenda	2017 Annual GMS Decision				Realization
4.	**Fourth Agenda Item** Appointment of Registered Public Accountants to examine the Company's books for the financial year ending on 31 December 2017.	I	Giving the power and authority to the Board of Commissioners to appoint a Registered Public Accountant Office at the Financial Services Authority (including Registered Public Accountants in the Financial Services Authority incorporated in the Registered Public Accountant office) who will audit the Company's books and records for the financial year ending on 31 December 2017 and determine the amount of honorarium and other requirements regarding the appointment of a Registered Public Accountant Office in the Financial Services Authority (including Registered Public Accountants in the Financial Services Authority who are members of the Registered Public Accountant Firm) by taking into account the Audit Committee recommendations and applicable legislation between other regulations in the Capital Market sector.				Realized. The Board of Commissioners has appointed Registered Public Accounting Firm, namely the Tanudiredja Public Accountant Office, Wibisana, Rintis & Rekan, a member of PwC International (including Registered Public Accountants, Lucy Luciana Suhenda who is a member of the Registered Public Accountants Firm) who will audit the Company's books for the year book 2017.
		II	Declare the granting of power of attorney and such authority as effective as of the proposal submitted at this event approved by the Meeting.			
			Votes:			
			Agree	Disagree	Abstain	
			17,193,961,910 (94.331%)	978,026,137 (5.366%)	55,201,030 (0.303%)	
5.	**Fifth Agenda Item** Provision of power and authority to the Board of Directors to pay interim/temporary dividends for the financial year ending on 31 December 2017.	I	Giving power and authority to the Board of Directors of the Company (with the approval of the Board of Commissioners), if the Company's financial condition allows, to set and pay interim dividends for the financial year ending 31 December 2017, provided that Article 72 of the Law Number 40 of 2007 concerning Limited Liability Companies, if the interim dividend/interim will be distributed, then the distribution must be made before the end of the 2017 financial year, to shareholders, including determining the form, size and method of paying interim dividends, without reducing the agreement authorized institutions and applicable laws and regulations.				Realized. On 20 December 2017, the Company distributed interim dividends for the financial year ended 31 December 2017 to the entitled shareholders.
		II	Declare the granting of power and authority as effective as from the proposal submitted at this event received and approved by the Meeting.			
			Votes:			
			Agree	Disagree	Abstain	
			18,106,923,478 (99.340%)	79,082,799 (0.434%)	41,182,800 (0.226%)	

11. Realization of Dividend Payments

- The Company has a Dividend Distribution Policy that regulates, among other things, the procedure for proposing and distributing dividends, shareholders who are entitled to receive dividends, and related tax provisions. The principal of the policy can be downloaded on the Company's website in the Corporate Governance - Corporate Action - Dividend section.
- The Company makes a payment of dividends (interim and final/annual) in a fair and timely manner. All shareholders are treated equally, and dividends are paid within a period of no later than 30 (thirty) days after the announcement of the interim dividend and/or the GMS agrees to the distribution of final dividends.
- Cash dividend for financial year 2017 paid on April 30, 2018 and interim dividend for fiscal year 2018 paid on 21 December 2018.

- The announcement and procedure for distributing 2017 cash dividends was published on 9 April 2018 in Bisnis Indonesia and The Jakarta Post. The announcement and procedure for distributing the 2018 interim dividend was published on 26 November 2018 in Bisnis Indonesia and The Jakarta Post.
- The historical of the amount of dividend distribution can be seen on page 16 this Annual Report.

12. Statement Regarding Unrealized GMS Decisions

In 2018, there was no decision on the Annual GMS and the Extraordinary GMS in 2018 that was not realized or delayed.

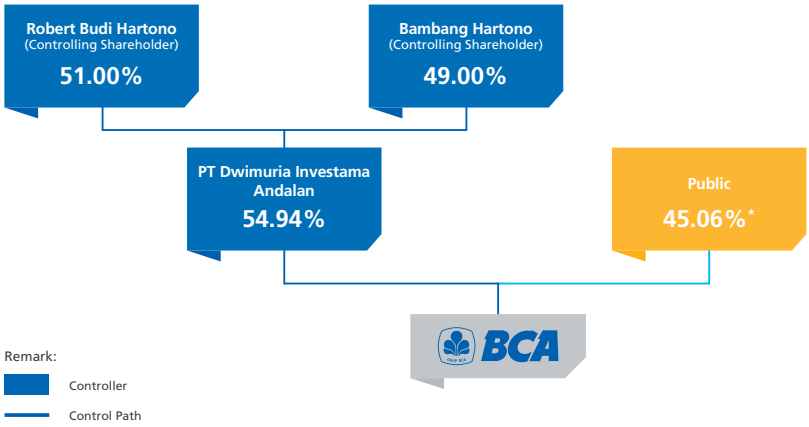
INFORMATION ON MAIN SHAREHOLDERS/ CONTROLLERS

The Main Shareholders/Controllers of the Company from 11 November 2016 are PT Dwimuria Investama Andalan. The Financial Services Authority has approved the changes to the Company's Controlling Shareholder by letter No. KEP-15/D.03/2017 dated 1 February 2017 concerning the Results of the Capability and Compliance Assessment of PT Dwimuria Investama Andalan as the prospective controlling shareholder of the Company.

In connection with the amendment of the Controlling Shareholders, there was no change in control of the Company in which the Company's last controlling shareholder remained Mr. Robert Budi Hartono and Mr. Bambang Hartono.

The scheme or information diagram regarding the Company's Main/Controlling Shareholders, both directly and indirectly reaching individual owners, is as follows:

Flow chart of information regarding Main Shareholder/Company Controller:



* Of the portion of shares belonging to public shareholders, 2.49% is owned by affiliated parties of PT Dwimuria Investama Andalan, 1.76% is owned by Anthoni Salim. In addition, 0.19% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.

Information regarding the Company's Main/Controlling Shareholders can be seen on the Company's website (www.bca.co.id) in the Investor Relations section.

BOARD OF COMMISSIONERS

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

1. Legal Basis

a. Law No. 40 Year 2007 on the Limited Liability Companies;
b. Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test;
c. Financial Services Authority Regulation No. 33/ POJK.O4/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;
d. Financial Services Authority Regulation No. 17/ POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates;
e. Financial Services Authority Regulation No. 18/ POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates;
f. Financial Services Authority Regulation No. 27/ POJK.03/2016 on the Assessment of Ability and Precision for the Main Parties of Financial Services Institutions;
g. Financial Services Authority Regulation No. 55/ POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
h. Financial Services Authority Regulation No. 11/ POJK.04/2017 on the Ownership Report/Any Changes in Public Company Share Ownership;
i. Bank Indonesia Circular Letter No.13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP;
j. Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates;
k. Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates;
l. Financial Services Authority Circular Letter No. 39/ SEOJK.03/2016 on the Assessment of Ability and Powers for Prospective Controlling Shareholders, Candidates of Members of the Board of Directors and Candidates of Members of the Board of Commissioners of the Bank;
m. Financial Services Authority Circular Letter No. 13/ SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;
n. Company's Article of Association.

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

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

Referring to Financial Services Authority Regulation No. 55/ POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks juncto Financial Services Authority Regulation No. 33/ POJK.O4/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, the Board of Commissioners of Company has a charter and code of conduct as stated on. The Board of Commissioners Charter provides among others:

1. Legal Basis.
2. Values.
3. Composition and Criteria of the Board of Commissioners.
4. Independent Commissioner.
5. The term of office of the Board of Commissioners.
6. Appointment of the Board of Commissioners.
7. Dual Position of Board of Commissioners.
8. Obligations, Duties, Responsibilities and Authorities of the Board of Commissioners.
9. Transparency of and Prohibitions for the Board of Commissioners.

10. Orientation and Training of the Board of Commissioners.
11. The Ethics and Working Time of the Board of Commissioners.
12. Meetings of the Board of Commissioners.
13. Reporting and Accountability.
14. Remuneration.
15. Self Assessment Board of Commissioners.

The Board of Commissioners Charter and Code of Conduct are set forth in the Corporate Governance Guidelines and can be found on the Company's website section of Corporate Governance.

3. Duties and Responsibilities of the Board of Commissioners

The Board of Commissioners has duties and responsibilities to:

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

   The Board of Commissioners shall ensure that the committees established by the Board of Commissioners perform their duties effectively and evaluate the performance of the committees that assist in the implementation of their duties and responsibilities at the end of each fiscal year.
g. Ensure that the committees established by the Board of Commissioners perform their duties effectively.
h. Allocate adequate time to carry out duties and responsibilities effectively.
i. Convene Board of Commissioners regular meetings in accordance with prevailing laws and regulations.
j. Prepare minutes of meetings of the Board of Commissioners as signed by all members of the Board of Commissioners attending the Board of Commissioners meeting.
k. Distribute copies Board of Commissioners minutes of meetings to all members of the Board of Commissioners and other related parties.
l. Convene periodic meetings with the Board of Directors at least 1 (one) meeting every 4 (four) months.
m. Submit reports on supervisory results performed during the preceding scale year to the Annual GMS and set forth in the Annual Report.
n. Supervise the implementation of integrated governance.
o. Approved the Sustainable Financial Action Plan prepared by the Directors.

Duties and Responsibilities of the President Commissioner

In addition to carrying out the duties and responsibilities of the Board of Commissioners as mentioned above, the President Commissioner also has duties and responsibilities including:

a. Leading the Board of Commissioners in carrying out the duties of supervision and assurance;
b. Coordinate the implementation of the duties and responsibilities of the Board of Commissioners;
c. Provide proposals to hold Board of Commissioners meetings, including the meeting agenda;

d. Make calls and lead Board of Commissioners meetings;
e. Submitting supervision reports to obtain Annual GMS approval for the implementation of duties and supervision of the Board of Commissioners;
f. Ensure that the implementation of the responsibilities of the Board of Commissioners has been carried out according to procedures;
g. Ensure that Board of Commissioners meetings make effective decision making based on correct and complete information, including ensuring that:
   - All strategic and important issues are taken into consideration by the Board of Commissioners;
   - Problems are discussed carefully and thoroughly;
   - All members of the Board of Commissioners are given the opportunity to contribute effectively;
   - Each Commissioner receives relevant information in a timely manner, including a brief explanation of the issues that will be discussed at the Board of Commissioners meeting, and the Board of Commissioners' meetings produce clear decisions and are recorded in the minutes.
h. Ensure that the Board of Commissioners behaves in accordance with the Board of Commissioners Charter;
i. Leading efforts to meet the development needs of the Board of Commissioners; and
j. Conduct a final evaluation by considering the recommendations of the Nomination and Remuneration Committee on the results of the collective evaluation of the Board of Commissioners and Committees as well as evaluating individual members of the Board of Commissioners and Committee members.

4. Authority of the Board of Commissioners

The Board of Commissioners has the following authority to:

a. Have access to buildings or other premises used or controlled by the Company.
b. Check all the books, letters and other evidence.
c. Request clarifications to the Board of Directors on all matters concerning the Company.
d. Temporarily terminate one or more members of the Board of Directors should any of the members of the Board of Directors act contrary to the Articles of Association, harms the Company, neglects the obligation, and/or violates the prevaling laws and regulations.
e. Evaluate and decide on the application of the Board of Directors relating to transactions that require the approval of the Board of Commissioners in accordance with the Articles of Association.
   1) Lend money or provide loan facilities or other banking facilities that correspond or result in money borrowing:
      i. To related parties as stipulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized institution concerning the Legal Lending Limit for Commercial Banks.
      ii. Which exceeds the specified amount that from time to time shall be determined by the Board of Commissioners.
   2) Provide a guarantee or liability (borgtocht):
      i. In order to guarantee payment obligations of related parties to other parties as stipulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized institution concerning the Legal Lending Limit for Commercial Banks.
      ii. In order to guarantee the obligations of others for amounts exceeding certain amounts, which, from time to time, will be determined by the Board of Commissioners.
   3) Purchase or otherwise acquire immovable property except in the course of carrying out what is stipulated in Paragraph 3 of the Articles of Association exceeding a certain amount, which, from time to time, shall be determined by the Board of Commissioners, commonly done by banks as long as they are not contradictory to the prevailing laws and regulations, including among others proceedings in the framework of restructuring or

credit rescue, among others, to purchase collateral, in whole or in part, by auction or otherwise, in the event that the debtor does not fulfill its obligations to the bank provided that the collateral purchased shall be disbursed as soon as possible.

4) Establish a new company, undertake or dispose or reduce capital participation or increase capital participation, except:
   i. Additional capital participation from the Company's share dividend, or;
   ii. Equity participation in the framework of credit rescues;

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

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

5. Criteria of the Board of Commissioners

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

a. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, which, among other things, states that:
   1) Having good character, morals, and integrity.
   2) Be proficient in performing legal action.
   3) Within 5 (five) years before appointment and during the term of office:
      a) Not declared bankrupt.
      b) Has not been a member of the Board of Directors and/or a member of the Board of Commissioners who is found guilty of causing a company to be declared bankrupt.
      c) Has not been punished for committing a criminal offense that is detrimental to state finances and/or relating to the financial sector.
      d) Has not been a member of the Board of Directors and/or any member of the Board of Commissioners who, during his term of of office:
         - Not held an Annual GMS.
         - Accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has not been accepted by the GMS or has not been granted responsibility as a member of the Board of Directors and/or members of the Board of Commissioners to the GMS.
         - Has not caused a company obtaining permits, approvals or registrations from the Financial Services Authority to fail to comply with the obligation to submit annual reports and/or financial statements to the Financial Services Authority.

4) Has the commitment to comply with laws and regulations.
5) Has knowledge and/or expertise in the field required by the company.

b. Bank Indonesia Regulation No. 12/23/PBI/2010 concerning the Fit and Proper Test, which among others states that:

1) The requirements of integrity include:
   a) Has good morals and character, among others, indicated by attitudes to comply with applicable provisions, including not been convicted for certain crimes within the last 20 (twenty) years before being nominated;
   b) Has the commitment to comply with applicable laws and regulations;
   c) Has the commitment towards the development of healthy bank operation;
   d) Never been on the Disqualified List (DTL);
   e) has a commitment not to commit and/or repeat the acts and/or acts as referred to in Article 27 and Article 28, for candidates for members of the board of commissioners who have had no predicate in the t and proper test and have served the sanction as intended in Article 35 Paragraph (1), Article 40 Paragraph (4) a and Article 40 Paragraph (5) of the aforementioned Bank Indonesia Regulation.
2) Competence requirements include:
   a) Having adequate knowledge in banking and relevant to the position; and/or
   b) Having experience and expertise in banking and/or finance.
3) Financial reputation requirements include:
   a) not having bad credit; and/or
   b) have not been declared bankrupt or on a Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated.

c. Under Article 27 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks, each Commissioner must meet the requirements of the fit and proper test according to the Financial Services Authority Regulation No.27/POJK.03/2016 on the Assessment of Ability and Precision for the Main Parties of the Financial Services Institution, which among others states that:
   1) Requirements of integrity, including:
      a) Able to perform legal action;
      b) Having good morals and character, at least indicated by attitudes to comply with applicable provisions, including not having been convicted for committing a crime within a certain period of time before being nominated;
      c) Has the commitment to comply with laws and regulations and uphold Financial Services Authority policies;
      d) Has the commitment towards the development of a healthy Financial Services Authority; and
      e) Not included as individual prohibited becoming a Principal Party.
   2) Financial reputation requirements, at minimum demonstrated by:
      a) Not having any bad credit and/or non-performing loan; and
      b) Has not been declared bankrupt and/or has not been a shareholder, controller of an insurance company who is not a shareholder, member of a board of directors or a board of commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.

6. Nomination of Members of the Board of Commissioners

Legal Basis

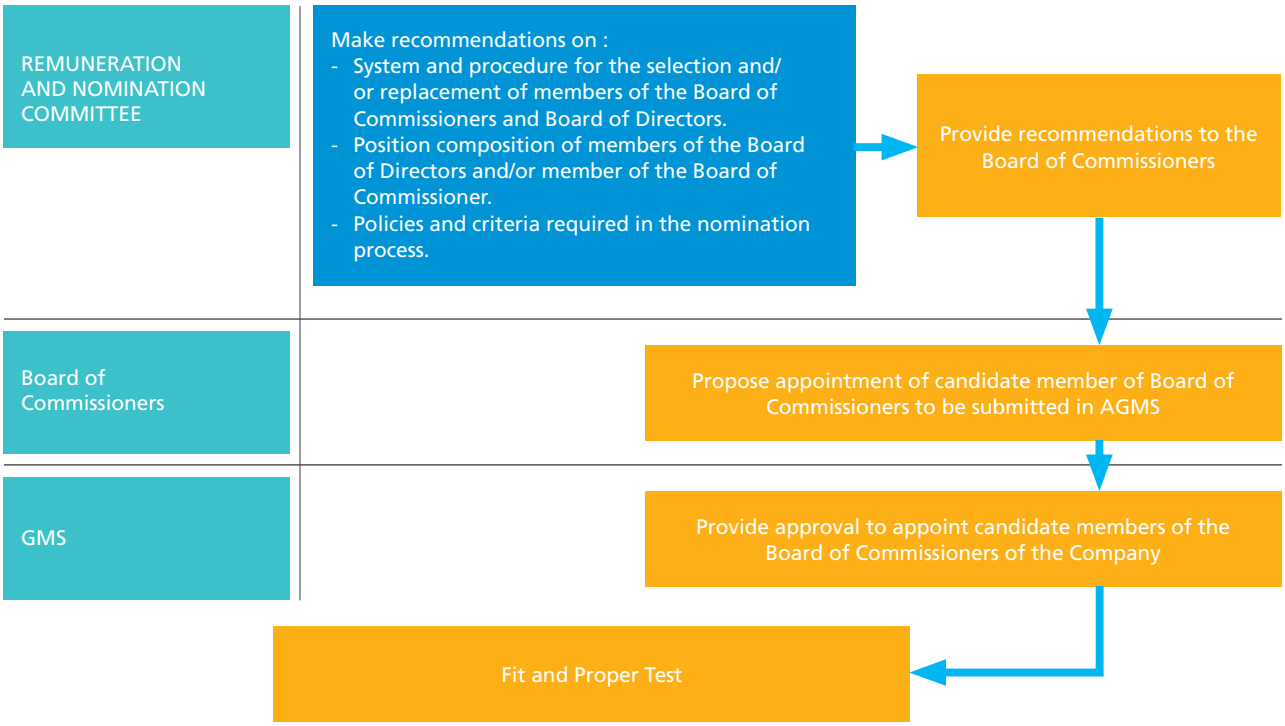
Nomination of Members of the Board of Commissioners shall be held in accordance with the following provisions:

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

Nomination Mechanism

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

Nomination Mechanism of Members of the Board of Commissioners



7. Amount and Composition of Members of the Board of Commissioners

Financial Services Authority Regulation No. 55/ POJK.03/2016 concerning Implementation of Governance for Commercial Banks stating that Banks are required to	Company Implementation
Have at least 3 (three) people and is at most equal to the number of members of the Board of Directors (article 23)	Out of 5 (five) members of the Boards of Commissioners.
Have at least 1 (one) member of the Board of Commissioners domiciled in Indonesia	All members of the Board of Commissioners are domiciled in Indonesia.
Have at least 50% Independent Commissioners of the total members of the Board of Commissioners	The number of Independent Commissioner is 3 (three) or 60% (sixty percent) of the total members of the Board of Commissioners.

As of 31 December 2018, there were 5 (five) members of the Company's Board of Commissioners, consisting of 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of members of the Board of Commissioners of the Company does not exceed the number of members of the Company's Board of Directors. The number of Independent Commissioners is 60% (sixty) of the total members of the Company's Board of Commissioners. All members of the Company's Board of Commissioners are domiciled in Indonesia.

The term of office of members of the Board of Commissioners is 5 (five) years. The term of office of the members of the Board of Commissioners for the current period will expire at the close of the Company's Annual GMS in 2021, without reducing the authority of the GMS to dismiss one or more members of the Board of Commissioners at any time before the position ends. For Independent Commissioners who have served for 2 (two) consecutive terms of office, they can be reappointed in the next period as Independent Commissioners in terms of:

- Meeting of the members of the Board of Commissioners considers that the Independent Commissioner can still act independently; and
- Independent Commissioners stated at the GMS regarding the independence of the concerned parties.

Cyrillus Harinowo and Raden Pardede are Independent Commissioners who have been appointed for more than 2 (two) periods to make an Independence Statement Letter. The Statement Letter was read at the time of the appointment of Independent Commissioner members at the Company's Annual GMS 2016. The independency statement can be viewed in the section of the Independent Commissioner in this Annual Report.

In accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test and Bank Indonesia Circular Letter No. 13/8/DPNP concerning Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated 30 November 2011, essentially stated that candidates for the Board of Commissioners and prospective members of the Board of Directors must obtain approval from Bank Indonesia (currently OJK) before carrying out their duties and functions in their positions. All members of the Board of Commissioners of the Company have fulfilled the OJK Regulations and Bank Indonesia Regulations above and have passed the fit and proper test from Bank Indonesia (currently OJK), namely:

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

8. The Composition of the Board of Commissioners as of 31 December 2018

In 2018, there was no change in the composition of the Board of Commissioners. The composition of the Company's Board of Commissioners in 2018 has been contained in the Deed of Decision of the Meeting of PT Bank Central Asia Tbk No. 180 dated 26 April 2018, which was made before Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

The composition of the Company's Board of Commissioners as of 31 December 2018 was:

Position	Name	Period
President Commissioner	Djohan Emir Setijoso	2016 - 2021
Commissioner	Tonny Kusnadi	2016 - 2021
Independent Commissioner	Cyrillus Harinowo	2016 - 2021
Independent Commissioner	Dr. Ir. Raden Pardede	2016 - 2021
Independent Commissioner	Sumantri Slamet	2016 - 2021

Based on Annual GMS 2017 disclosure the Structure of the Board of Commissioners as follows:

The composition of the Company's 2017 Board of Commissioners

Position	Name	Period
President Commissioner	Djohan Emir Setijoso	2016 - 2021
Commissioner	Tonny Kusnadi	2016 - 2021
Independent Commissioner	Cyrillus Harinowo	2016 - 2021
Independent Commissioner	Dr. Ir. Raden Pardede	2016 - 2021
Independent Commissioner	Sumantri Slamet	2016 - 2021

Since 2016 until now, there have been no members of the Board of Commissioners who were former Directors of the Company in the last 2 (two) years.

9. Orientation Program for New Members of the Board of Commissioners

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

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

The orientation program encompasses:

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

Orientation Procedures

The new Commissioners' orientation procedures are:

a. Work unit presentation to obtain clarification on various Company business aspects deemed necessary by involving the management; or
b. Meetings with members of the Board of Directors and Board of Commissioners to discuss various issues in the Company or other necessary information; or
c. Visit to any location of business activities of Company branches together with other members of the Board of Commissioners/Management.

10. Training Program to Improve Competence of Board of Commissioners Members

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

Members of the Board of Commissioners shall participate in training programs at least 1 (one) time a year to sustain their duties and obligations. The training programs attended by the Board of Commissioners members in 2018 were as follows:

The training programs attended by members of the Board of Commissioners in 2018 are as follows:

No	Name	Training Program	Organizer	Location	Date
1.	Djohan Emir Setijoso	Creco Indonesia Outlook 2018	PT Creco Indonesia	Jakarta, Indonesia	6 February 2018
		National seminar: "Virtual Currency: What and how is the risk for society?"	ISEI	Jakarta, Indonesia	26 March 2018
		One Day National seminar: "Executive Challage of Good Corporate Governance (GCG) in Industry 4.0 Era and Socialisation of Research and Development Result about GCG in Banking Industry 2007-2017	LPPI	Jakarta, Indonesia	31 July 2018
		Asia Pacific CEO-CFO Conference	J.P. Morgan	New York, USA	5-6 September 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Refreshment Workshop Risk Management with Octagon: Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
		Economic Outlook 2019: Banking in Digital Era - Mitigation and Risk	Indonesia Banker Association	Jakarta, Indonesia	10 December 2018
2.	Tonny Kusnadi	Knowledge Sharing: Bank 4.0 "Banking everywhere, Never at a Bank"	BCA	Jakarta, Indonesia	9 March 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		ASEAN Global Leadership Program (AGLP) 2018: Transforming ASEAN Organizations The Leadership Imperative	University of Cambridge	Cambridge, England	15-19 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
3.	Cyrillus Harinowo	Creco Indonesia Outlook 2018	PT Creco Indonesia	Jakarta, Indonesia	6 February 2018
		Training ASEAN Global Leader Program (AGLP)	SRW & Co	New York, USA	16 - 20 April 2018
		Executive Risk Management Refreshment Program:"Risk Management as Performance Enabler"	LPPI	Frankfurt, Germany	2 - 9 July 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
4.	Raden Pardede	Creco Indonesia Outlook 2018	PT Creco Indonesia	Jakarta, Indonesia	6 February 2018
		Knowledge Sharing: Bank 4.0 "Banking Everywhere, Never at a Bank"	BCA	Jakarta, Indonesia	9 March 2018

No	Name	Training Program	Organizer	Location	Date
		Workshop Global Initiatives New Economy	Ministry of Economic Coordinator	Hangzhou, China	12 -16 March 2018
		Digital Awareness Program for Executive	BCA	Jakarta, Indonesia	19-21 March 2018
		J.P. Morgan's Asia Pacific CEO-CFO Conference	J.P. Morgan	New York, USA	5 - 6 September 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Indonesia Annual IMF "World Bank Group Meeting 2018"	IMF	Bali, Indonesia	10 - 14 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
5.	Sumantri Slamet	Creco Indonesia Outlook 2018	PT Creco Indonesia	Jakarta, Indonesia	6 February 2018
		Refreshment Risk Management - Cyber Security &Integrating Operation Risk - The Role of Banking in the Rise of Digitalization of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	13-15 March 2018
		Operational Risk	Infopro Digital Risk Limited	London, England	11 – 14 June 2018
		Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
		Economic Outlook 2019: Banking in Digital Era - Mitigation and Risk	Indonesia Banker Association	Jakarta, Indonesia	10 December 2018

11. Share Ownership of Board of Commissioners amounting 5% or More

Legal Basis

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

a. Article 39 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that members of a Board of Commissioners are required to disclose the ownership of shares of 5% or more at the relevant bank as well as at other banks and companies domiciled in and outside the country:

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

Share Ownership of Board of Commissioners Amounting to 5% or More

Name	Share Ownership of Board of Commissioners Amounting to 5% or More in:			
	Company	Other banks	Non-bank Financial Institution	Other Company/ies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrillus Harinowo	-	-	-	√
Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

Remarks:
√ holds shares of 5% (five percent) or more.

Table of Total Share Ownership by the Board of Commissioners in 2018

Name	Total Ownership in the beginning of the year (as of January 1, 2018)	Total Ownership at the end of year (as of December 31, 2018)
Djohan Emir Setijoso	23,199,582	23,100,481
Tonny Kusnadi	1,097,183	1,137,939
Cyrillus Harinowo	-	-
Raden Pardede	-	-
Sumantri Slamet	-	-

12. Dual Position of Board of Commissioners

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

Legal Basis

a. Members of the Board of Commissioners of the Company do not hold concurrent positions except for the matters specified in:
   - Financial Services Authority Regulation No. 33/POJK.O4/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies;
   - Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
   - Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

b. Members of a Board of Commissioners are prohibited from taking double positions as members of a Board of Directors, Board of Commissioners or Executive Officers:
   - At a financial institution or financial company, whether bank or non-bank;
   - In more than 1 (one) non-financial institution or non-financial company, both domiciled within and outside the country.

c. Excluding the dual position referred to in the above paragraph if:
   - Members of the Board of Commissioners are members of the Board of Directors, members of the Board of Commissioners or Executive Officers performing supervisory functions in 1 (one) non-bank company controlled by the Company.
   - Non-independent commissioners perform functional duties of shareholders of the company in the form of legal entities in the Company's business group, and/or
   - Members of the board of commissioners hold positions in nonprofit organizations or institutions.

Disclosure

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

1. A Commissioner concurrently serves as the President Commissioner of a company other than a non-financial institution;
2. 1 (one) Independent Commissioners also serve as Independent Commissioners in one company other than a non- financial institution;
3. Another Independent Commissioner serves as Independent Commissioner in one company other than a non- financial institution as well as a member of the Board of Trustees of the University of Indonesia.

Disclosure of dual position the Board of Commissioners in the last 3 (three) years shown in table as follows :

Table of Company's Board of Commissioners Dual Positions in 2018:

Name	Title in the company	Title in other banks	Title in other company/institution	Industry
Djohan Emir Setijoso	President Commissioner	-	-	-
Tonny Kusnadi	Commissioner	-	President Commissioner PT Sarana Menara Nusantara Tbk	Telecommunications
Cyrillus Harinowo	Independent Commissioner	-	-	-
Raden Pardede	Independent Commissioner	-	Independent Commissioner PT Adaro Energy Tbk	Coal Mining
Sumantri Slamet	Independent Commissioner	-	- Independent Commissioner PT Multibintang Indonesia Tbk - Member of Majelis Wali Amanat Yayasan Universitas Indonesia	- Beverages Company - Education

Table of Company's Board of Commissioners Dual Positions in 2017-2016

Name	Title in the company	Title in other banks	Title in other company/institution	Industry
Djohan Emir Setijoso	President Commissioner	-	-	-
Tonny Kusnadi	Commissioner	-	President Commissioner PT Sarana Menara Nusantara Tbk	Telecommunications
Cyrillus Harinowo	Independent Commissioner	-	Independent Commissioner PT Unilever Indonesia Tbk	Consumer Goods
Raden Pardede	Independent Commissioner	-	Independent Commissioner PT Adaro Energy Tbk	Coal Mining
Sumantri Slamet	Independent Commissioner	-	- Independent Commissioner PT Multibintang Indonesia Tbk - Member of Majelis Wali Amanat Yayasan Universitas Indonesia	- Beverages Company - Education

Table of Company's Board of Commissioners Dual Positions in 2015

Name	Title in the company	Title in other banks	Title in other company/institution	Industry
Djohan Emir Setijoso	President Commissioner	-	-	-
Tonny Kusnadi	Commissioner	-	President Commissioner PT Sarana Menara Nusantara Tbk	Telecommunications
Cyrillus Harinowo	Independent Commissioner	-	Independent Commissioner PT Unilever Indonesia Tbk	Consumer Goods
Raden Pardede	Independent Commissioner	-	Independent Commissioner PT Adaro Energy Tbk	Coal Mining
Sigit Pramono	Independent Commissioner	-	-	-

13. Report on Task Implementation and Assessment of Committees under the Board of Commissioners

During 2018 Committees under the Board of Commissioners have carried out their functions and responsibilities well. The committees include:

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

The report on the implementation of committee duties under the Board of Commissioners in 2018 can be seen in the Committee section under the Board of Commissioners in this Annual Report.

Criteria :

The criteria for evaluating the Committees under the Board of Commissioners are based on compliance with work guidelines and rules as well as the realization of work / implementation of duties of each members of the committee.

Process :

The assessment is carried out by the Board of Commissioners and carried out in 1 (one) time in 1 (one) year.

Results:

The Board of Commissioners believes that all of these committees have worked accordingly by upholding competency standards and good quality.

Table of Results of Evaluation of Committees Under the Board of Commissioners

Committees	Realization / Remarks	Results
Audit Committee	In carrying out its duties, the Audit Committee held 22 (twenty two) meetings, met with the Internal Audit Division 10 (ten) times and reviewed more than 166 (one hundred and sixty six) internal audit reports in 2018.	The Audit Committee has ensured the implementation of internal control and effectively assisted the Board of Commissioners in overseeing the implementation of internal and external audit functions, implementation of corporate governance and compliance with applicable laws and regulations.
Risk Oversight Committees	In 2018, the Risk Oversight Committee held 10 (ten) meetings, reviewing credit portfolios, assessing operational risk, cyber security and business continuity plans.	The Risk Oversight Committee ensures that the Bank's risk management system provides protection against the risks faced by the Company.
Remuneration and Nomination Committee	The Remuneration and Nomination Committee held 6 (six) meetings throughout 2018, among others 5 (five) meetings discussion about remuneration function and 1 (one) meetings about nomination function those related to tantiem policy, remuneration and talent mapping.	The Remuneration and Nomination Committee has carried out its duties in providing recommendations to the Board of Commissioners regarding the remuneration policy at the Company as a whole.
Integrated Governance Committee	In 2018, the Integrated Governance Committee held 4 (four) meetings and reported on the implementation of integrated governance to the Board of Commissioners	The Integrated Governance Committee supports the Board of Commissioners in supervising the implementation of governance at the Company and its subsidiaries in an integrated manner.

1) **Audit Committee**

During 2018 the Audit Committee carried out its duties effectively and held meetings as many as 22 (twenty two) times; besides that, the Audit Committee has also carried out the realization of work programs as follows:

a) Meeting with Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms, to discuss the final results of the audit of the Company's Financial Statements for fiscal year 2017 along with the Management Letter.

b) Recommend to the Board of Commissioners the reuse of Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms), to conduct an audit of the Company's Financial Statements for 2018.

c) Hold a meeting with Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms, to discuss the plan and scope of the audit of the Company's Financial Statements for fiscal year 2018.

d) Conduct a meeting with the Finance and Planning Division to review the Company's Financial Report which will be published quarterly.

e) Meetings with the Internal Audit Division as much as 10 (ten) times for:

(1) Evaluating annual planning.

(2) Evaluating the implementation of internal audits every semester.

(3) Conducting discussions on audit results that are deemed significant.

f) Attending an internal audit exit meeting at 3 Main Branch Offices, and 1 subsidiary as well as a review of new work units such as the Cash Processing Center and the Consumer Loan Document Center in Alam Sutera as part of the quality-assessment process internal audit and assessment of the adequacy and effectiveness of internal controls.

g) Review internal audit reports (more than 166 reports) and monitor their follow-up.

h) Reviewing the Company's compliance with the provisions, regulations, and applicable laws in the banking sector through a review of reports of compliance with prudential provisions reported every semester.

i) Reviewing credit portfolio reports issued every semester.

j) Monitor the implementation of risk management through quarterly reports on the Company's Risk Profile and the Operation Risk Management Information System (ORMIS) monthly report.

k) Conduct studies on:

1) Financial Services Authority examination results and follow-up.

2) Results of Bank Indonesia inspection and follow-up.

3) Management letters from Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms) and their follow-up.

l) Report the results of routine reviews and evaluations of governance aspects, risk management, compliance, and control to the Board of Commissioners every quarter.

m) Attending the GMS, Analyst Meeting, and 2019 National Company Work Meeting in order to monitor the implementation of governance.

2) **Risk Monitoring Committee**

During 2018 the Risk Monitoring Committee has held meetings as many as 10 (ten) meetings and has carried out the KPR work program as follows:

a) Monitor the implementation of the duties of the Risk Management Committee.

b) Monitor the implementation of the tasks of the Risk Management Work Unit.

c) Reviewing the Company's Risk Profile, especially related to operational risk, reputation risk, market risk, and liquidity.

d) Review and Stress Test Market Risk and Liquidity Risk, and stress test Credit Risk.

e) Ensure that GCG implementation is carried out appropriately and well by attending the General Meeting of Shareholders, Analyst Meeting, and 2019 National Work Meeting.

f) Monitor credit, liquidity, market & operational risks every month.
g) Reviewing the Risk Monitoring Committee Charter in accordance with the development of new regulations.

3) **Remuneration and Nomination Committee**
During 2018 the Remuneration and Nomination Committee held meetings as many as 6 (six) times, with the meeting and implementing of the KRN work program are as follows:
a) Recommending the Board of Commissioners, regarding Policy Proposals related to suspension of bonuses and claw-back arrangements for Directors and Commissioners in the framework of implementing Financial Services Authority Regulation No. 45/POJK.03/2015.
b) Recommending the Board of Commissioners the distribution of the 2017 financial year bonus to all members of the Board of Commissioners and Directors serving during the 2017 financial year so that it can be submitted at the Annual GMS dated April 5, 2018 for approval.
c) Recommending the Board of Commissioners, regarding the Remuneration Package for New Directors for 2018 until the GMS 2019.
d) Recommend to the Board of Commissioners, regarding the Proposal for Employment BPJS Registration for Board of Directors and Board of Commissioners.
e) Conduct discussions related to Talent Mapping Senior Leader Officials (EVP to Echelon S1).

4) **Integrated Governance Committee**
During 2018 the Integrated Governance Committee has held meetings 4 (four) meetings and has carried out the Integrated Governance Committee work program as follows:
a) Evaluating the implementation of integrated governance in the Company's Financial Conglomerate, among others, through the presentation and discussion of Integrated Internal Audit Results and Integrated Compliance Reports.
b) Participating in organizing seminars on integrated governance, regulations, current practices, and best practices by the National Committee on Governance.

14. Implementation of Duties of the Board of Commissioners

The Board of Commissioners carries out supervisory duties to ensure that the Company's business goes in the right direction, maintains business sustainability and provides added value to all stakeholders. The Board of Commissioners provides recommendations and advice to the Board of Directors in relation to their supervisory duties, including recommendations, advice and assessments related to the implementation of good corporate governance in the Company.

The complete documentation on The Board of Commissioners Duties Implementation Report is available on the page 30 in the section of the Board of Commissioners Report in this Annual Report.

INDEPENDENT COMMISSIONERS

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

Independent Commissioner Criteria

Independent Commissioners must meet the criteria/requirements including:

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

   These requirements must be met by the Independent Commissioner during his or her term of office. In addition, the Independent Commissioner must also meet the requirements of the candidates for the Board of Commissioners.

b. Former members of the Board of Directors or executive officers of the Company or parties with relationships with the Company, which may affect the ability of those involved to act independently shall undergo a cooling-off period of at least 1 (one) year before becoming an Independent Commissioner.

c. Non-Independent Commissioners who shall be appointed as Independent Commissioners shall undergo a cooling-off period of 6 (six) months.

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

Statement of Independent Commissioners

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

At the Annual General Meeting of Shareholders of the Company of 2018, there was no appointment of Independent Commissioners. A statement of independency of an Independent Commissioner was read out at the time of appointment at the Annual GMS 2016.

The independency statement read out by Independent Commissioners at the Annual General Meeting of Shareholders of the Company of 2016 as follows:

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

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

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

   Thus, this statement of independency I declare truthfully."

BOARD OF DIRECTORS

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

1. References

The legal basis for the appointment of the Company's Directors refers to several provisions, including:

- Law No. 40 Year 2007 on Limited Liability Companies;
- Financial Services Authority Regulation No. 33/POJK.O4/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;
- Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerates;
- Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates;
- Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
- Financial Services Authority Regulation No. 27/POJK.03/2016 on the Fit and Proper Test for the Main Parties of Financial Services Institutions;
- Financial Services Authority Regulation No. 11/POJK.04/2017 on Ownership Report/Any Changes in Public Company Share Ownership;
- Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates;
- Financial Services Authority Circular Letter Regulation No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerates;
- Financial Services Authority Circular Letter No. 39/SEOJK.03/2016 on the Fit and Proper Test for Candidates of Controlling Shareholders, Candidates of the Board of Directors and Candidates of the Board of Commissioners of Banks;
- Financial Services Authority Circular Letter No.13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;
- Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test;
- Bank Indonesia Circular Letter No. 13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP;
- Article of Association.

2. Guidelines and Code of Conduct of the Board of Directors

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

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

a. Legal Basis.
b. Values.
c. Composition, criteria, and independence of the Board of Directors.
d. The duty period of the Board of Directors.
e. Dual positions of the Board of Directors.
f. Appointment of the Board of Directors.
g. Duties, responsibilities and authorities of the Board of Directors.

h. Transparency aspect and prohibitions for the Board of Directors.
i. Orientation and training of the Board of Directors.
j. Ethics and working times of the Board of Directors.
k. Board of Directors meetings.
l. Reporting and accountability.
m. Self Assessment Board of Directors.

The Board of Directors Charter is covered in the Corporate Governance Manual and can be viewed on the Company website.

3. Duties and Responsibilities of the Board of Directors

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

a. Lead and manage the Company in accordance with the purposes and objectives of the Company.
b. Master, maintain and manage the Company's assets for the benefit of the Company.
c. Create internal control structures, ensuring the implementation of the Internal Audit function at every level of management and following-up on the Company's internal audit findings in accordance with the policies or directives provided by the Board of Commissioners.
d. Submit the Annual Work Plan containing the Annual Budget to the Board of Commissioners for approval prior to the commencement of the forthcoming fiscal year, taking into account prevailing regulations.
e. Implement the principles of Good Corporate Governance in every business activity at all levels and stages of the organization.
f. Establish the Integrated Risk Management Committee.
g. Evaluate the performance of the committees under the Board of Directors at the end of fiscal year.
h. Conduct meetings of the Board of Directors periodically, at least 1 (one) time each month.
i. Record the minutes of meetings of the Board of Directors and have them signed by all members of the Board of Directors present at the Board of Directors meeting.
j. Distribute copies of the minutes of meetings of the Board of Directors to all members of the Board of Directors and related parties.
k. Conduct meetings of the Board of Directors with the Board of Commissioners in accordance with regulations.
l. To hold and keep a List of Shareholders, Special List, Minutes of General Meetings of Shareholders, and Minutes of Board of Directors meetings.
m. Prepare Annual Reports and other company documents as referred to in the prevailing laws and regulations.
n. Follow-up audit findings and recommendations of the external auditor, the results of the supervision of the Financial Services Authority, Bank Indonesia and the results of supervision of other authorities including but not limited to the Indonesia Stock Exchange.
o. Be responsible for implementation of its duties and responsibilities to shareholders through the General Meeting of Shareholders.

4. Authority of the Board of Directors

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

a. Represent the Company in and out of court on all matters and in any event, binding the Company with other parties and other parties with the Company and carrying out all actions, both regarding management and ownership, with restrictions as set forth in the Articles of Association.
b. Arrange the handover of the powers of the Board of Directors to represent the Company within and outside the Court to a person or several members of the Board of Directors specifically appointed or to an employee or employees of the Company, either alone or with other persons or bodies.
c. The Board of Directors shall be entitled to appoint one or more persons authorized to perform certain acts in accordance with the terms stipulated by the Board of Directors in a special power of attorney.
d. Establish policies to lead and manage the Company.

e. Arrange provisions on employment, including the determination of salaries, pensions or old-age benefits and other income for employees, in accordance with applicable laws and/or resolutions of the General Meeting of Shareholders.
f. Hire and dismiss employees based on personnel regulations.
g. Carry out other actions, either on management or on ownership, in accordance with the provisions set forth by the Board of Commissioners with due regard to the prevailing laws and regulations.

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

5. Criteria of the Board of Directors

Those who may be appointed as a Director are individuals who meet the criteria and requirements in accordance with:

a. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies namely to:
   1) Have good ethics, morals, and integrity.
   2) Be proficient in performing legal actions.
   3) Within 5 (five) years before appointment and during the term of office:
      a) not have been declared bankrupt;
      b) not have been a member of a Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt;
      c) not have been punished for committing a crime detrimental to state finances or relating to the financial sector; and
      d) not have been a member of a Board of Directors or Board of Commissioners in which during his/her term of office:
         - did not organize an Annual GMS;
         - had his/her accountability as a member of the Board of Directors or Board of Commissioners not accepted by the GMS or he/she did not submit his/her accountability as a member of the Board of Directors or Board of Commissioners to the General Meeting of Shareholders; and
         - have caused a company that obtained license, approval or registration from the Financial Services Authority to not full the obligation to submit annual report and/or financial report to the Financial Services Authority.
   4) Have a commitment to comply with laws and regulations.
   5) Have knowledge and/or expertise in the held required by the Company.

b. Bank Indonesia Regulation No. 12/23/PBI/2010 regarding the Fit and Proper Test among others states that:
   1. The requirements of integrity include to:
      a) have good character and morals, among others shown by the attitudes to comply with applicable provisions, including not having been convicted for specific crimes within the last 20 (twenty) years prior to nomination;
      b) have a commitment to comply with applicable laws and regulations;
      c) be committed to the development of healthy Bank operations;
      d) not be included on the Disqualified List (DTL);
      e) be committed not to conduct and/or repeat offenses and/or actions as referred to in Article 27 and Article 28, for a candidate of the Board of Directors who had once been disqualified in the Fit and Proper Test and undergone a period of sanction as referred to Article 35 Paragraph 1, Article 40 Paragraph 4 letter a, and Article 40 paragraph 5 of the above-mentioned Bank Indonesia Regulation.

2. Competence requirements include having:
   a) adequate knowledge in banking relevant to his/her position;
   b) experience and expertise in banking and/or finance;
   c) the ability to undertake strategic management in the framework of healthy Bank development.
3. Financial reputation requirements include:
   a) not having bad credit; and
   b) not having been declared bankrupt or, on a Board of Directors or Board of Commissioners, found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.

c. Based on Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, each Director must meet the requirements of Fit and Proper Test according to Financial Services Authority Regulation No. 27/POJK.03/2016 on the Assessment of Ability and Compatibility for the Main Party of the Financial Services Institution, which among other matters details:

1) Requirements of integrity, including to:
   a) be capable of performing legal actions;
   b) have good character and morals, at least indicated by attitudes to comply with regulatory requirements, including to have not been convicted a specific crime within a certain period prior to nomination;
   c) be committed to complying with laws and regulations and supporting Financial Services Authority policies;
   d) be committed to the development of a healthy Financial Service Institution; and
   e) be not included as a party prohibited to become a Principal Party.
2) Financial reputation requirements, at least proven by:
   a) having no bad credit and/or non-performing financing; and
   b) having not been declared bankrupt and/or has not been a shareholder, insurance company controller who is not a shareholder, member of a Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years prior to nomination

6. Nomination for Members of the Board of Directors

Legal Basis

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

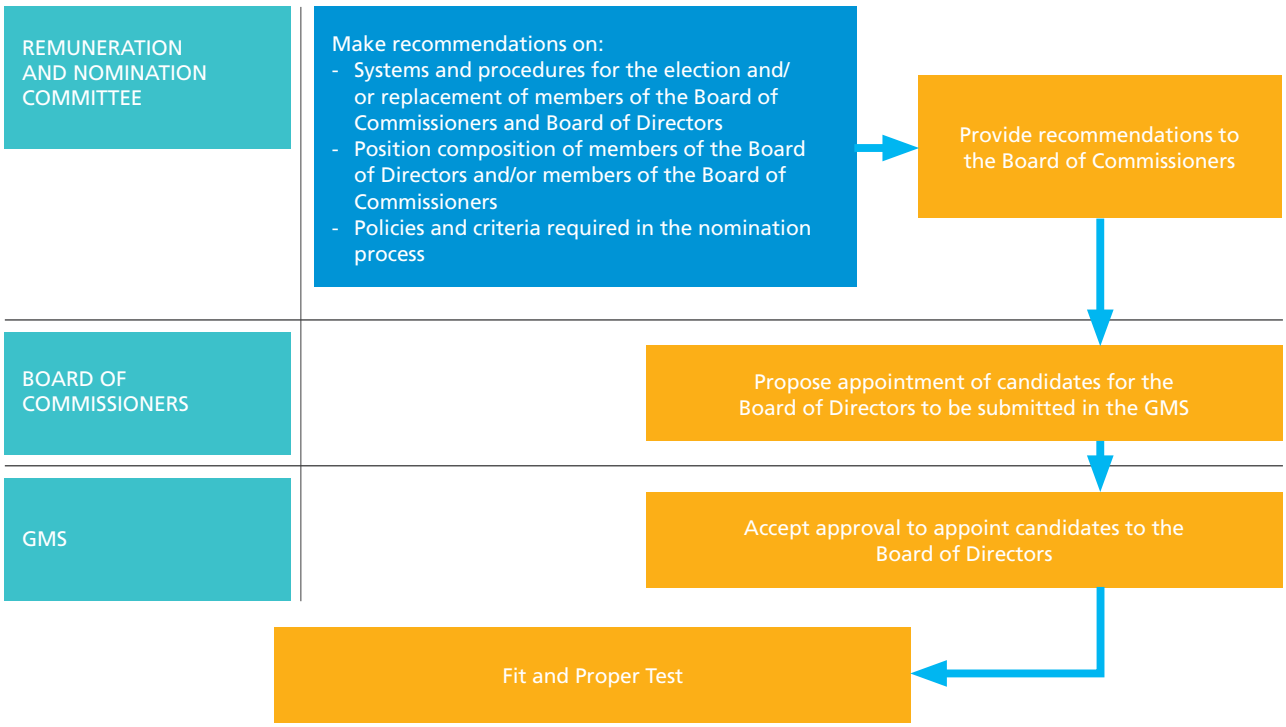
a. Article 7 of Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that the proposal for the appointment, dismissal, and/or replacement of members of the Board of Directors to the General Meeting of Shareholders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

Nomination Mechanism

One of the tasks of the Company's Remuneration and Nomination Committee is to compile the Board of Directors' succession policy. The implementation of the Board of Directors' succession policies includes the provision of recommendations regarding the system, procedures, and candidates for the Board of Directors to elect and/or replace members of the Board of Directors to the Board of Commissioners to submit to GMS. Policies regarding the succession of Directors can be seen in the Remuneration and Nomination Committee section of this Annual Report.

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

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



7. Number and Composition of the Members of Board of Directors

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

As of 31 December 2018, memberships of the Board of Directors comprises 12 (twelve) persons, consisting of:

- 1 (one) President Director
- 2 (two) Deputy President Directors
- 1 (one) Compliance Director
- 1 (one) Independent Director
- 7 (seven) other Directors

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

The Company has also appointed an Independent Director who has the duties and responsibilities to supervise Regional & Branch Management, Network Management & Regional Development, and Procurement.

The term of office of the Board of Directors of the Company will expire until the closing of the 5th (fifth) Annual GMS held after the GMS which appoints the relevant members of the Board of Directors, without reducing the authority of the GMS to dismiss one or more members of the Board of Directors at any time before the position ends. The Articles of Association

of the Company state that members of the Board of Directors whose term of office has expired can be reappointed.

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

Name	Position	No. Letter of Agreement
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated 17 June 2011
Eugene Keith Galbraith	Deputy President Director	13/99/GBI/DPIP/Rahasia dated 25 August 2011
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated 21 June 2016
Suwignyo Budiman	Director	4/69/DpG/DPIP/Rahasia dated 13 August 2002
Tan Ho Hien/Subur/Subur Tan	Director (concurrently Compliance Director)	4/69/DpG/DPIP/Rahasia dated 13 August 2002
Henry Koenaifi	Director	10/32/DPB3/TPB3-2 dated 13 February 2008
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Rahasia dated 25 August 2011
Rudy Susanto	Director	SR-119/D.03/2014 dated 21 July 2014
Lianawaty Suwono	Director	SR-137/D.03/2016 dated 27 July 2016
Santoso	Director	SR-143/D.03/2016 dated 8 August 2016
Inawaty Handojo	Director	SR-144/D.03/2016 dated 8 August 2016
Vera Eve Lim	Director	SR-79/PB.12/2018 dated 23 April 2018

All members of the Company's Board of Directors who have passed the Fit and Proper Test are domiciled in Indonesia as referred to in Article 4 of OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.

8. Composition of the Board of Commissioners as of December 31, 2018

In 2018, there was a change in the composition of the Board of Directors. The Membership Structure of the Company's Board of Directors in 2018 has been included in the Deed of Decision of the Meeting of PT Bank Central Asia Tbk No. 180 dated 26 April 2018, which was made before Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

Composition of the Board of Commissioners of the Company as of December 31, 2018

Position	Name	Period
President Director	Jahja Setiaatmadja	2016-2021
Deputy President Director	Eugene Keith Galbraith	2016-2021
Deputy President Director	Armand Wahyudi Hartono	2016-2021
Director (concurrently Compliance Director)	Tan Ho Hien/ Subur/ Subur Tan	2016-2021
Director	Rudy Susanto	2016-2021
Director	Henry Koenaifi	2016-2021
Director	Suwignyo Budiman	2016-2021
Independent Director	Erwan Yuris Ang	2016-2021

Position	Name	Period
Director	Lianawaty Suwono	2016-2021
Director	Santoso	2016-2021
Director	Inawaty Handojo	2016-2021
Director	Vera Eve Lim	2018-2021

In 2017, there was no change in the composition of the members of the Board of Directors. The Membership Structure of the Company's Board of Directors in 2017 has been included in the Deed of Decision of the Meeting of PT Bank Central Asia Tbk No. 216 dated 26 August 2016, which was made before Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta.

Composition of the Board of Commissioners of the Company as of 31 December 2017

Position	Name	Period
President Director	Jahja Setiaatmadja	2016-2021
Deputy President Director	Eugene Keith Galbraith	2016-2021
Deputy President Director	Armand Wahyudi Hartono	2016-2021
Director (concurrently Compliance Director)	Tan Ho Hien/ Subur/ Subur Tan	2016-2021
Director	Rudy Susanto	2016-2021
Director	Henry Koenaifi	2016-2021
Director	Suwignyo Budiman	2016-2021
Independent Director	Erwan Yuris Ang	2016-2021
Director	Lianawaty Suwono	2016-2021
Director	Santoso	2016-2021
Director	Inawaty Handojo	2016-2021

At present there is no Director of the Company who is a former Managing Director of the Company in the last 2 (two) years.

9. Division of Duties and Responsibilities of Board of Directors

Disclosure on the duties and responsibilities of the Board of Directors of the Company is based on Financial Services Authority Circular Letter No. 30/ SEOJK.04/2016 regarding the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, stating that the Governance Report of Issuer or Public Company contains a brief description of the duties and responsibilities of each member of the Board of Directors.

The distribution of duty and authority among members of a Board of Directors be determined based on the Board of Directors with approbation by on a letter the resolution of the Board of Commissioners No. 084/SK/KOM/2018 dated 9 May 2018 regarding regarding Division of Duties and Responsibilities of the Board of Directors and Organization Frameworks of PT Bank Central Asia Tbk described at table as follows:

No.	Name	Position	Duties and responsibilities	Alternate Director I	Alternate Director II	Alternate Director III
1.	Jahja Setiaatmadja (JS)	President Director (PD)	• Internal Audit ****) • Anti-Fraud • Corporate Social Responsibility	WP1 DHC DTP	DCR DCR DCR	DJW DJW DJW
2.	Eugene K. Galbraith (EG)	Deputy President Director (WP1)*)	• Information Technology Security	DCR	DBI	DHC
3.	Armand W. Hartono (AWH)	Deputy President Director (WP2) **)	• Strategy & Development of Service Operations • Information Technology • Domestic Payment Services • Electronic Banking Services • International Banking Services • Digital Services • PT Central Capital Ventura	DJW DBI DKR DTP DBK DTP DBI	DHC DHC DJW DJW DTP DJW DHC	DKS DTP DKS DHC DHC DHC DTP
4.	Subur Tan (ST)	Compliance and Risk Management Director (DCR)***)	• Compliance****) • Law • Risk management****)	DHC DJW DJW	DKR WP1 WP1	DJW PD PD
5.	Rudy Susanto (RS)	Corporate Banking Director (DBK)**)	• Corporate Business • Corporate Branch • Treasury • International Banking • BCA Finance Ltd. (Hong Kong) • PT BCA Sekuritas	DKS DKS PD WP1 WP1 WP1	DBI DBI WP1 PD DTP PD	WP1 WP1 DBI DBI DKR DKR
6.	Henry Koenaifi (HK)	Director of Commercial Banking & SME (DKS)**)	• Commercial & SME Business • Cash Management • Credit Service • PT Central Santosa Finance • PT BCA Finance	DBK DBK DJW DBI DBI	DBI DTP DKR DKR DKR	DTP DBI DTP DTP DTP
7.	Suwignyo Budiman (SB)	Director of Individual Banking (DBI) **)	• Consumer Credit (KPR, KKB) • Individual Customer Business Development • Wealth Management • PT BCA Syariah • PT Asuransi Umum BCA • PT Asuransi Jiwa BCA	DKS DKS DKS DTP DKR DHC	DBK DTP DTP DJW DKS DKS	DTP WP2 WP2 WP2 DTP DTP
8.	Erwan Yuris Ang (EY)	Director of Regional & Branch Networks (DJW) #)	• Area & Branch Management • Network Management & Regional Development • Procurement	WP2 WP2 DKR	DHC DHC DHC	DKS DKS WP1
9.	Inawaty Handojo (IH)	Director of Credit (DKR)	• Credit Analysis • Credit Rescue	WP1 WP1	DJW DJW	PD PD
10.	Santoso (SL)	Director of Banking Transaction (DTP)	• Business Development & Marketing Banking Transactions • Development of Banking Transaction Cooperation Solutions • Development of Banking Product Transactions • Business Services & Business Support for Banking Transactions	DKS DBI WP2 DBI	WP2 WP2 DBI DKS	DBI DKS DKS WP2
11.	Lianawaty Suwono (LS)	Director of Human Capital Management (DHC)	• Human Capital Management • Training and development	DCR DCR	PD WP2	WP1 WP1
12.	Vera Eve Lim(VL) ##)	Finance Director & Corporate Secretary (DFC) *****)	• Finance & Planning • Corporate Secretary	WP1 WP1	DKR DBK	PD PD

Notes:
1. The Alternate Director reports to the Respective (Functional) Director all actions taken/decisions made during the period of acting in place of the Director.
2. Subsidiaries' Management Function is regulated as follows:
   *) Performs a comprehensive monitoring and coordination function on the management of Subsidiaries.
   **) Performs monitoring function of Subsidiary Business Growth.
   ***) Performs risk-monitoring function of Subsidiaries in the context of integrated risk management.
   ****) Monitoring the implementation of the internal audit/risk management/compliance function of Subsidiaries in order to implement integrated governance and integrated risk management
   *****) Monitoring financial performance of the Subsidiaries Company.
   Implementation of the above functions shall consider the principles in Limited Liability Companies, where the Subsidiary is an independent/separate legal entity. The responsibility of the Boards of Directors and/or the Boards of Commissioners of Subsidiaries is to the Subsidiary's General Meeting of Shareholders. Holding Company as the shareholder exercises its authority and function through the Subsidiary's General Meeting of Shareholders.
3. #) Director of Regional & Branch Networks is responsible as daily executor, supervisor and monitoring regional and branch management; the Head of each Regional office is responsible to the Board of Directors
   ##) Effectively after AGMS and approval from OJK on 23 April 2018 about Fit & Proper Test of Director candidate

10. Orientation Program for New Members of Board of Directors

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

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

The orientation program includes:

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

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

Orientation Procedures

The orientation procedures of new Directors may be conducted by:

a. Presentation by a work unit to obtain an explanation of the various aspects deemed necessary by involving subordinates; or

b. Meetings with members of the Board of Directors and Board of Commissioners to discuss various issues in the Company or other required information; or

c. Visits at various locations of the Company's business activities/branches along with other members of the Board of Directors/ Management.

11. Training Program in Order to Improve Competence for Directors

The Company's governance guidelines have established the Board of Directors training program policies in Part II of the Guidelines on the Implementation Procedures of Governance Principles-Chapter IV on the Board of Directors Code of Conduct. The Board of Directors shall participate in a training program at least 1 (one) time in a year to support the implementation of their duties and obligations.

Training programs that were followed by Board of Directors in 2018 are as follows:

No.	Name	Training Program	Organizer	Location	Date
1.	Jahja Setiaatmadja	Trading Trends 2018	BCA	Jakarta, Indonesia	12 January 2018
		Creco Indonesia Outlook 2018	PT Creco Indonesia	Jakarta, Indonesia	6 February 2018
		Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitalization of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		CEO Gathering 2018: Optimizing the Role of Financial Sector for Economic Growth	Asosiasi Emiten Indonesia	Jakarta, Indonesia	20 February 2018
		Event Prioritas Table: Developing Tourism Industry in Indonesia	BCA	Jakarta, Indonesia	27 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	14 March 2018
		Summit of Leaders Organizational Committee	Oxford (Europe *Business Assembly*)	London, England	17 April 2108
		34th Annual Strategic Decision Conference *2018*	Bernstein	New York, USA	31 May -1 June 2018

No.	Name	Training Program	Organizer	Location	Date
		IMC Conference	IMC	Washington, USA	4-5 June 2018
		Bank Indonesia Dialogue Forum Dialog BI: BI's policy in stability and economic growth	Bank Indonesia	Jakarta, Indonesia	9 July 2018
		National Seminar ISEI (Ikatan Sarjana Ekonomi Indonesia) Strengthening Productivity of Indonesian Economy: Harmonizing Formal & Informal Sectors	ISEI	Bandung, Indonesia	9-10 August 2018
		3rd Annual Indonesia Conference	Credit Suisse	Singapore, Singapore	15 August 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		IBEX : The Next Generation of Banking in The Fourth Industrial Transformation	Perbanas	Jakarta, Indonesia	15 November 2018
		Bank Indonesia Annual Meetings 2018 "Synergy for Resilience and Growth"	Bank Indonesia	Jakarta, Indonesia	27 November 2018
		Economic Outlook 2019: Banking in Digital Era - Mitigation and Risk	Indonesia Banker Association	Jakarta, Indonesia	10 December 2018
2.	Eugene Keith Galbraith	Nomura Indonesia All Access 2018	Nomura	Jakarta, Indonesia	17 January 2018
		Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitalization of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Indonesia Corporate Day	Deutsche Bank	London, England	22-23 February 2018
		Indonesia Conference 2018	UBS	Jakarta, Indonesia	5 March 2108
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	21-23 March 2018
		Citi Indonesia Investor Conference 2018	Citigroup Securities	Jakarta, Indonesia	3 May 2018
		3rd Annual Indonesia Conference	Credit Suisse	Singapore, Singapore	16 August 2018
		Asia Pacific CEO CFO Conference	JP Morgan	New York, USA	5-6 September 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		11th Annual dbAccess Indonesia Conference	Deutsche Bank	Jakarta, Indonesia	14 November 2018
		Refreshment Workshop Risk Management with Octagon: Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
		Asia Pacific Summit	Morgan Stanley	Singapore, Singapore	28-30 November 2018
3.	Armand Wahyudi Hartono	Asian Leaders in Financial Institutions *(ALFI) - Alumni* Meet	ALFI NUS	Singapore, Singapore	18 January 2018

No.	Name	Training Program	Organizer	Location	Date
		Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	21-23 March 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Gartner Symposium	Gartner	Barcelona, Spain	4 - 8 November 2018
		CCV Workshop	BCA	Jakarta, Indonesia	23 November 2018
4.	Subur Tan	Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	19-21 March 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		ASEAN Global Leadership Programme (AGLP) 2018: Transforming ASEAN Organizations The Leadership Imperative	University of Cambridge	Cambridge, England	15-19 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
5.	Rudy Susanto	Trading Trends 2018	BCA	Jakarta, Indonesia	12 January 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	14 – 15 March 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
		Bank Indonesia Annual Meetings 2018 "Synergy for Resilience and Growth"	Bank Indonesia	Jakarta, Indonesia	27 November 2018
6.	Henry Koenaifi	Trading Trends *2018*	BCA	Jakarta, Indonesia	12 January 2018
		Asian Leaders in Financial Institutions *(ALFI) Alumni Meet*	ALFI NUS	Singapore, Singapore	18 January 2018
		Mark Coopersmith Conference "Innovation and Entrepreneurship in the Digital Business Era"	PT BCA Finance	Jakarta, Indonesia	24 January 2018
		Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	13-15 March 2018
		ASEAN Global Leadership Program	SRW & Co.	New York, USA	16-20 April 2018

No.	Name	Training Program	Organizer	Location	Date
		Seminar ASEAN Bankers Association (ABA) - COFFIT Sustainable Finance	Perbanas	Jakarta, Indonesia	4 May 2018
		The Future of Finance Indonesia 2018	The Asian Banker	Jakarta, Indonesia	30 August 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		IBEX : The Next Generation of Banking in The Fourth Industrial Transformation	Perbanas	Jakarta, Indonesia	15 November 2018
		SDGs in Industry Era 4.0 Conference	Indonesian Ministry of National Development Planning / Bappenas	Jakarta, Indonesia	7 Desember 2018
7.	Suwignyo Budiman	Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	13-15 March 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		ASEAN Global Leadership Programme (AGLP) 2018: Transforming ASEAN Organizations The Leadership Imperative	University of Cambridge	Cambridge, England	15-19 October 2018
		IBEX : The Next Generation of Banking in The Fourth Industrial Transformation	Perbanas	Jakarta, Indonesia	15 November 2018
8.	Erwan Yuris Ang	Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	19-21 March 2018
		Creating Organizational Change through Blue Ocean Leadership & Creating a Breakthrough Value Proposition	Master Class	Kuala Lumpur, Malaysia	24-25 September 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
9.	Lianawaty Suwono	Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		International Leadership Seminar, "Transformational Leadership in The Next Era: Issues, Challenges and Strategy	Bank Indonesia	Bali, Indonesia	3 March 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	19-21 March 2018
		Media Training for Directors	BCA	Jakarta, Indonesia	16 July 2018
		3rd Asia Pacific HR Forum	Inti Pesan	Bali, Indonesia	30-31 August 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
10.	Santoso	Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018

No.	Name	Training Program	Organizer	Location	Date
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	21-23 March 2018
		Taksila Banking Forum Leadership Program 2018 - Navigating The Next Wave of Revolution	Kasikorn Bank	Bangkok, Thailand	25-28 March 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Financial Technology and Its Impact to the Culture : Best Practice in BCA	UGM	Yogyakarta, Indonesia	12 October 2018
		IBEX : The Next Generation of Banking in The Fourth Industrial Transformation	Perbanas	Jakarta, Indonesia	15 November 2018
11.	Inawaty Handojo	Risk Management Refreshment - Cyber Security & Integrating Operation Risk - The Role of Banking in the rise of Digitisation of Financial Market	LSPP	Jakarta, Indonesia	12 February 2018
		Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	21-23 March 2018
		PSAK 71 - IFRS 9	Deloitte Konsultan Indonesia	Jakarta, Indonesia	16 May 2018
		Indonesia Sustainability Financial Initiative Launch & CEO Dialogue on Sustainable Financial	WWF Indonesia	Jakarta, Indonesia	31 May 2018
		Media Training for Directors	BCA	Jakarta, Indonesia	16 July 2018
		Bank Assessment Report Related to ASEAN 2018 Bank Sustainability Report	WWF Indonesia	Jakarta, Indonesia	19 July 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
12.	Vera Eve Lim	Digital BCG Asia Pacific Conference 2018	The Boston Consulting Group	Singapore, Singapore	28-29 June 2018
		ASEAN Day	Daiwa - Bahana	Tokyo, Japan	12-13 July 2018
		Media Training for Directors	BCA	Jakarta, Indonesia	16 July 2018
		3rd Annual Indonesia Conference	Credit Suisse	Jakarta, Indonesia	15-16 August 2018
		The Future of Finance Indonesia	The Asian Banker	Jakarta, Indonesia	30 August 2018
		Investor Forum in Hong Kong	CLSA	Hong Kong, Hong Kong	10-11 September 2018
		Study Tour Singapore	Asean *Banker Association*	Singapore, Singapore	26-27 September 2018
		Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
		Refreshment Workshop Risk Management with Octagon : Trend Risk 2019	BCA	Jakarta, Indonesia	21 November 2018
		CCV Workshop	BCA	Jakarta, Indonesia	23 November 2018
		PWC Workshop: PSAK Technical Update	BCA	Jakarta, Indonesia	26-27 November 2018
		Asia Pacific Summit	Morgan Stanley	Singapore, Singapore	28-30 November 2018

12. Share Ownership for Directors that Amounts to 5% or More

Legal Basis

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

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

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

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

In accordance with Article 3 of Financial Services Authority Regulation No. 11/POJK.04/2017 regarding Ownership Report or Any Changes in the Share Ownership of the Public Company, the Company has a policy regarding the obligations of members of the Board of Directors and Board of Commissioners to convey ownership information and changes to the Company's shares contained in the Governance Guidelines. Socialization of Financial Services Authority Regulation No. 11/POJK.04/2017 also referred to in Corporate Secretary Memo No. 120/MO/DCS/2017 dated 25 April 2017 to all members of the Board of Directors and Board of Commissioners.

As a manifestation of the implementation of internal and external policies regarding the said share ownership report, the Company has submitted a report on each change in Directors' shareholding in 2018 through the e-Reporting system, and the hardcopy document to Financial Services Authority and Indonesia Stock Exchange.

The Board of Directors Code of Conduct regulates, among other things, the Board of Directors obligation to disclose share ownership that reaches 5% (five percent) or more of paid-up capital, which includes the type and number of shares in the Company, other banks, non-bank financial institutions and other companies, which are domiciled at home and abroad. In addition to the above, the Company has also held and stored a Special List, whereas in every 3 (three) months, the Directors and their families report the ownership of all shares both in the Company's shares and in other companies as stipulated in Article 50 of Law No. 40 of 2007 concerning Limited Liability Companies.

Table of Share Ownership of the Board of Directors that amounts to 5% or More as of December 31, 2018

Name	Table of Share Ownership of the Board of Directors that amounts to 5% or More on:			
	Company	Other banks	Non-bank financial institution	Other companies
Jahja Setiaatmadja	-	-	-	√
Eugene Keith Galbraith	-	-	-	-
Armand Wahyudi Hartono	-	-	-	√
Suwignyo Budiman	-	-	-	-
Henry Koenaifi	-	-	-	-
Subur Tan	-	-	-	-
Erwan Yuris Ang	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Inawaty Handojo	-	-	-	-
Vera Eve Lim	-	-	-	-

Table of Total Share Ownership by the Board of Directors in 2018

Directors	Total Ownership in the beginning of the year (as of January 1st 2018)	Total Ownership at the end of year (as of December 31st 2018)
Jahja Setiaatmadja	8,180,380	8,103,902
Eugene Keith Galbraith	1,435,365	1,581,879
Armand Wahyudi Hartono	851,213	851,213
Suwignyo Budiman	7,332,825	7,407,206
Henry Koenaifi	835,257	957,138
Subur Tan	2,606,100	2,705,481
Erwan Yuris Ang	1,526,500	1,191,967
Rudy Susanto	345,500	416,193
Lianawaty Suwono	110,000	126,279
Santoso	120,580	171,140
Inawaty Handojo	58,100	102,667
Vera Eve Lim	17,000	17,000

13. Dual Position for Members of the Board of Directors

Legal Basis

a. Article 7 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks states that members of the Board of Directors are prohibited from serving concurrently as members of the Board of Directors, members of the Board of Commissioners or Executive Officers at banks, companies and/or other institutions (excluding concurrent positions if the Directors is responsible to supervise participation in a subsidiary company, perform functional duties of being a member of the Board of Commissioners of non-bank subsidiaries controlled by the Bank).

b. Article 6 of Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that members of the Board of Directors may also serve as members of a Board of Directors at most 1 (one) issuer or other public company, a Board of Commissioners at most 3 (three) in issuer or any other public company and/or Committee Member at a maximum of 5 (five) committees in the issuer or public company in which the member also serves as a member of the Board of Directors or a member of the Board of Commissioners. This concurrent position can only be done as long as it is not contrary to other laws and regulations.

Disclosure

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

Table of Dual Positions of the Board of Directors

Name	Position at the Company	Position at other banks	Position at other companies	Industry
Jahja Setiaatmadja	President Director	-	-	-
Eugene Keith Galbraith	Deputy President Director	-	-	-
Armand Wahyudi Hartono	Deputy President Director	-	-	-
Suwignyo Budiman	Director	-	-	-

Name	Position at the Company	Position at other banks	Position at other companies	Industry
Henry Koenaifi	Director	-	-	-
Tan Ho Hien/Subur atau Subur Tan	Director (concurrently Compliance Director)	-	-	-
Erwan Yuris Ang	Independent Director	-	-	-
Rudy Susanto	Director	-	-	-
Lianawaty Suwono	Director	-	-	-
Santoso	Director	-	-	-
Inawaty Handojo	Director	-	-	-
Vera Eve Lim	Director	-	-	-

14. Performance Assessment of Executive Committees of the Board of Directors

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

Executive Committees of the Board of Directors

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

Members of Executive Committees are appointed by the Board of Directors to contribute in accordance with the areas of duties and responsibilities of the Board of Directors. The Board of Directors reviewed that during 2018 the Committees under the Board of Directors performed their functions and duties well.

The following are the 7 (seven) Executive Committees under the Board of Directors and their performance during 2018:

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

The report on the implementation of the Board of Directors' executive duties in 2018 is available in the Executive Committee of the Board of Directors section in this Annual Report.

Criteria :

Evaluation criteria of the Board of Directors Executive Committee are based on compliance with the guidelines, work order and work realization/ implementation of duties of each committee.

Process :

Assessments are conducted collegially by the Board of Directors and carried out in 1 (one) time in the period of 1 (one) year.

Result:

During 2018, the Board of Directors assess that these committees have contributed to the Bank's business and have provided useful opinions in supporting the Board of Directors in its duties. Each committee conducts regular discussions on work programs in accordance with developments at Company, as well as in the wider economy and the regulatory environment.

1) **Asset and Liability Management Committee**

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

   Realization of ALCO Work Program in 2018

   In performing its duties throughout 2018, ALCO held 9 (nine) meetings with the following agenda:

   a) Report of follow-ups of previous ALCO meeting decisions.

b) Review of economic parameters including inflation rates, Bank Indonesia Term Deposit interest rates, yield curves of Rupiah and USD, Rupiah & USD market liquidity and exchange rate of Rupiah.
c) Liquidity reserves comprising Primary and Secondary Rupiah and Foreign Exchange Reserves, Rupiah and Foreign Exchange Fund Structure, Credit Projection, Liquidity Projection and losses due to liquidity risk.
d) Interest rate risks, including Reprising Gap and Sensitivity Analysis, both for Rupiah and Foreign Exchange.
e) Interest Rate Trading Book and Foreign Exchange Risks
f) Loan Portfolio, which comprises limit and outstanding loans and type of debtors.
g) Yield and Cost of Fund of Rupiah and Foreign Exchange.
h) Analysis of Assets/Liabilities Management.
i) Stress Test for Liquidity Risk and Stress Test for Exchange Rate & Interest Rate Trading Book Risk.
j) Comparison of the composition of Bank Funds to the banking sector.
k) Discussion and decision of changes in interest rates for Funds and Loans, Prime Lending Rates and limits relating to the Asset Liability Management (ALM).
l) Review of the results of profit/loss simulations in accordance with the strategy applied by the ALM of the Company.

2) The Risk Management Committee

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

Realization of Risk Management Committee Work Unit Year 2018

In implementing its management throughout 2018, Risk Management Committee holds meeting 4 (four) times , with the realization of the work program of Risk Management Committee as follows:

a) Inform the result of Quantitative Impact Study IFRS 9 (PSAK 71).
b) Inform the result of Bottom Up Stress Test (BUST) 2017/2018.
c) Inform the result of simulation concerning the capital shares to the Subsidiary Company.
d) Informing about infrastructure readiness in facing disastrous condition.
e) Informing the condition of the Company loan portfolio as of September 2018.

3) Integrated Risk Management Committee

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

Realization of Integrated Risk Management Committee Work Program in 2018

In performing its duties throughout 2018, Integrated Risk Management Committee holds meeting 2 (two) times, with the realization of the work program of Integrated Risk Management Committee as follows:

a) Integrated BCP coverage and Company's Financial Conglomerate circuit breaker.
b) Integrated Company's Financial Conglomerate Security Information.
c) Risk Appetite and Company's Finance Conglomerate Risk Tolerance.
d) Integrated Risk Management organizational framework (MRT) and the Company's Financial Conglomerate Company risk monitoring framework.
e) The 2018 Integrated Stress tests with the Company's Financial Conglomerate (The Company and its Subsidiaries).

4) Credit Policy Committee

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

Realization of Credit Policy Committee Work Program in 2018

In carrying out its stewardship duties throughout 2018, the Credit Policy Committee has held on 1 (one) meeting and implemented a work program which recommends:

a) Changes in authority to Corporate Loans and Commercial Loans Decision making;
b) Credit restructuring policy;
c) Sustainable finance;
d) Policy for granting credit to multi-finance companies.

5) **Credit Committee**

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

Realization of Credit Committee Work Program for the Year 2018

In carrying out its stewardship duties during 2018, work programs carried out by the Corporate Credit Committee are 17 (seventeen) meetings, and 7 (seven) meetings by the Commercial Credit Committee.

6) **Information Technology Steering Committee**

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

Realization of Information Technology Steering Committee Work Program in 2018

In carrying out its stewardship duties during 2018, the Information Technology Steering Committee has carried out the following work programs:

a) Evaluate and monitor the implementation of strategic IT projects that are aligned with the Company's strategic corporate objectives and the Company's business direction.
b) Evaluate the implementation of processes and technologies applied in developing IT projects.
c) Review and monitor strategic steps to minimize IT investment risks, reduce operating costs, and improve IT service levels.
d) Monitoring utilization of 2018 IT budgets.
e) Review and evaluate new IT strategic projects, including:
   - Cardless Transaction to make it easier for customers to do banking transactions through or smartphone.
   - Digitalization in Loans by utilizing digital services so that service levels and end-to-end processes for faster customers' loan approval.
   - Future Branch was developed to optimize customer experience at branch office level.
f) Evaluating and monitoring IT initiatives implemented to support the delivery of strategic IT projects. These initiatives are:
   - Utilization of Progressive Web Apps technology to support the development of mobile-based applications.
   - Transfer of some features or modules to the Open System platform to reduce the burden of processing transactions on Mainframes.
   - Modernization of Mainframes to support greater transaction processing and efficiency of maintenance costs and related software licenses.
   - Machine learning development and the ability of data analytics to provide predictive analysis in supporting the conditions and potential needs of future services.
   - Utilization of Cloud technology and its integration with the Data Center to support future technological developments.
g) Review and evaluate the development of the IT HR Management and Management Office to be able to adapt to technological changes.
h) Review and evaluate IT Risk Management processes and IT Compliance Governance.

7) **Personnel Case Advisory Committee**

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

Realization of Work Program of Personnel Case Advisory Committee 2018

In performing its duties throughout 2018, the Personnel Case Advisory Committee has held 14 (fourteen) meetings, which realizations of the work program were to provide input in terms of information, analysis and consideration to make recommendations for actions to be taken by the Board of Directors in response to resolve violations committed by employees that required the Board of Directors decision for settlement, including the imposition of sanctions and/or improvement of systems and operational procedures and/or legal proceedings.

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

MEETINGS OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND JOINT MEETINGS

Meetings of the Board of Commissioners, Board of Directors and Joint Meetings during 2018 are as follows:

1. Board of Commissioners Meetings

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

Legal Basis

References of Board of Commissioners meetings in the Company is as follows:

a. Article 31 paragraph 1 of the Financial Services Authority Regulation No. 33/POJK.04/2014 on the the Board of Directors and the Board of Commissioners of the Issuer or Public Company states that the Board of Commissioners shall organize a meeting at least 1 (one) time every 2 (two) months.
b. Article 16 paragraph 2 of the Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company states that of the Board of Directors shall organize a meeting with the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.
c. Article 37 paragraph 1 of the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Bank states that a Board of Commissioners meeting shall be held periodically at least 4 (four) times in 1 (one) year.
d. Article 16 of the Articles of Association.
e. Code of Conduct and Guidelines of the Board of Commissioners.

Meeting Policy

The Board of Commissioners Meeting Policy has been stipulated in the Corporate Governance Guidelines Part II Chapter 2 on the Code of Conduct and Guidelines of the Board of Commissioners, which essentially oversees among others about:

a. Meetings Frequency
   Meetings of Board of Commissioners must be held periodically at least 1 (one) time in 2 (two) months.
b. Scheduling and Meeting Materials
   For scheduled meeting, the meeting materials have to be disclosed to the meeting participants no later than 5 (five) days prior to the meeting.
c. Minutes of the Board of Commissioners Meeting
   - The Board of Commissioners' meeting results must be stated in Minutes of Meeting signed by all members of the Board of Commissioners presence.
   - Meeting that conducted through teleconferencing technology must be recorded and stated as well in Minutes of Meeting then signed by all teleconferencing participants.

Quorum and Decision Making

Based on Article 16 paragraph 8 of the Articles of Association, the Board of Commissioners meeting is legitimate and has rights to make binding decisions if attended by more than 1/2 (half) of the members of the Board of Commissioners who are in office and represented at the meeting.

Resolutions to the meeting agenda is adopted by amicable deliberation to reach consensus. If deliberation to reach consensus is not reached, then

the resolutions will be adopted through voting mechanism. All resolutions made in the meeting of Board of Commissioners are legitimate and binding. Dissenting opinion happened in the meeting must be stated in the Minutes of Meeting as well as its supporting reasons.

Implementation

During 2018, the Board of Commissioners held 37 (thirty-seven) meetings. The Company has fulfilled the Financial Services Authority regulations on minimal requirements for the Board of Commissioners meetings.

Meeting Frequency and Attendance of the Board of Commissioners in 2018

Meeting frequency and attendance of the Board of Commissioners during 2018 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioners	37	33	89%
Tonny Kusnadi	Commissioner	37	27	73%
Cyrillus Harinowo	Independent Commissioner	37	31	84%
Raden Pardede	Independent Commissioner	37	36	97%
Sumantri Slamet	Independent Commissioner	37	33	89%

The schedule of 2018 meetings has been posted on the Company's website and can be accessed at: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi.

Schedule and topic of the Board of Commissioners Meetings during 2018 are as follows:

No.	Date	Meeting Topic	Attendance
1	January 10, 2018	• Presentation of the Treasury Division • Presentation of the Consultant • Review on Credit Decisions	DES, RP, SS
2	January 24, 2018	• Presentation of the Law Group • Review on Credit Decisions	DES, TK, CH, RP, SS
3	January 31, 2018	• Presentation of the Credit Risk Analysis Group & Corporate Business Group • Review on Credit Decisions	DES, CH, RP
4	February 7, 2018	• Presentation of the Finance and Planning Division • Presentation of the Treasury Division • Presentation of the Internal Audit Division • Review on Credit Decisions	DES, CH, RP, SS
5	February 19, 2018	Presentation of the Law Groups	DES, TK
6	February 21, 2018	• Presentation of the Risk Monitoring Committee • Review on Credit Decisions	TK, CH, RP, SS
7	February 28, 2018	• Presentation of the Audit Committee • Review on Credit Decisions	DES, TK, CH, RP, SS
8	March 5, 2018	• Presentation of the Law Group • Presentation of the Treasury Division	DES, TK, CH, RP, SS
9	March 7, 2018	• Presentation of the Consultant • Review on Credit Decisions	DES, TK, CH, RP, SS
10	March 21, 2018	• Presentation of the Treasury Division • Presentation of the International Banking Division • Report from Integrated Governance Committee • Review on Credit Decisions	DES, TK, CH, RP, SS
11	April 3, 2018	Presentation of the KRN	DES, TK, CH, RP
12	April 4, 2018	• Presentation of the GARK & GBK • Review on Credit Decisions	DES, TK, CH, RP
13	April 11, 2018	• Presentation of the DKP • Presentation of the GARK • Presentation of the DKP • Review on Credit Decisions	DES, TK, CH, RP, SS

No.	Date	Meeting Topic	Attendance
14	April 18, 2018	• Presentation of the DKP • Review on Credit Decisions	DES, TK, RP
15	April 25, 2018	• Presentation of the Credit Rescue Work Unit • Presentation of Treasury Division • Review on Credit Decisions	DES, TK, CH, RP, SS
16	May 2, 2018	• Internal Discussion • Presentation of the Subsidiary • Review on Credit Decisions	DES, TK, RP, SS
17	May 8, 2018	Presentation of the Related Organizations	DES, TK, CH, RP, SS
18	May 9, 2018	• Presentation of the Cash Management Division • Review on Credit Decisions	DES, CH, RP, SS
19	May 16, 2018	• Presentation of the Risk Monitoring Committee • Presentation of the Audit Committee Review on Credit Decisions	DES, TK, CH, RP, SS
20	May 23, 2018	• Presentation of the Credit Risks Analysis Group and Corporate Business Group • Presentation of the Wealth Management Division • Review on Credit Decisions	DES, TK, RP, SS
21	May 30, 2018	• Presentation of Treasury Division • Review on Credit Decisions	CH, RP, SS
22	June 6, 2018	• Credit Discussion • Review on Credit Decisions	DES, TK, CH, RP, SS
23	July 4, 2018	• Presentation of the Banking Transaction Cooperation Solution Development Division • Presentation of the Credit Risks Analysis Group and Corporate Business Group • Review on Credit Decisions	DES, TK, RP, SS
24	July 11, 2018	• Presentation of Treasury Division • Presentation of the Credit Risks Analysis Group and Corporate Business Group • Review on Credit Decisions	DES, CH, RP, SS
25	July 25, 2018	• Presentation of the Credit Risks Analysis Group and Corporate Business Group • Review on Credit Decisions	DES, CH, RP, SS
26	August 1, 2018	• Review on Credit Decisions • Presentation of the Nomination and Remuneration Committee	DES, TK, CH, RP, SS
27	August 8, 2018	• Presentation of SME & Commercial Business Division • Presentation of Internal Audit Division • Presentation of Treasury Division • Review on Credit Decisions	DES, TK, CH, RP, SS
28	August 15, 2018	• Presentation of the Risk Monitoring Committee • Presentation of Audit Committee • Review on Credit Decisions	TK, CH, RP, SS
29	September 5, 2018	• Presentation of the Integrated Governance Committee • Review on Credit Decisions	TK, CH, SS
30	September 12, 2018	• Presentation of the Credit Treasury Division • Review on Credit Decisions	DES, CH, RP, SS
31	September 19, 2018	• Presentation of the Risks Management Work Unit • Review on Credit Decisions	DES, TK, RP, SS
32	October 17, 2018	• Presentation of the GARK and Corporate Business Group • Review on Credit Decisions	DES, CH, RP, SS
33	October 24, 2018	• Presentation of the Risk Management Work Unit • Review on Credit Decisions	DES, CH, RP, SS
34	October 31, 2018	• Presentation of the GARK and Corporate Business Group • Presentation of the Treasury Division • Presentation of the Risk Management Work Unit • Review on Credit Decisions	DES, TK, CH, RP, SS

No.	Date	Meeting Topic	Attendance
35	November 13, 2018	• Presentation of the Treasury Division • Review on Credit Decisions	DES, TK, CH, RP, SS
36	November 28, 2018	• Presentation of the Credit Risk Analysis Group and Corporate Business Group • Presentation of the Audit Committee • Presentation of the Risks Monitoring Committee • Review on Credit Decisions	DES, TK, CH, RP, SS
37	December19, 2018	• Presentation of the Corporate Secretary Division & Remuneration and Nomination Committee • Presentation of the Treasury Division • Review on Credit Decisions	DES, TK, CH, RP, SS

Remarks:

No.	Abbreviation	Name
1	DES	Djohan Emir Setijoso
2	TK	Tonny Kusnadi
3	CH	Cyrillus Harinowo
4	RP	Raden Pardede
5	SS	Sumantri Slamet

Board of Commissioners Meeting Plan for 2019

The Company has scheduled meetings for the Board of Commissioners in 2019 as follows :

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

The schedule may change at any time as needed. The meeting schedule for 2019 has been posted on the Company's website since December 2018 and can be accessed at: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi

2. Board of Directors Meetings

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

Legal Basis

Legal Basis of the implementation of Board of Directors meetings are as follows :

a. Article 16 paragraph 1 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of the Issuer or Public Company, which states that the Board of Directors shall hold meetings periodically at least 1 (one) time once every month.

b. Article 16 paragraph 2 of Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of the Issuer or Public Company, which states that the Board of Directors shall hold a meeting of the Board of Directors together with the Board of Commissioners on a periodic basis of at least 1 (one) time in 4 (four) months.

c. Article 20 of Financial Services Authority Regulation No. 55/POJK.03/2016 on the Application of Governance for Commercial Banks states that any policies and strategic decisions are decided through the Board of Directors meeting with due regard to supervision in accordance with the duties and responsibilities of the Board of Commissioners.
d. Article 13 of the Articles of Association
e. Code of Conduct and Guidelines of the Board of Directors.

Meeting Policy

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

Quorum and Decision Making Method

Based on Article 13 paragraph 8 of the Articles of Association, the Board of Directors meeting is legitimate and has rights to make binding decisions if attended by more than 1/2 (half) of the members of the Board of Directors who are in office and represented at the meeting.

Resolutions to the meeting agenda is adopted by amicable deliberation to reach consensus. If deliberation to reach consensus is not reached, then the resolutions will be adopted through voting mechanism, based on more than 1/2 (half) agreed votes from the number of valid votes issued at the meeting. All resolutions made in the meeting of Board of Directors are legitimate and binding. Dissenting opinion happened in the meeting must be stated clearly in the Minutes of Meeting along with its supporting reasons.

Implementation

During 2018, the Board of Directors held 36 (thirty-six) meetings. The Company has fulfilled the Financial Services Authority regulations on minimal requirements for the Board of Directors meetings.

Meeting Frequency and Attendance of the Board of Directors in 2018 Meetings

Meeting frequency and attendance of Board of Directors in meetings throughout 2018 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	36	27	75%
Eugene Keith Galbraith	Deputy President Director	36	29	81%
Armand Wahyudi Hartono	Deputy President Director	36	27	75%
Suwignyo Budiman	Director	36	33	92%
Henry Koenaifi	Director	36	31	86%
Tan Ho Hien/Subur atau Subur Tan	Director (concurrently Compliance Director)	36	32	89%
Erwan Yuris Ang	Independent Director	36	28	78%
Rudy Susanto	Director	36	34	94%
Lianawaty Suwono	Director	36	31	86%
Santoso	Director	36	33	92%
Inawaty Handojo	Director	36	33	92%
Vera Eve Lim*	Director	24	20	83%

Remarks :
*: Vera Eve Lim appointed in the AGMS in 2018 and has passed the fit and proper test based on Financial Services Authority Letter No. SR-79/PB.12/2018 dated April 23, 2018.

The schedule of 2018 meetings has been posted on the Company's website and can be accessed at https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi.

Schedule and agenda of Board of Directors Meetings during 2018 are as follows:

No.	Date	Meeting Topic	Attendance
1	January 9, 2018	Update E - Channel	JS, EKG, AWH, SB, ST, HK, EY, RS, IH, SL
2	January 11, 2018	• Collective Leave Update • Presentation related Transaction Fee	JS, EKG, AWH, SB, HK, EY, RS, LS, IH, SL
3	January 18, 2018	Presentation of the Logistic Division	EKG, SB, ST, RS, LS, IH, SL
4	January 23, 2018	Follow-up on the Statement Letter of LPS	JS, AWH, SB, ST, HK, EY, RS, LS, IH, SL
5	January 25, 2018	Presentation of the Corporate Banking	JS, SB, ST, HK, EY, RS, LS, IH, SL
6	February 1, 2018	• Update Subsidiaries Performance Update • Digital Awareness Training	JS, EKG, SB, ST, HK, EY, RS, LS, SL, IH
7	February 8, 2018	• Presentation of the Cash Management Division • GMS Update	JS, EKG, SB, ST, HK, EY, RS, LS, SL, IH
8	February 15, 2018	Subsidiaries Performance Update	JS, EKG, SB, ST, HK, EY, RS, LS, SL, IH
9	February 22, 2018	• Presentation of the Cash Management Division • Presentation of the Logistic Division	JS, SB, ST, HK, EY, RS, LS, SL, IH
10	March 1, 2018	Subsidiaries Performance Update	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, SL, IH
11	March 8, 2018	Subsidiaries Performance Update	JS, EKG, AWH, SB, ST, EY, RS, SL, IH
12	April 10, 2018	Internal Discussion	JS, EKG, AWH, ST, EY, RS, LS, SL, IH
13	April 26, 2018	• Macro Economy Update • Presentation of the Banking Transactions Product Development Division • Presentation of the Strategy and Service	EKG, SB, ST, HK, EY, RS, LS, IH, SL, VL
14	May 8, 2018	• Presentation of the Wealth Management Division • Presentation related to Regional Office	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, SL, IH, VL
15	May 17, 2018	• Presentation Division Individual Customer • Business Development	JS, AWH, SB, HK, RS, LS, IH, VL
16	May 24, 2018	Digital and Social Media Update	EKG, AWH, SB, HK, EY, LS, SL, VL
17	June 5, 2018	Internal Discussion	EKG, ST, HK, EY, RS, LS, IH,SL, VL
18	June 7, 2018	Presentation related to Regional Office	EKG, AWH, SB, ST, HK, EY, RS, SL, VL
19	July 5, 2018	Internal Discussion	JS, EKG, SB, ST, HK, EY, RS, LS, IH, SL, VL
20	July 10, 2018	Presentation related to Finhacks	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, IH, SL, VL
21	July 19, 2018	Internal Discussion	JS, AWH, EKG, SB, ST, RS, LS, IH, SL, VL
22	July 24, 2018	• Presentation of Logistic Division • Presentation of the SME and Commercial Business Division	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, IH, SL
23	July 26, 2018	Subsidiaries Performance Update	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, IH, SL
24	August 2, 2018	Subsidiaries Performance Update	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, SL, IH, VL
25	August 30, 2018	• Presentation of the Finance and Planning Division • Subsidiaries Performance Update	AWH, SB, ST, HK, EY, RS, IH, VL
26	September 6, 2018	• Presentation of the CSR Division • Presentation related to Regional Office	JS, SB, ST, EY, RS, LS, SL, VL
27	September 20, 2018	• Presentation of the Enterprise Security Work Unit • Subsidiaries Performance Update	EKG, AWH, SB, ST, HK, RS, LS, IH
28	October 4, 2018	• Presentation of the Information Technology Division • Presentation of the Risk Management Work Unit	EKG, AWH, SB, HK, RS, LS, IH, SL, VL

No.	Date	Meeting Topic	Attendance
29	October 23, 2018	• Presentation of the Finance and Planning Division • Presentation of the Corporate Secretary Division	EKG, AWH, SB, ST, HK, EY, RS LS, IH, SL, VL
30	October 25, 2018	• Presentation of the Risk Management Work Unit • Presentation of the Finance and Planning Division	EKG, AWH, SB, ST, HK, EY, RS LS, IH, SL, VL
31	November 1, 2018	• Presentation of the Transactional Banking Division • Presentation of the Finance and Planning Division	JS, EKG, AWH, ST, HK, RS, IH, SL, VL
32	November 8, 2018	Presentation of the Human Capital Management Division	JS, EKG, SB, ST, HK, LS, SL, VL IH
33	November 22, 2018	• Presentation Logistic Division • Presentation of the Finance and Planning Division	JS, EKG, AWH, SB, ST, HK, EY RS, LS, SL, IH, VL
34	November 27, 2018	Presentation of the CSR Division	JS, EKG, AWH, SB, ST, HK, EY, RS, LS, SL, IH, VL
35	November 29, 2018	• Presentation of the Project Management Office • Presentation of the SME & Commercial Business Division	JS, AWH, SB, ST, HK, RS, LS, SL, IH
36	December 20, 2018	• Presentation of the Transactional Banking Division • Presentation of the SME & Commercial Business Division	JS, AWH, EKG, SB, ST, HK, EY RS, LS, SL, IH

Remarks :

No.	Abbv.	Name
1	JS	Jahja Setiaatmadja
2	EKG	Eugene Keith Galbraith
3	AWH	Armand Wahyudi Hartono
4	SB	Suwignyo Budiman
5	HK	Henry Koenaifi
6	ST	Tan Ho Hien/Subur atau Subur Tan

No.	Abbv.	Name
7	EY	Erwan Yuris Ang
8	RS	Rudy Susanto
9	LS	Lianawaty Suwono
10	SL	Santoso
11	IH	Inawaty Handojo
12	VL	Vera Eve Lim

The meeting schedule of 2018 has been posted at the Company's website and can be accessed at https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi.

Board of Directors Meeting Plan for 2019

The Company has scheduled the meetings for the Board of Directors as follows:

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	24	May	9, 16	September	5, 19
February	7, 21	June	6, 20	October	10, 17, 24
March	7, 14, 21	July	18, 25	November	7, 21
April	4, 11, 18	August	1, 8, 15	December	5

The above schedule may change at any time as needed. The meeting plan for 2019 has been posted on the Company's website and can be accessed at https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi.

3. Joint Meetings of the Board of Commissioners with the Board of Directors

During 2018, the Board of Commissioners and Directors held 14 (fourteen) joint meetings.

Attendance Frequency of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors in 2018:

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	14	14	100%
Tonny Kusnadi	Commissioner	14	9	64%
Cyrillus Harinowo	Independent Commissioner	14	12	86%
Raden Pardede	Independent Commissioner	14	13	93%
Sumantri Slamet	Independent Commissioner	14	12	86%

Attendance Frequency of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors in 2018:

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	14	9	64%
Eugene Keith Galbraith	Deputy President Director	14	14	100%
Armand Wahyudi Hartono	Deputy President Director	14	9	64%
Suwignyo Budiman	Director	14	10	71%
Henry Koenaifi	Director	14	11	79%
Tan Ho Hien/Subur atau Subur Tan	Director (concurrently as Compliance Director)	14	9	64%
Erwan Yuris Ang	Independent Director	14	11	79%
Rudy Susanto	Director	14	12	86%
Lianawaty Suwono	Director	14	13	93%
Santoso	Director	14	13	93%
Inawaty Handojo	Director	14	12	86%
Vera Eve Lim*	Director	9	8	89%

Remarks :
*: Vera Eve Lim appointed in the AGMS in 2018 and has passed the fit and proper test based on Financial Services Authority Letter No. SR-79/PB.12/2018 dated April 23, 2018.

Meeting Schedule and Attendance of Board of Commissioners in the Joint Meetings of the Board of Commissioners and the Board of Directors throughout 2018:

No.	Date	Meeting Topic	Attendance
1	January 15 2018	Presentation of the Finance and Planning Division	DES, TK, CH, RP, SS JS, EKG, AWH, RS, HK, SB, IH, SL, LS
2	January 31, 2018	• Presentation of Finance and Planning Division • Presentation of Legal Group	DES, CH, RP, SS JS, EKG, AWH, ST, RS, HK, SB, EY, IH, SL, LS
3	February 28, 2018	Presentation of Finance and Planning Division	DES, TK, RP, SS JS, EKG, AWH, RS, HK, SL, LS
4	March 7, 2018	• Presentation of Finance Division • Presentation of Compliance Work Unit	DES, TK, CH, RP, SS JS, EKG, AWH, ST, RS, SB, EY, IH, SL, LS
5	March 7, 2018	Presentation of Finance and Planning Division	DES, TK, RP JS, EKG, AWH, ST, RS, IH, SL, LS
6	June 6, 2018	Presentation of Finance and Planning Division	DES, TK, CH, RP, SS EKG, AWH, ST, RS, HK, SB, EY, SL, VL

No.	Date	Meeting Topic	Attendance
7	July 11, 2018	The Board of Commissioners and Board of Directors Brainstorming Session	DES, CH, RP, SS JS, EKG, AWH, ST, RS, HK, EY, IH, SL, LS
8	July 25, 2018	• Presentation of Finance and Planning Division • Presentation of Compliance Work Unit	DES, CH, RP, SS JS, EKG, AWH, ST, RS, HK, SB, EY, IH, SL, LS, VL
9	August 29, 2018	Presentation of Corporate Secretary Division	DES, TK, CH, RP, SS EKG, AWH, ST, RS, EY, IH, LS, VL
10	October 24, 2018	• Presentation of the Risk Management Work Unit • Presentation of the Corporate Secretary Division and Finance & Planning Division	DES, CH, RP, SS EKG, AWH, ST, RS, HK, SB, EY, IH, SL, LS, VL
11	November 7, 2018	Sharing Economic Outlook	DES, TK, CH, RP, SS JS, EKG, AWH, ST, SB, HK, EY, IH, SL, LS, VL
12	November 13, 2018	Presentation of Finance and Planning Division	DES, CH, RP, SS JS, EKG, ST, HK, SB, EY, IH, SL, LS, VL
13	November 22, 2018	Presentation of Finance and Planning Division	DES, TK, CH, RP JS, EKG, AWH, ST, RS, HK, SB, EY, IH, SL, LS, VL
14	December 12, 2018	Presentation of the Corporate Secretary Division	DES, TK, CH, SS EKG, AWH, ST, RS, EY, IH, SL, LS, VL

Remarks :

The Board of Commissioners

No.	Abbv.	Name
1	DES	Djohan Emir Setijoso
2	TK	Tonny Kusnadi
3	CH	Cyrillus Harinowo
4	RP	Raden Pardede
5	SS	Sumantri Slamet

The Board of Directors

No.	Abbv.	Name
1	JS	Jahja Setiaatmadja
2	EKG	Eugene Keith Galbraith
3	AWH	Armand Wahyudi Hartono
4	SB	Suwignyo Budiman
5	HK	Henry Koenaifi
6	ST	Tan Ho Hien/Subur atau Subur Tan
7	EY	Erwan Yuris Ang
8	RS	Rudy Susanto
9	LS	Lianawaty Suwono
10	SL	Santoso
11	IH	Inawaty Handojo
12	VL	Vera Eve Lim

Joint Meeting Plan of the Board of Commissioners and the Board of Directors for 2019

The Company has scheduled joint meetings for the Board of Commissioners and the Board of Directors among other as follows:

Joint Meetings Plan of the Board of Commissioners and the Board of Directors in 2019

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
February	27	July	17	October	16
March	20			November	27
April	16				

The above schedule may change at any time as deemed necessary. The meeting plan for 2019 has been posted on the Company's website and can be accessed at https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi.

AFFILIATED RELATIONSHIPS

Affiliated relationships between Board of Directors, Board of Commissioners and the principal shareholders and/or controllers are as follows:

1. Affiliated Relationships of the Board of Commissioners

Article 39 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Application of Governance for Commercial Banks states that Commissioners shall disclose financial and family relationships with other Commissioners, Directors and/or controlling shareholders of the Bank in the report on the implementation of good governance.

All of the members of the Company's Board of Directors are not affiliated with other members of the Board of Directors and with the main shareholders and / or controllers.

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

Table of Affiliated Relationships of the Board of Commissioners

Name	Position	Familial relationship with						Financial relationship with					
		Board of Commissioners		Board of Directors		Controlling Shareholder		Board of Commissioners		Board of Directors		Controlling Shareholder	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Djohan Emir Setijoso	President Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Tonny Kusnadi	Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Cyrillus Harinowo	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Raden Pardede	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Sumantri Slamet	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√

2. Affiliated Relationship of the Board of Directors

Article 21 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that Directors shall disclose financial and family relationships with other members of the Board of Directors, Commissioners, and/or controlling shareholders of the Bank in the report on the implementation of good governance.

The majority of the members of the Company's Board of Directors are not affiliated with other members of the Board of Directors and with the main shareholders and / or controllers.

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

Table of Affiliated Relationships of the Board of Directors

Name	Position	Familial Relationship with						Financial relationship with					
		The Board of Commissioners		The Board of Directors		Controlling Shareholder		The Board of Commissioners		The Board of Directors		Controlling Shareholder	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jahja Setiaatmadja	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Eugene Keith Galbraith	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Suwignyo Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Henry Koenaifi	Director	-	√	-	√	-	√	-	√	-	√	-	√
Tan Ho Hien/ Subur atau Subur Tan	Director (concurrently Compliance Director)	-	√	-	√	-	√	-	√	-	√	-	√
Erwan Yuris Ang	Independent Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Inawaty Handojo	Director	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim	Director	-	√	-	√	-	√	-	√	-	√	-	√

3. Statement of Independence of the Board of Commissioners and the Board of Directors

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

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

Independence Policy of the Board of Commissioners and the Board of Directors

Article 14 of the Articles of Association of the Company states that in order to maintain independence, the majority of members of the Board of Commissioners are prohibited from having family ties to the second degree, either in a straight line or in a side line, or a relationship (son-in-law or brother-in-law) with fellow members of the Board of Commissioners and/or with members of the Board of Directors.

Article 11 of the Articles of Association of the Company states that the majority of members of the Board of Directors are prohibited from having family relations to the second degree, either in a straight line or in a side line, or a relationship (son-in-law or brother in law) with fellow members of the Board of Directors and/or members of the Board of Commissioners.

Independence Statement

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

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

DIVERSITY IN THE COMPOSITION OF THE BOARDS OF COMMISSIONERS AND DIRECTORS

The Company has diversity in the composition of the membership of the Board of Commissioners and Board of Directors. The diversity in the composition is important as this supports the organization, management, operation, and execution of duties of members of the Board of Commissioners and the Board of Directors. The composition of the Board of Commissioners and Directors of the Company in accordance with the Financial Services Authority Principles and Recommendations as stipulated in the Circular Letter of OJK No. 32/SEOJK.04/2015 concerning the Guidelines for Corporate Governance of the Public Company. The purpose of implementing diversity is to support the improvement of the Company's performance.

Diversity in the Composition of Members of the Board of Commissioners

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

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

No	Diversity factor	Remarks
1	Composition	Out of (5) five members of the Board of Commissioners, the Company has (3) three Independent Commissioners.
2	Educational background	The level of education of members of the Board of Commissioners varies, starting from bachelor's, master's, and doctoral degrees with different competences such as economics, technology, and business.
3	Work experience	The Company has diversity in the work experience of members of the Board of Commissioners, such as banking professionals and national/multinational financial institutions, consultants, lecturers, and government officials.
4	Age	The age of members of the Board of Commissioners varies within the age range of 58-77 years.

Complete information of the Board of Commissioners can be viewed on the Corporate Profile page 66 - 69 of this 2018 Annual Report of the Company.

Diversity in the Composition of Members of the Board of Directors

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

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

No	Diversity factor	Remarks
1	Composition	Out of 12 members of the Board of Directors, the Company has one Independent Commissioner.
2	Educational background	The level of education of members of the Board of Directors varies, starting from bachelor's, master's, and doctorate degrees with different competence including economics, accountancy, information technology, law, technology, and business.
3	Work experience	The Company has diversity in work experience of members of the Board of Directors, such as banking professionals as well as national/multinational financial institutions, consultants, lecturers, corporate accountants, and economic planning advisors.
4	Age	The age of members of the Board of Commissioners varies within the age range of 43-68 years.
5	Gender	Out of (12) twelve members of the Board of Directors, the Company has (3) three female Directors and nine male Directors.

Complete information of the Board of Directors can be viewed on the Corporate Profile page 54 - 65 of this 2018 Annual Report of the Company.

PERFORMANCE ASSESSMENT OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

In accordance to the Financial Services Authority Regulation No.21/POJK.04/2015 on the Implementation of Public Companies Corporate Governance Guidelines and the Financial Services Authority Circular Letter No.32/SEOJK.04/2015 on Public Companies Corporate Governance Guidelines on the assessment and ACGS indicators, the Company has their own self-assessment for the Board of Directors and Board of Commissioners used for the Performance Assessment of the Board of Directors and Board of Commissioners as prove of accountability in the application of duties and responsibilities of the Directors and Board of Commissioners.

1. Performance Assessment Implementation Procedures of the Board of Commissioners, includes :

a. **Method and Tools of Assessment**

Self-assessment is conducted by the Board of Commissioners to support the performance assessment of the Board of Commissioners via a Self-Assessment Form.

b. **Timeline**

The Board of Commissioners' Self-Assessment is mandatory for a minimal of 1 (one) time in 1 (one) year.

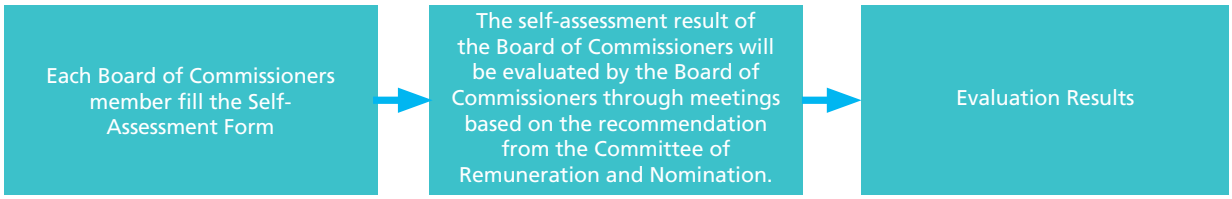
c. **Criteria**

1) Supervising and Advising the Board of Directors, in regards to:
   - The Company's strategy and vital plans
   - The integrity of the Company's financial report
   - Internal control system and risk management
   - Good Corporate Governance
2) Approval of the Board of Directors decision, as regulated in the Company's Articles of Association or others prevailing rules and regulations.

d. **Persons Conducting the Assessment and Evaluation**

The self-assessment result of the Board of Commissioners will be evaluated by the Board of Commissioners through meetings based on the recommendation from the Committee of Remuneration and Nomination.

e. **Assessment Process Flow**



f. **Performance Assessment Result in 2018**

The self-assessment results in 2018 are Very Good. Nevertheless, the Board of Commissioners would keep its intensifying the performance of the Board of Commissioners to function better in the future considering challenges facing bank to future will increasingly complex include the economic uncertainty and disruptive innovations.

2. Performance Assessment Implementation Procedures of the Board of Directors, includes :

a. **Assessment Method**

Self-assessment is conducted by the Board of Directors to support the performance assessment of the Board of Directors via a Self-Assessment Form according to the duties and responsibilities of the Board of Directors stated on the Organization Decision Letter.

b. **Timeline**

The Board of Directors' Self-Assessment is mandatory for a minimal of 1 (one) time in 1 (one) year.

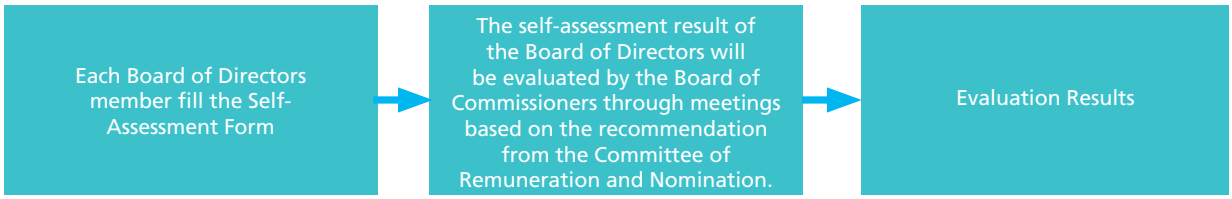
c. **Criteria**

The criteria used refers to the Bank Business Plan approved by the Board of Commissioners.

d. **Persons Conducting the Assessment and Evaluation**

The self-assessment result of the Board of Directors will be evaluated by the Board of Commissioners through meetings based on the recommendation from the Committee of Remuneration and Nomination.

e. **Assessment Process Flow**



f. **Components in the Board of Directors Assessment**

To support the Board of Director's individual Self-Assessment the Company set up an evaluation component according to the duties and responsibilities of each Director including financial component, customer, business process, with learning and development.

g. **Performance Assessment Result in 2018**

The self-assessment results in 2018 are Very Good. But by attention of challenges that facing the bank in the future, the Board of Directors must always introspective and improve and adaptive to facing changes and disruptive innovations in the running the business bank, so as to maintain sustainable growth. This can be seen to the performance of the company, the following :

Criteria	Target	Realization
Loan Growth	7%-9%	15.1%
Third Party Funds	5%-7%	8.4%
ROA	≥ 3.5%	4%
ROE	17%-19%	18.8%

3. Performance Assessment Implementation Procedures of the President Director, includes :

a. **Assessment Method**

Self-assessment of the President Director is conducted to support the performance assessment of the President Director via a Self-Assessment Form according to the duties and responsibilities of the Directors stated on the Organization Decision Letter.

b. **Timeline**

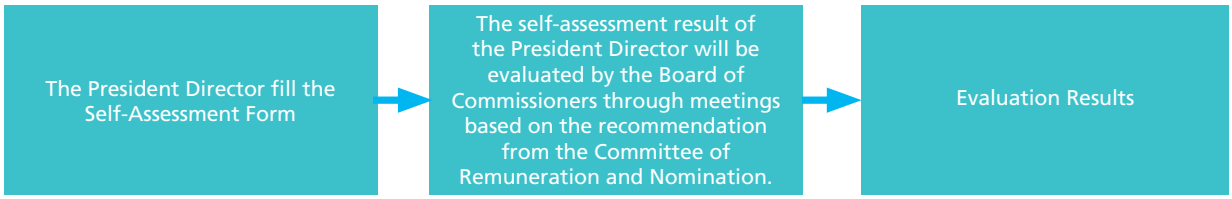
The President Director Self-Assessment is mandatory for a minimal of 1 (one) time in 1 (one) year.

c. **Criteria**

The criteria used refers to the Bank Business Plan approved by the Board of Commissioners.

d. **Persons Conducting the Assessment and Evaluation**
The self-assessment result of the President Director will be evaluated by the Board of Commissioners through meetings based on the recommendation from the Committee of Remuneration and Nomination.

e. **Assessment Process Flow**



f. **Components in the President Director Assessment**
To support the President Director's individual Self-Assessment the Company set up an evaluation component according to the duties and responsibilities of President Director including financial component, customer, business process, with learning and development.

g. **Performance Assessment Result in 2018**
The self-assessment results in 2018 are Very Good. But by attention of challenges that facing the bank in the future, the President Director must always introspective and improve and adaptive to facing changes and disruptive innovations in the running the business bank, so as to maintain sustainable growth.

REMUNERATION POLICY

1. Remuneration for the Board of Commissioners

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

References of Disclosure

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

a. Article 40 paragraph 3 of the Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks which states that the members of a board of commissioners shall disclose the remuneration and other facilities determined by the GMS in the governance implementation report with reference to the Financial Services Authority Regulation concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks.
b. Article 28 of the Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks which states that banks are required to disclose remuneration policy information in the annual report on the implementation of good governance as stipulated in the implementation of Good Corporate Governance for commercial banks.
c. Chapter IV concerning Disclosure in Financial Services Authority Circular Letter No. 40/ SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks which states that banks are required to disclose remuneration policy information in the annual report on good governance as stipulated in the provisions regulating good governance for commercial banks.
d. Financial Services Authority Circular Letter No. 30/ SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuers or the Public Company contains a brief description of the procedures, the basis for determination, structure and amount of remuneration for each member of the Board of Commissioners.

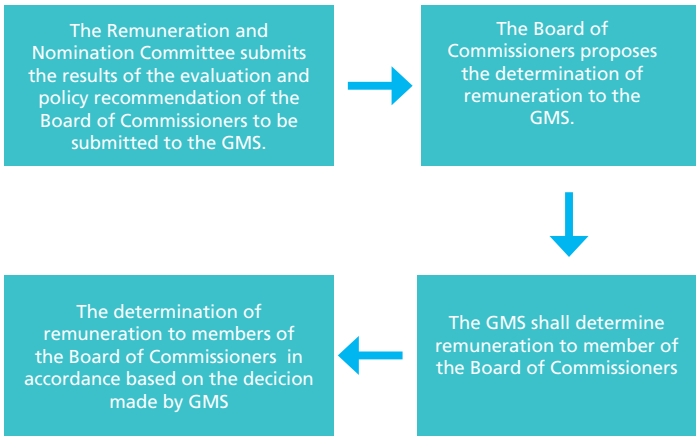
Procedure

Based on Conclusion of the Annual GMS held in 2018, the 2018 Annual GMS authorized and granted:

a. The majority shareholder to determine the amount of honorarium and other allowances to be paid by the Company to the members of the Board of Commissioners who served during fiscal year 2018.

b. The majority shareholder to determine royalties distribution among members of the Board of Commissioners and Board of Directors of the company.

Procedure of Proposal and Determination of Remuneration for The Boards of Commissioners Scheme



Remuneration Structure of the Board of Commissioners

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

Type of Remuneration and Facilities	Amount Received in 1 (one) year	
	The Board of Commissioners	
	Number of people	In million Rupiah
Salary, bonus, routine allowance, royalties, and other non-natura facilities	5	108,038
Other facilities in the form of natura (housing, health insurance, et cetera) which:		-
1. Can be possessed	-	-
2. Cannot be possessed	-	-
Total	**-**	**108,038**

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

Total Remuneration per Person in 1 (one) Year *)	Amount Received in 1 (one) Year
	persons
Above Rp2 billion	5
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Below Rp500 million	-

Note : *) received in cash

The total remuneration for every member of the Board of Commissioners in 1 (one) year is above Rp2 billion, which was received in cash during 2018.

2. Remuneration for the Board of Directors

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

Reference of Disclosure

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

a. Article 22 of Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks states that members of the Board of Directors shall disclose remuneration and other facilities in the good governance report with reference to the Financial Services Authority Regulation concerning Good Corporate Governance in Remuneration for Commercial Banks.
b. Article 28 of Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks that states that banks are required to disclose remuneration policy information in the annual report on good governance as stipulated in Good Corporate Governance for commercial banks.
c. Chapter IV Related to Disclosures in Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Application of Good Corporate Governance in Remuneration for Commercial Banks states that Banks are required to disclose remuneration policy information in the annual report on the implementation of good governance as stipulated in the implementation of good governance for commercial banks.
d. Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the procedures, the basis for determination, structure and amount of remuneration, for each member of the Board of Directors, as well as the relationship between remuneration and performance of the Issuer or Public Company.

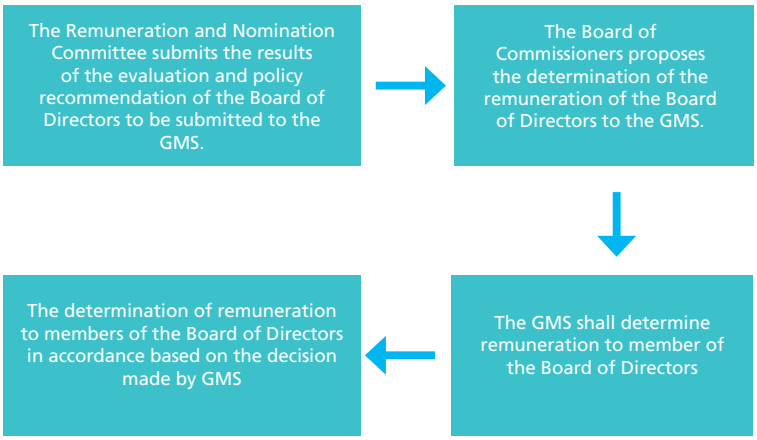
Procedure

Based on Resolution of the Company's Annual GMS held in 2018, Annual GMS authorized and granted:

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

In exercising such power and authority, the Board of Commissioners observes the recommendations from the Remuneration and Nomination Committee.

Procedure of Proposal and Determination of Remuneration for The Boards of Directors Scheme



Remuneration Structure of the Board of Directors

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

Type of remuneration and facilities	Amount received in 1 (one) year	
	Directors	
	Number of people	In Million Rp
Salary, bonus, routine allowance, royalties, and other non-natura facilities	12	408,365
Other facilities in the form of natura (housing, health insurance, et cetera) which:		-
1. Can be possessed	-	-
2. Cannot be possessed	-	-
Total	**-**	408,365

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

Total Remuneration per Person in 1 (one) Year *)	Number of Directors
	Persons
Above Rp2 billion	12
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Below Rp500 million	-

Note: *) received in cash

The total remuneration for every member of the Board of Directors in 1 (one) year is above Rp2 billion, which was received in cash during 2018.

Indicators of Remuneration Stipulation for the Board of Directors

Basic indicator for determining the remuneration for the members of The Board of Directors, among others, are as follow:

a. The performance of each individual member of the Board of Directors.
b. Financial performance and reserve fulfillment as referred to in Law No. 40 Year 2007 regarding the Limited Companies.
c. Fairness with peer group. The equality of positions within the Company and to several other similar banks in terms of assets and characteristics.
d. Review on long term goal and strategic of the Company.

3. Company Remuneration Implementation

No	Regulation	Detail	Disclosure
a.	Remuneration Committee	Member's name, composition, duties, and responsibilities	Name of members: 1. D.E. Setijoso 2. Raden Pardede 3. Hendra Tanumihardja Composition of the remuneration committee: **Position** / **Served by** Chairman (concurrently member) / Independent commissioner Member / • Commissioner • Executive Officers (officers directly report to Board of Directors and in charge of human resources department) Secretary (concurrently member) / A member of the committee appointed by the Committee session for a certain period of time. **Duties and responsibilities:** Related to the remuneration function: • To evaluate and ensure that the remuneration policy is in compliance with prevailing provisions that are based on performance, risk, fairness between peer group, long term goals and strategies of the Company, • The fulfillment of reserves as stipulated in legislation and revenue potential of the Company in the future. • Assist the Board of Commissioners to conduct performance appraisals with the appropriateness of remuneration received by every member of the Board of Directors and/or the Board of Commissioners. • Submits evaluation and recommendation results to the Board of Commissioners on: 1. Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders (GMS); 2. The structure and amount of remuneration for Directors and Commissioners; 3. Remuneration policy for the entire Executive Officers and employees to be submitted to the Board of Directors. • Conduct periodic evaluations of the implementation of remuneration policies.

No	Regulation	Detail	Disclosure
			Related to the nomination function: • Establish and provide recommendations to the Board of Commissioners on the system and procedures for the selection and/or replacement of Commissioners and Directors to be submitted to the General Meeting of Shareholders (GMS). • Provide recommendations to the Board of Commissioners on: 1. Composition of positions of Directors and/or Commissioners 2. The policies and criteria required in the nomination process, 3. Performance evaluation policy for Directors and/or Commissioners. • Assisting the Board of Commissioners to evaluate the performance of Directors and/or Commissioners based on the benchmarks that have been prepared as evaluation materials. • Provide recommendations to the Board of Commissioners regarding the capacity building program for Directors and/or Commissioners. • Provide recommendation to the Board of Commissioners on candidate members of the Board of Directors and eligible members of the Board of Commissioners to be submitted to the GMS. • Provide recommendations to the Board of Commissioners on Independent Parties who will be a member of the Audit Committee and Risk Oversight Committee.
		Number of meeting held	During 2018, Remuneration and Nomination Committee held 6 (six) meetings.
		Remuneration paid to the member of Remuneration Committee in 1 (one) year	Remuneration paid to the member of Remuneration Committee in 1 (one) year is Rp53,521,298,614.00.
b.	The procedure to formulating the Remuneration Policy	Review on the background and objectives of the Remuneration Policy	Fixed remuneration policies at least behold the business scale, business complexity, peer group, inflation rate, financial condition and capability, as well as its conformity with statutory regulations. Specifically for remuneration with variable, remuneration paid also behold the risk factors in the Company's business activities, which are credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk.
		Review of Remuneration policy in the previous year, and its improvements	Improvements to the remuneration policy review in accordance with the provisions of the Financial Services Authority Regulation No. 45/ POJK.03/2015 on Good Corporate Governance in the Provision of Remuneration for Commercial Banks. To complement the previous Remuneration Policy for Board of Directors and for Board of Commissioners, Decision Letters of Board of Commissioners No. 060/SK/KOM/2018 dated April, 3, 2018 regarding Remuneration for Directors and Commissioners has been release.
		Mechanisms to ensure that the Remuneration for Personnel in the control unit is given independently than the work unit under its supervision	Performance appraisal in the control unit is not associated with achievement of the business/performance targets of the supervised work units, this matter is ensured through 2 (two) ways: 1. Separation of unit control's organizational structure to ensure its independence 2. Any approval of business targets shall be subject to the approval of the direct superior and the superior of the direct superior.

No	Regulation	Detail	Disclosure
c.	Remuneration policy coverage and implementation per business unit, by region, and on subsidiary companies or branch offices located overseas		The Company has no overseas branch office.
d.	Remuneration when associated with risk	Key risk types used in applying Remuneration	The major risk of the Company at the moment is Credit Risk.
		Criteria for determining the types of major risks, including those that are difficult to measure	The most significant type of transaction and business that generating profits and decisions taken for business decision with major impact on the Company's business.
		Impact of determining the types of major risks to Remuneration policy which has a variable trait	The determination of the types of major risks will affect KPI stipulation and also affect the distribution of variable remuneration.
		Changes in determining the major types of risk compared to last year and reason, if any	There was no change compared to last year.
e.	Performance measurement when associated with Remuneration	A review of the Remuneration policy associated with performance appraisal	Indicators for the remuneration of Member of Board of Directors are as follows: - Performance of each individual Member of the Board Director - The Company's financial performance - Benchmark industry - Risks that may arise in the future resulting in loss to the Company Performance appraisal system of the Company is conducted as objectively as possible and is oriented to the development of employees: 1. Performance appraisal is directed at work performance and the demonstration of core value in the employee work ethics, in term of: • Employee's accomplishment is the achievement and the result of employees' work on the job goals/targets • Core Values demonstration is a demonstration of behavior that is shown by employees in carrying out their duties and responsibilities, which reflecting the company's main values. 2. Performance appraisal results become reference to determine the direction of employee development.
		Methods in relating individual Remuneration to Company performance, work unit performance, and individual performance	The performance of the Company will affect the determination of the amount of remuneration, especially those with variables, and the individual performance is reviewed once every 1 year. The results of the individual performance appraisal will be the basis for the Company's appreciation in the form of bonus, promotion, rank review, and wage/salary increase.

No	Regulation	Detail	Disclosure
		A description of the method used by the Company to state that agreed work performance cannot be achieved so that adjustment of Remuneration is required and also the amount of adjustment made when the above mentioned condition occurs	Work performance appraisal is done by comparing it with work performance agreed at the beginning of the year. Bonus is given based on individual performance appraisal, and the determination has been established based on the Decision or Circular Letter. For the assessment of the achievement of a quantitative business/work objective, guidance used is; exceeding the target (> 110%), reaching the target (100-110%) and reaching some part of the target (80-99%).
f.	Remuneration Adjustment when associated with Work Performance and Risk	Policy on deferred variable Remuneration, amount of deferred remuneration, and criteria for determining the amount	For Material Risk Takers, in this case the entire Board of Directors and Board of Commissioners, 15% royalties are deferred and paid in pro rata in cash and in stock, as follows: 1. 5% in cash 2. 10% in the form of shares to be in lockup during the with-holding period (Especially for Independent Commissioners, royalties deferred are entirely in cash).
		Company policy regarding deferred variable remuneration which payment need to be delayed (Malus), or need to be withdrawn in case it is already paid (clawback)	In certain condition, the royalties paid for Material Risk Taker (MRT) in cash or in stock can be withdrawn.
g.	Remuneration Adjustment when associated with Performance and Risk	The vesting policy of deferred remuneration, among other things, the term of payment	Suspension period is (three) years from the first time variable remuneration is paid.
		Disclosure of factors that determine the difference of Variable Remuneration that is suspended among the Employee or group of Employees	The similar withholding period is valid for all MRT.
h.	Name of external consultant and its duties related to remuneration policy		Willis Tower Watson Scope of work: - To identify the gap analysis compared to regulation - Salary survey

No	Regulation	Detail	Disclosure
i.	Remuneration Package and facilities received by the Board of Directors and Board of Commissioners, including the Remuneration structure and details of the nominal amount		Remuneration Package and facilities received by the Board of Directors and the Board of Commissioners, including the remuneration structure and details of the nominal amount, as in the table below:

Type of remuneration and facilities	Amount received in 1 (one) year			
	The Board of Directors		The Board of Commissioners	
	Number of people	In million Rp	Number of people	In million Rp
Salaries, bonuses, routine allowances, royalties, and other facilities in non-natura form	12	408.365	5	108.038
Other facilities in the form of natura (housing, health insurance, etc.) which:				
a. Can be possessed	-	-	-	-
b. Cannot be possessed	-	-	-	-
Total		408.365		108.038

No	Regulation	Detail	Disclosure
j.	Remuneration packages that are grouped into earning levels received by Directors and Commissioners within 1 year		Remuneration packages that are grouped into income levels received by Board of Directors and Board of Commissioners within 1 (one) year, as in the following table:

Total remuneration per person in 1 (one) year *)	Number of Directors	Number of Commissioners
Above Rp2 billion	12 person	5 person
Above Rp1 billion up to Rp2 billion	-	-
Above Rp500 million up to Rp1 billion	-	-
Below Rp500 million	-	-

Note: *) received in cash

No	Regulation	Detail	Disclosure
k.	Remuneration in variable	Variable Remuneration and the reasons for choosing the form	Variable remuneration consisting of cash and shares form of extra bonuses purchased by PT Bank Central Asia Tbk (BBCA) shares. Extra bonuses in term of BCA shares purchased by the Company are subsequently withheld (lock up) for 3 (three) years from the announcement of the distribution of bonuses. The additional bonuses in form of BCA shares are intended to: • In recognition of the contribution of employees throughout the year of work performance; • Growing the sense of belonging of employees, which at the end is expected to have a positive impact on the increased engagement; • Increase productivity of employees; • Creating harmony between employees, management and shareholders in improving company performance.
		Explanation in the case of differences in the provision of Variable Remuneration among Board of Directors, Board of Commissioners and/ or Employees, including the explanation of the factors that determine the difference and the underlying considerations	Differences in the provision of Variable Remuneration, namely in the budget bonus (cash and stock) are differentiated based on the level of position: 1. Board of Directors and Board of Commissioners 2. S1-S3 echelon employee 3. S4-S8 echelon employee The underlying consideration occurs when the position contribute on the achievement of the Company's work performance, so the higher the level of echelon resulted in the greater of the bonus budget.
l.	Number of the Board of Directors, the Board of Commissioners and Employees receiving Variable Remuneration for 1 (one) year and total nominal distributed		Number of the Board of Directors, the Board of Commissioners and Employees receiving Variable Remuneration for 1 (one) year and total nominal are in following table: Total variable Remuneration in 1 (one) year: Number of people: 24,536 In million Rp: 2,325,187
m.	Position and number of parties who become MRT		1. President Director 2. All Directors 3. President Commissioner 4. All Commissioners Total of MRT: 17 people
n.	Shares option owned by the Board of Directors, Board of Commissioners, and Executive Officers		No share options for the Board of Directors, Board of Commissioners and/or Executive Officers during 2018
o.	The ratio of the highest and lowest salaries		The highest and lowest salary ratio, which includes: 1. highest and lowest salary ratio = 32.37 2. the highest and lowest salary ratio of Board of Directors = 3.00 3. the highest and lowest salary ratio of the Board of Commissioners = 1.62 and 4. the highest salary ratio of Board of Directors and employee = 7.44

No	Regulation	Detail	Disclosure
p.	The number of recipients and the total amount of Unconditional Variable Remuneration will be granted by the Bank to prospective Directors, candidates for Board of Commissioners and/or prospective Employees during the first 1 (one) year of work		There was no correlation in the Company/no sign-on bonus.
q.	Number of employees affected by termination of employment and total nominal severance paid		Number of employees affected by termination of employment and total nominal severance paid were shown in the following table:

Total nominal of severance paid for one person in 1 (one) year	Number of Employee
Above Rp1 billion	136 person
Above Rp500 million up to Rp1 billion	399 person
Below Rp500 million	757 person

No	Regulation	Detail	Disclosure
r.	Total deferred Variable Remuneration, consisting of cash and/or shares or stock-based instruments issued by Company		Total deferred Variable Remuneration, consisting of cash and/ or shares or stock-based instruments issued by Company and were implemented as 2018 payment, were: 1. In cash Rp17.545.150.000,00 2. In shares Rp19.722.719.800,00
s.	Total Deferred Variable Remuneration paid for 1 (one) year		Total Deferred Variable Remuneration paid for 1 (one) year is already implemented for fiscal year 2018, in cash payment of the amount of Rp 17.545.150.000,00
t.	Details of remuneration amount given in 1 (one) year	1. Fixed remuneration or variable remuneration 2. Deferred and no-suspended remuneration; and 3. Form of remuneration granted in cash and/ or shares or stock-based instruments issued by Bank	Details of remuneration amount given in 1 (one) year, including:

A. Fixed remuneration *)		
1. In cash	160,693	
2. Shares/ stock-based instruments issued by Bank		
B. Variable remuneration *)		
	Not withheld	Withheld
1. In cash	317,682	Rp17,545
2. Shares/ stock-based instruments issued by Bank **)	0	Rp19,723

Note :
*) Only applicable for MRT and disclose in millions of rupiah
**) Shares are lock for up to 3 years

No	Regulation	Detail	Disclosure
u.	Qualitative Information	1. Remaining of total remuneration that is still pending, whether exposed to implicit or explicit adjustment; 2. Total remuneration deductions due to explicit adjustment during the reporting period; and 3. Total remuneration deductions due to implicit adjustment during the reporting period.	Total remaining remuneration that is still pending, whether exposed to implicit or explicit adjustment, total remuneration deductions due to explicit adjustment during the reporting period, and total remuneration deductions due to implicit adjustment during the reporting period were as follows:

Variable remuneration*)	Withheld shares	Total deduction during the reporting period		
		Due to explicit adjustment (A)	Due to implicit adjustment (B)	Total (A)+(B)
1. In cash (in million of rupiah)	-	-	-	-
2. Shares or stock-based instrument issued by Bank (in shares and nominal amount in million of Rupiah converted from such shares))	866,000 sheets	-	-	-

Note : *) Only for Material Risk Taker

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

AUDIT COMMITTEE

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

1. Legal Basis

The formation of the Audit Committee refers to:

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

2. Audit Committee Charter

In carrying out the duties and responsibilities of internal control supervision, the Company's Audit Committee is equipped with work guidelines stipulated in the Audit Committee Charter. The Audit Committee Charter and The Company's Audit Committee Ethics Code have been adjusted to the OJK Regulations No. 55 / POJK.04 / 2015 concerning Formation and Audit Committee Work Implementation Guidelines and has been ratified based on the Decree Board of Commissioners No. 160/SK/KOM/2018 dated 24th of August 2018, concerning the Approval of the Audit Committee Charter of PT Bank Central Asia Tbk.

The scope governed in the Audit Committee Charter is as follows:

- Duties and responsibilities.
- Authority.
- Structure and membership committee.
- Membership requirements.
- Term of duty.
- Work mechanism.
- Work hours.

- Meetings.
- Reporting.
- Handling of complaints/reports regarding claims about infractions in financial reports.
- Code of ethics.

The Audit Committee Charter and Code of Conduct have been uploaded to the official website of the Company (www.bca.co.id) under Good Corporate Governance section.

3. Structure and Membership of Audit Committee

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

- 1 (one) Independent Commissioner concurrently as Head of Audit Committee;
- 1 (one) Independent Party having expertise in finance/accounting; and
- 1 (one) Independent Party having expertise in banking.

Composition of the Audit Committee as of 31 December 2018

Name	Position
Cyrillus Harinowo	Chairman (concurrently as Independent Commissioner)
Ilham Ikhsan	Member (Independent Party)
Tjen Lestari	Member (Independent Party)

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

4. Profile of Audit Committee Members

Cyrillus Harinowo

The educational background, position, and work experience of Audit Committee members can be seen in the Corporate Profile section on page 67 of this 2018 Annual Report.

Ilham Ikhsan

The educational background, position, and work experience of Audit Committee members can be seen in the Corporate Profile section on page 70 of this 2018 Annual Report.

Tjen Lestari

The educational background, position, and work experience of Audit Committee members can be seen in the Corporate Profile section on page 71 of this 2018 Annual Report.

5. Education or Training Activities

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

Name	Training	Organizer	Location	Date
Cyrillus Harinowo	Stated in the Chapter discussing the Board of Commissioners - Training Program Section in Order to Increase the Competency of Board of Commissioners Members page 331 Annual Report of the Company Year 2018.			
Ilham Ikhsan	BARa Risk Forum	BARa	Bali, Indonesia	12-13 July 2018
	Institute of Internal Auditor National Conference	IIA Indonesia	Bali, Indonesia	27-29 August 2018
	Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
Tjen Lestari	BARa Risk Forum	BARa	Bali, Indonesia	12-13 July 2018
	Indonesia Economic Outlook 2018	UOB Indonesia	Jakarta, Indonesia	3 October 2018
	Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
	Forensic Audit for Banking	Bina Management Center	Jakarta, Indonesia	22-23 November 2018

6. Term of Duty of Audit Committee

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

7. Independence of Audit Committee Members

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

The independency of the Audit Committee is as described below

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

Requirements for the Audit Committee members are as follows:

a. Having good integrity, character, and morals.
b. Possessing the skills, knowledge and experience in accordance to his/her field of duties, and having good communication skills.
c. Having an understanding of the financial statements and business of the Company, particularly in relation to the Company's services or business activities, audit process, and rules and regulation in Capital Market and other relevant laws and regulations.

d. Complying with the Company's code of ethics and Audit Committee's code of conduct established by the Company.
e. Being willing to continuously improve competence through training and education.
f. Having at least 1 (one) member with educational background and expertise in accounting and/or finance.
g. Not serving as a member of a public accountant firm, law firm, appraiser, or other parties providing assurance service, non assurance service, appraisal service, and/or other consulting services to the Company within the past 6 (six) months.
h. Not working or having authority and responsibilities to plan, lead, control, or supervise the Company's activities within the past 6 (six) months, except for a position as Independent Commissioner.
i. Not serving on a board of directors in other banks.
j. Not having either direct or indirect share ownership in the Company.
k. In the event that an Audit Committee member acquires shares either directly or indirectly as a result of a legal event, the concerned member must transfer the shares to other parties within a maximum period of 6 (six) months after the shares were acquired.
l. Not being affiliated with the members of Board of Commissioners or Board of Directors, or major shareholders of the Company.
m. Not having direct or indirect business relationship with the Company's business activities.
n. For the Head of Audit Committee, only having another concurrent position as Head of Committee on 1 (one) Committee in the Company.
o. For Audit Committee members who are independent parties, holding more than one position as an independent party at other Committees in the Company, other banks, and/or other companies is allowed, as long as he/she:
    1) Meets all the required competencies.
    2) Meets the independence criteria.
    3) Is able to keep Company matters confidential.
    4) Observes the applicable code of conduct.
    5) Not neglecting the implementation of duties and responsibilities as a member of the Committee.

8. Duties and Responsibilities of Audit Committee

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

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

f. Providing recommendations based on the evaluation to the Board of Commissioners about the appointment, re-appointment, and dismissal or replacement the Public Accounting Office and/or Public Accountant that will audit financial report based on independency, scope of the assignment, and fee
g. Reviewing and reporting to the Board of Commissioners regarding complaints in relation to the accounting process and financial reporting of the Company.
h. Reviewing and providing advice to the Board of Commissioners in relation to potential conflict(s) of interest in the Company.
i. Reviewing and monitoring the implementation of effective and sustainable GCG practices.
j. Performing other tasks relevant to the functions of Audit Committee at the request of the Board of Commissioners.
k. Maintaining the confidentiality of documents, data and information of the Company.

9. Authority of Audit Committee

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

a. To receive reports from the Head of the Internal Audit Division, including, among other things, the Internal Audit Division work plan, internal audit implementation report, and internal audit result report.
b. To access documents, data, and information regarding the Company's employees, funds, assets, and other resources as required.
c. To communicate directly with employees, including the Board of Directors and other parties executing internal audit and risk management functions, and Accountants regarding the duties and responsibilities of Audit Committee.
d. If needed, to involve independent parties outside the members of Audit Committee whose services are required in order to assist the Committee in carrying out its duties.
e. To perform other actions with authority granted by the Board of Commissioners.

10. Policies and Meetings Implementation of Audit Committee

The Audit Committee holds 4 (four) meetings, at the very least, in a year as stipulated in Decision Letter of the Board of Commissioners No. 160/SK/KOM/2018 on the Audit Committee Charter. During 2017, the Company's Audit Committee has held 22 (twenty-two) meetings.

Delivery of results of Audit Committee meeting is as follows:

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

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

Name	Number of meetings	Attendance	Percentage
Cyrillus Harinowo	22	22	100%
Ilham Ikhsan	22	22	100%
Tjen Lestari	22	21	95%

Meetings of Audit Committee during 2018 are as follows:

Date	Agenda
7 February 2018	Realization of 2017 DAI examination and 2018 audit plan
7 February 2018	Audit Results of Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms)
28 February 2018	Audit Committee Report to the Board of Commissioners for Quarter IV/2017
7 March 2018	Final published financial statement (audited)

Date	Agenda
14 March 2018	Use of legal consultants affiliated with Public Accountant Firm
23 March 18	Impact Analysis of application of PSAK 71
4 April 2018	Audit Committee Routine Meeting with Internal Audit Division (I)
18 April 2018	Published financial statement Q1 2018
16 May 2018	Audit Committee Routine Meeting with the Internal Audit Division (II)
16 May 2018	Audit Committee Report to the Board of Commissioners for Quarter I/2018
8 July 2018	Audit Committee Routine Meeting with the Internal Audit Division (III)
25 July 2018	Published financial statement Q2/2018
8 August 2018	Realization of DAI Work in semester 1/2018
15 August 2018	Audit Committee Report to the Board of Commissioners for Quarter II/2018
6 September 2018	Audit Plan and Audit Progress Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms)
12 September 2018	Audit Committee Routine Meeting with the Internal Audit Division (IV)
2 October 2018	September 2018 Performance
7 November 2018	Strategic audit
14 November 2018	Audit Committee Routine Meeting with Internal Audit Division
28 November 2018	Quarterly Report III/2018
12 December 2018	Hard Close Meeting - Update Progress Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms)
19 December 2018	Audit committee routine meeting with Internal Audit Division (VI)

11. Realization of Work Program and Implementation of Activities of Audit Committee in 2018

The following points described the realization of work programs as well as activities of the Audit Committee in 2018:

a. Hold a meeting with the Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers) network of firms) to discuss the final results of the audit of the Company's Financial Statements for the financial year 2017 along with the Management Letter.

b. Recommend to the Board of Commissioners the reuse of the Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms) to conduct an audit of the Company's Financial Statements for fiscal year 2018.

c. Hold a meeting with Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms) to discuss the plan and scope of the audit of the Company's Financial Statements for fiscal year 2018.

d. Meeting with the Finance and Planning Division to review the Company's Financial Report, which will be published quarterly.

e. Meeting with the Internal Audit Division as much as 10 (ten) times for:
   1) Evaluation annual planning.
   2) Evaluation of the implementation of internal audits every semester.
   3) Discussing the results of the audit that is considered significant.

f. Attending internal audit exit meetings at 3 (three) Main Branch Offices, and 1 (one) Subsidiary as well as reviewing new work units in the form of Cash Processing Center (CPC) and Consumer Loan Document Center in Jakarta as part of the quality assessment process internal audit and assessment of the adequacy and effectiveness of internal controls.

g. Review internal audit reports (more than 166 reports) and monitor their follow-up.

h. Reviewing the Company's compliance with provisions, regulations, and applicable laws in the banking sector through a review of reports on compliance with prudential provisions reported every semester.

i. Review credit portfolio reports issued every semester.

j. Monitor the implementation of risk management through quarterly reports on the Company's Risk Profile and the monthly Operation Risk Management Information System (ORMIS) report.
k. Conduct studies on:
   1) Audit results of the Financial Services Authority (OJK) and their follow up.
   2) Bank Indonesia inspection results and follow-up.
   3) Management Letters from Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms) and its follow-up.
l. Report the results of routine studies and evaluations of governance aspects, risk management, and compliance and control to the Board of Commissioners every quarter.
m. Attending the GMS, Analyst Meeting, and National Work Meeting in 2019 in order to monitor the implementation of good corporate governance.

RISK OVERSIGHT COMMITTEE

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

1. Legal Basis

The establishment of Risk Oversight Committee refers to the following:

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

2. Risk Oversight Committee Charter

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

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

3. Structure and Membership of Risk Oversight Committee

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

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

Composition of Risk Oversight Committee per December 31, 2018 is as follows:

Name	Position
Sumantri Slamet	Chairman (concurrently as Independent Commissioner)
Endang Swasthika Wibowo	Member (Independent Party)
Lianny Somyadewi D.	Member (Independent Party)

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

Educational background, position, and work experiences of members of Risk Oversight Committee can be seen in the Corporate Profile section on page 72 of this 2018 Annual Report.

4. Profile of Risk Oversight Committee Members

Sumantri Slamet

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 69 of this 2018 Annual Report.

Endang Swasthika Wibowo

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2018 Annual Report.

Lianny Somyadewi D.

Educational background, position and work experience of Risk Oversight Committee member can be seen in Corporate Profile section on page 72 of this 2018 Annual Report.

5. Education or Training Activities

Throughout 2018, members of Risk Oversight Committee participated in the following training activities:

Name	Education/Training	Organizer	Location	Date
Sumantri Slamet	Stated in the Chapter discussing the Board of Commissioners - Training Program Section in Order to Increase the Competency of Board of Commissioners Members page 332 Annual Report of the Company Year 2018.			
Endang Swasthika Wibowo	BARa Risk Forum	BARa	Bali, Indonesia	12-13 July 2018
	Sustainable Finance : Managing Climate-Related Risk	ABA-COFITT	Jakarta, Indonesia	4 May 2018
Lianny Somyadewi D.	BARa Risk Forum	BARa	Bali, Indonesia	12-13 July 2018
	Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
	Forensic Audit for Banking	Bina Manajemen Center	Jakarta, Indonesia	22-23 November 2018

6. Term of Duty of Risk Oversight Committee

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

7. Independency of Risk Oversight Committee Members

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

Independent aspect of the Risk Oversight Committee is described in the following table:

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

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

a. Chairman of Risk Oversight Committee can hold only 1 (one) other concurrent position at another Committee of the Company.
b. For Risk Oversight Committee members who are independent parties, holding more than one position as an independent party at other Committees in the Company, other banks, and/ or other companies is allowed, as long as he/ she:
   1) Meets all the required competencies;
   2) Meets the independence criteria;
   3) Is able to keep Company matters confidential;
   4) Observes the applicable code of conduct; and
   5) Does not neglect the implementation of duties and responsibilities as a member of the Risk Oversight Committee.
c. For Risk Oversight Committee members who are independent parties, they must be originate from external party of the Company and have no financial and management relationship, share ownership and/or controlling shareholders or relationship with the Company that may influence their ability to act independently.
d. Former members of Board of Directors or Executive Officers of the Company or other parties having relationship with the Company that may influence the ability to act independently are not allowed to become an Independent Party to serve on the Company's Risk Oversight Committee, if he/she has not passed the cooling off period for 6 (six) months. This provision is not applicable for former Directors or Executive Officers whose duties are to conduct oversight function.
e. Members of Risk Oversight Committee shall possess high integrity, suitable experience, strong character and good morals.
f. Member of the Board of Directors are not allowed to become a member of Risk Oversight Committee.

8. Duties and Responsibilities of Risk Oversight Committee

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

a. Assisting and giving recommendations to the Board of Commissioners in order to improve the effectiveness of oversight duties and responsibilities in risk management and ensuring that risk management policies are properly implemented.
b. In regard with the process to provide recommendation, the Risk Oversight Committee should:
   1) Evaluate the consistency between risk management policies and policy implementation.
   2) Monitor and evaluate the implementation of duties of Risk Management Committee and Risk Management Unit.
c. Composing and/ or updating Risk Oversight Committee's charter and code of conduct.
d. Administer other duties that are relevant with the oversight function as requested by the Board of Commissioners.

9. Authority of Risk Oversight Committee

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

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

10. Policies and Meeting Implementation of Risk Oversight Committee

Risk Oversight Committee meetings are held at least 4 (four) times a year as stipulated in the Risk Oversight Committee Charter. During 2018, Risk Oversight Committee held 10 (ten) meetings. For each of the meeting, there is a minute of meeting that stated the dates of meetings, attendance of the Risk Oversight Committee members, agenda, and meeting materials.

List of attendance of meetings of The Risk Oversight Committee during 2018, are as follows:

Name	Number of meetings	Attendance	Percentage
Sumantri Slamet	10	10	100%
Endang Swasthika Wibowo	10	10	100%
Lianny Somyadewi D.	10	10	100%

Date and agenda of meetings:

Date	Agenda
January 31, 2018	Loan Portfolio Review
February 21, 2018	Operational Risk Indicator
February 21, 2018	Risk Oversight Committee Report to the Board of Commissioners in Quarter IV/2017
April 11, 2018	Operational Risk : Cyber Security
May 2, 2018	Business Continuity Plan
May,16, 2018	Risk Oversight Committee Report to the Board of Commissioners in Quarter I/2018
July 25, 2018	Operational Risk : 3rd Party Cyber Risk
August 15, 2018	Risk Oversight Committee Report to the Board of Commissioners in Quarter II/ 2018
October 30, 2018	IRBB and Stress Test on Market Risk
November 28, 2018	Risk Oversight Committee Report to the Board of Commissioners in Quarter III/2018

11. Realization of Work Program and Implementation of Activities of Risk Oversight Committee in 2018

The realization of the work program of the Oversight Risk Committee during 2018 are:

a. Monitor the implementation of duties of Risk Management Committee.
b. Monitor the implementation of duties of Risk Management Work Unit.
c. Review the Company's Risk Profile, especially those related to operational risk, reputation risk, market risk and liquidity risk.
d. Review and conduct stress test on Market Risk and Liquidity Risk, as well as stress test on Credit Risk.
e. Ensure the implementation of GCG is done well and appropriately by attending the General Meeting of Shareholders, Analyst Meeting, and National Work Meeting 2019.
f. Review monthly credit risk, liquidity, market and operational.
g. Review compatibility between Charter of Oversight Risk Committee and new regulation implemented.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee (KRN) was established to help the Board of Commissioners in the development of remuneration and nomination of the Company.

1. Legal Basis

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

- Financial Services Authority Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee in Issuers or Public Companies.
- Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.
- Corporate Governance Guidelines of the Company.
- The Board of Commissioners Decision Letter of PT Bank Central Asia Tbk No. 035/SK/KOM/2017 dated February 24, 2017 on Structure of Remuneration and Nomination Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 107A/SK/DIR/2016 dated August 10, 2016 on Appointment of Members of Remuneration and Nomination Committee.

2. Principle Function of Remuneration and Nomination Committee

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

3. Remuneration and Nomination Committee Guidelines

In performing its duties and responsibilities, the Remuneration and Nomination Committee has been equipped with work guidelines of Remuneration and Nomination Committee as stipulated in the Good Corporate Governance Manual on the Chapter of Committees under Board of Commissioners and the Board of Commissioners' Charter No.035/SK/KOM/2017 on the Structure of the Remuneration and Nomination Committee.

Work Guidelines and Procedures of Remuneration and Nomination Committee cover:

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

4. Membership and Structure of Remuneration and Nomination Committee

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

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

Composition of Remuneration and Nomination Committee as of December 31, 2018 is as follows:

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

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

Educational background, position and work experience of Remuneration and Nomination Committee members can be found under Corporate Profile section on page 73 of this 2018 Annual Report.

5. Profile of the Remuneration and Nomination Committee Members

Raden Pardede

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 68 of this 2018 Annual Report.

D.E. Setijoso

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 66 of this 2018 Annual Report.

Hendra Tanumihardja

Educational background, position and work experience of Remuneration and Nomination Committee member can be seen in Corporate Profile section on page 73 of this 2018 Annual Report.

6. Education or Training Activities

Throughout 2018, members of Remuneration and Nomination Committee have participated in the following education or training activities:

Name	Education/Training	Organizer	Location	Date
Raden Pardede	Can be seen in the Board of Commissioners' Chapter – the Training Program for Competence Enhancement of the Board of Commissioners section on page 331 of this 2018 Annual Report.			
D.E. Setijoso	Can be seen in the Board of Commissioners' Chapter – the Training Program for Competence Enhancement of the Board of Commissioners section on page 331 of this 2018 Annual Report.			
Hendra Tanumihardja	Digital Awareness Program For Executive	BCA	Jakarta, Indonesia	19-21 March 2018
	Risk Management Certification	BCA	Jakarta, Indonesia	6 April 2018
	ATD Conference & Benchmarking Columbia University	ATD	USA	2-9 May 2018
	Technology Savvy Leadership	BCA	Bogor, Indonesia	19 July 2018
	Forum HR Asia Pasific	Inti Pesan	Bali, Indonesia	30-31 August 2018

7. Term of Duty of the Remuneration and Nomination Committee

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

8. Independency of Member of Remuneration and Nomination Committee

The independence aspect of the Remuneration and Nomination Committee members have been achieved according to the terms and conditions, namely not having financial and management relationship, share ownership and/or family relationship with members of Board of Commissioners, Board of Directors, and/or Controlling Shareholders, or business relationship with the Company that may influence their ability to act independently. The members of the Remuneration and Nomination Committee are independent parties in fulfilling their duties throughout 2018.

The Independency Aspect of the Remuneration and Nomination Committee can be seen in this table:

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

9. Duties and Responsibilities of the Remuneration and Nomination Committee

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

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

In addition, pursuant to Financial Services Authority Regulation No. 34/POJK.04/2014 dated December 8, 2014 regarding Nomination and Remuneration Committee of Issuers or Public Companies, the Remuneration and Nomination Committee has the following duties and responsibilities:

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

b. Relating to Remuneration function:
   1) Providing recommendations to the Board of Commissioners on:
      a) Remuneration structure;
      b) Remuneration policy; and
      c) Amount of remuneration.
   2) Assisting the Board of Commissioners to assess the performance compatibility with the Remuneration received by each of Board of Directors and Board of Commissioners.

10. Policies and Meetings Implementation of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee holds meetings in accordance with the needs of the Company, at the very least once every 4 (four) months, as stipulated in the Financial Services Authority Regulation No. 34/POJK.04/2014 dated December 8, 2014 on Nomination and Remuneration

Committee of Issuers or Public Companies. In 2018, the Company's Remuneration and Nomination Committee held 6 (six) meetings.

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

Attendance of Remuneration and Nomination Committee's members in the meeting conducted throughout 2018 is described in the following table:

Name	Total Meetings	Attendance	Percentage
Raden Pardede	6	6	100%
D.E. Setijoso	6	4	67%
Hendra Tanumihardja	6	6	100%

From the 6 (six) meetings:
a. There are 1 (one) meetings to discuss the nomination function
b. There are 5 (five) meetings to discuss the remuneration function

11. Policies Concerning Board of Directors Succession Plan

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

12. Realization of Work Program of the Remuneration and Nomination Committee in 2018

Throughout 2018, the Remuneration and Nomination Committee has held 6 (six) meetings and realized the Committee's work programs as follows:

a. Provided recommendations to the Board of Commissioners on the Policy on tantieme suspension and clawback regulation for the Board of Directors and Board of Commissioners in regards to the application of POJK No. 45/POJK.03/2015.
b. Provided recommendations to the Board of Commissioners on the distribution of tantieme for the Fiscal Year of 2017 to all members of the Board of Directors and Board of Commissioners that works throughout Financial Year 2017, so it can be delivered at the Annual GMS on April 5, 2018 to get the approval.
c. Provided recommendations to the Board of Commissioners on the remuneration package for the new Board of Director's member for 2018 until the Annual GMS 2019.
d. Provided recommendations to the Board of Commissioners on the on the proposal of National Social Security (BPJS Ketenagakerjaan) program for the Board of Directors and Board of Commissioners.
e. Conduct discussion on Senior Leader Employee Talent Mapping (EVP to Echelon S1)

13. Remuneration of the Remuneration and Nomination Committee

The amount of remuneration that has been paid to the Remuneration and Nomination Committee for 1 (one) year in 2018 is Rp53,521,298,614.00 (fifty three billion five hundred twenty one million two hundred ninety eight thousand six hundred fourteen Rupiah).

INTEGRATED GOVERNANCE COMMITTEE

The Integrated Governance Committee is formed by and responsible to the Board of Commissioners of the Company as the Main Entity in the Financial Conglomerate. The Integrated Governance Committee was formed in order to assist the Board of Commissioners in monitoring the implementation of Integrated Governance.

1. Legal Basis

The establishment of an Integrated Governance Committee refers to:

- Financial Services Authority Regulation No. 18/POJK.03/2014 on Implementation of Integrated Governance for Financial Conglomerates.
- Financial Services Authority Regulation No. 33/POJK.04/2014 on Board of Directors and Commissioners of Issuers or Public Companies.
- Bank Indonesia Regulation No. 8/14/PBI/2006 on Amendments to Bank Indonesia Regulation No. 8/4/PBI/2006 on Implementation of Financial Services Authority Regulation No. 55/POJK.03/2016 on Implementation of Commercial Banks Governance.
- Financial Services Authority Circular No. 15/SEOJK.03/2015 on Implementation of Integrated Governance for Financial Conglomerates.
- The Board of Commissioners Decision Letter of PT Bank Central Asia Tbk No. 037/SK/KOM/2015 dated February 26, 2015 on the Establishment of Integrated Governance Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 109/SK/DIR/2016 dated August 11, 2016 on Appointment and Changes made on the Integrated Governance Committee Chairman.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 119/SK/DIR/2017 on Appointment of Members of the Integrated Governance Committee.
- The Board of Directors Decision Letter of PT Bank Central Asia Tbk No. 160A/SK/DIR/2017 dated November 21, 2017 on Revisions of the Integrated Governance Guidelines.

2. Integrated Governance Committee Work Manual

In performing its duties and responsibilities, the committee has been equipped with committee work guidelines contained in the Integrated Governance Corporate Manual.

The work guidelines and rules cover the following mattes:

- Legal basis (reference).
- Position.
- Duties and responsibilities.
- Membership structure.
- Number and composition of independent commissioners.
- Term of duty.
- Work mechanism.
- Provisions for meetings.
- Minutes of meetings.
- Reporting.

3. Structure and Membership of Integrated Governance Committee

Membership of the committee at least must consist of:

a. An Independent Commissioner from the Company (Main Entity) as the chairman concurrently as member;
b. Independent Commissioners that representing and appointed by the Financial Services Institution in the Financial Conglomerate as member;
c. An Independent Party as member; and
d. Member of the Sharia Supervisory Board from of the Financial Services Institution in the Financial Conglomerates, as member.

Membership Composition of Integrated Governance Committee as of December 31, 2018

Name	Position
Sumantri Slamet	Chairperson (concurrently Independent Commissioner of Main Entity)
Wimpie Rianto	Members (Independent Main Entity)
Adhi Gunawan Budirahardjo	Member (Independent Commissioner of PT BCA Finance)
Gustiono Kustianto	Member (Independent Commissioner of BCA General Insurance)
Pudjianto	Member (Independent Commissioner of PT BCA Life Insurance)
Suyanto Sutjiadi	Member (Independent Commissioner of PT BCA Syariah)
Sutedjo Prihatono	Member (Member of the Sharia Supervisory Board of PT BCA Syariah)
Rudy Harjono	Member (BCA Finance Limited Independent Director)
Mendari Handaya	Member (Independent Commissioner of PT Central Santosa Finance)
Hendra Iskandar Lubis	Member (Independent Commissioner of PT BCA Sekuritas)

Educational history, position, and work experience of the Integrated Governance Committee Members can be seen in the Corporate Data page 74 - 78 on this BCA 2018 Annual Report.

Number and composition of Independent Commissioners

The Number and Composition of Independent Commissioners serving as members of the Integrated Governance Committee have been adjusted to the needs of the Financial Conglomerate as well as the efficiency and effectiveness of duties implementation of the Integrated Governance Committee by at least taking into accounts the representation of each financial services sector.

4. Members Profile

Sumantri Slamet

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 69 on this BCA 2018 Annual Report.

Wimpie Rianto

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 74 on this BCA 2018 Annual Report.

Adhi Gunawan Budirahardjo

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 74 on this BCA 2018 Annual Report.

Gustiono Kustianto

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 75 on this BCA 2018 Annual Report

Pudjianto

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 76 on this BCA 2018 Annual Report.

Suyanto Sutjiadi

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 76 on this BCA 2018 Annual Report

Sutedjo Prihatono

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 77 on this BCA 2018 Annual Report.

Rudy Harjono

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 77 on this BCA 2018 Annual Report

Mendari Handaya

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 78 on this BCA 2018 Annual Report.

Hendra Iskandar Lubis

Educational background, position, and work experience of Integrated Governance Committee Member can be seen in Corporate Profile page 78 on this BCA 2018 Annual Report.

5. Education or Trainings Activities

Throughout 2018, members of the Integrated Governance Committee have participated in education programs or training as follows:

Name	Education/Training	Organizer	Location	Date
Sumantri Slamet	Stated in the Chapter discussing the Board of Commissioners - Training Program Section in Order to Increase the Competency of Board of Commissioners Members page 332 Annual Report of the Company Year 2018.			
Wimpie Rianto	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
	Indonesia Knowledge Forum	BCA	Jakarta, Indonesia	9-10 October 2018
Adhi Gunawan Budirahardjo	Refreshment Risk Management Level IV Certification	BCA	Jakarta, Indonesia	24 August 2018

Name	Education/Training	Organizer	Location	Date
	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
Gustiono Kustianto	Implementing an ERM Process for insurance Company	Singapore College of Insurance	Singapore, Singapore	27-28 June 2018
	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
Pudjianto	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
	Insuring Sustainable Business Strategy	Asosiasi Ahli Manajemen Asuransi Indonesia	Semarang, Indonesia	15 - 16 November 2018
Suyanto Sutjiadi	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
Sutedjo Prihatono	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
Rudy Harjono	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
Mendari Handaya	Financing Companies in the Eye of Banking	APPI	Jakarta, Indonesia	8 May 2018
	Integrated Governance: Regulations, current practices, and best practices	KNKG	Jakarta, Indonesia	3 July 2018
	Financing Industry in Capital Market	APPI	Jakarta, Indonesia	26 July 2018

6. Term of Duty of Integrated Governance Committee Member

Tenure of the member of the Integrated Governance Committee is the same as the tenure of the Company's Board of Commissioners (Main Entity), and can be reappointed for the next period. Tenure of the currently in charge member of the Integrated Governance Committee will end at the closing of Company Annual GMS in 2021.

7. Independence and Requirements of Member of Integrated Governance Committee

Commissioner of the Main Entity and / independence and requirements of the Directors / Commissioners of Subsidiaries in the Financial Conglomerate.

8. Duties and Responsibilities of Integrated Governance Committee

In carrying out its functions, the Integrated Governance Committee has the following duties and responsibilities:

a. Evaluate the implementation of Integrated Governance at least through assessing the adequacy of internal controls and implementing the compliance function in an integrated manner.

b. Provide recommendations to the Board of Commissioners of the Company as the Main Entity in the Financial Conglomerate to improve the Integrated Governance Guidelines.

9. Work Mechanism

The arrangements for the working mechanism of the Integrated Governance Committee are as follows:

a. The duties and responsibilities of the Integrated Governance Committee are carried out through an Integrated Governance Committee Meeting.

b. In order to facilitate the implementation of tasks, the Integrated Governance Committee assisted by the Secretary of the Committee to carry out secretarial tasks includes:

1) Schedule meetings.
2) Propose and contact the required resource person.
3) Prepare and distribute invitations and meeting materials.
4) Compile and distribute minutes of meetings.

c. If needed, the Integrated Governance Committee can invite speakers from members of the Board of Commissioners, the Board of Directors or other parties both from internal and external Main Entities and Financial Service Institutions members of financial conglomerates.

10. Policy and Implementation of Meetings

The Integrated Governance Committee holds meetings at least 1 (one) time in one semester as stipulated in the Integrated Governance Committee Charter. During 2018, the Integrated Governance Committee currently in charge has held meetings as many as 4 (four) times.

Attendance Data Committee Members in the Integrated Governance Committee Meetings during 2018 are as follows:

Name	Total Meeting	Attendance	Percentage
Sumantri Slamet	4	4	100%
Wimpie Rianto	4	4	100%
Adhi Gunawan Budirahardjo	4	3	75%
Gustiono Kustianto	4	4	100%
Pudjianto	4	3	75%
Suyanto Sutjiadi	4	4	100%
Sutedjo Prihatono	4	4	100%
Rudy Harjono	4	3	75%
Mendari Handaya	4	4	100%
Hendra Iskandar Lubis	4	4	100%

Meetings Implementation:

Date	Agenda
21 March 2018	Review Integrated Governance Committee Semester II 2017
6 June 2018	BCP, Risk, Security Information, workshop plan
5 September 2018	Integrated Governance Committee Report to the Board of Commissioners Semester I 2018
12 December 2018	CGPI and Synergy of Parent and Subsidiaries Company

11. Realization of Work and Implementation Activities of Integrated Governance Program in 2018

Implementation of Activities/Realization of the Integrated Governance Committee Work Program during 2018 are:

- Evaluating the implementation of integrated governance in Company's Financial Conglomerate among others through presentation and discussion of Integrated Internal Audit Results Report and Integrated Compliance Report.
- Participated in organizing seminars on integrated governance, regulations, current and best practices by the National Committee of Governance Policy.

EXECUTIVE COMMITTEES OF BOARD OF DIRECTORS

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

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

ASSET & LIABILITY COMMITTEE

Asset & Liability Committee (ALCO) is a permanent committee under the Board of Directors with the mission of achieving an optimum level of profitability for the Company as well as ensuring that liquidity risk, interest rate risk and foreign exchange risk are controlled

through the establishment of policies and strategies for Company's asset and liability management. ALCO is established based on the Board of Directors Decision Letter No. 092/SK/DIR/2018 dated June 8th, 2018 on Structure of Asset & Liability Committee (ALCO) and the Board of Commissioners Decision Letter No. 084/SK/KOM/2018 dated May 9th, 2018 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.

1. Main Functions of ALCO

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

2. Authority of ALCO

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

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

3. Membership Structure of ALCO and Voting Right Status

Position	Served by	Status Voting Rights
Chairman (concurrently as member)	President Director	Reserve voting rights
Member	• Deputy President Director 1 • Deputy President Director 2 • Legal, Compliance & Risk Management Director • Corporate Banking Director • SME & Commercial Banking Director • Individual Banking Director • Network Distribution Director • Credit Director • Transaction Banking Director • Finance & Corporate Secretary Director • Executive Vice President (EVP) of Treasury Division and International Banking Division • Executive Vice President (EVP) of Corporate Banking Group • Executive Vice President (EVP) of Finance and Planning and Corporate Secretary • International Banking Division Head • Treasury Division Head • Financial and Planning Division Head • Corporate Banking & Corporate Finance Group Head • SME & Commercial Business Division Head • Banking Transaction Product Development Division Head • Business Development & Marketing of Banking Transaction Division Head • Joint Banking Transaction Solution Division Head • Consumer Credit Business Division Head • Risk Management Work Unit Head	Reserve voting rights
Secretary	Senior Adviser at Risk Management Work Unit of Asset Liability Management (ALM)	No voting rights

Independency of ALCO

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

4. Duties and Responsibilities of ALCO

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

Main Duties of ALCO

Members Voting ALCO members have main duties as follows:

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

Charter

In order to support the implementation of its duties, ALCO refers to the Decision Letter of Board of Directors No. 092/SK/DIR/2018 dated June 8, 2018, on Structure of Asset Liability Committee (ALCO).

5. Meeting of ALCO

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

6. Decision Making

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

7. Frequency of ALCO Meeting in 2018

Until December 31, 2018, Asset and Liability Committee held 12 (twelve) meetings with details described in the following table:

Frequency of Asset and Liability Committee Meeting in 2018

Position	Total Meetings	Date	Attendance	Percentage
President Director (Jahja Setiaatmadja) [1)]	12	• 26 January • 26 February • 23 March • 24 April • 28 May • 26 June • 26 July • 24 August • 28 September • 26 October • 28 November • 21 December	11	92%
Deputy President Director (Eugene K. Galbraith)	12		9	75%
Deputy President Director (Armand W. Hartono)	12		5	42%
Compliance & Risk Management Director (Subur Tan)	12		9	75%
Corporate Banking Director (Rudy Susanto)	12		8	67%
SME & Commercial Banking Director (Henry Koenaifi)	12		8	67%
Individual Banking Director (Suwignyo Budiman)	12		11	92%
Network Distribution Director (Erwan Yuris Ang)	12		5	42%
Credit Director (Inawaty Handojo)	12		12	100%
Banking Transaction Director (Santoso)	12		10	83%

Position	Total Meetings	Date	Attendance	Percentage
Finance Director and Corporate Secretary (Vera Eve Lim) [2]	9		5	56%
Executive Vice President (EVP) of Treasury Division and International Banking Division	12		9	75%
Executive Vice President (EVP) of Corporate Banking Group	12		6	50%
Executive Vice President (EVP) of Planning and Finance and Corporate Secretary[3]	11		7	64%
Members Division Head or Representing Officers:				
International Banking Division	12		10	83%
Treasury Division	12		12	100%
Finance & Planning Division	12		5	42%
Corporate Banking and Corporate Finance Group	12		9	75%
SME & Commercial Business Division	12		12	100%
Banking Transaction Product Development Division	12		12	100%
Business Development & Marketing of Banking Transaction Division	12		7	58%
Joint Banking Transaction Solution Division	12		4	33%
Consumer Credit Division	12		10	83%
Risk Management Work Unit	12		12	100%

Note :
[1] Chairman of ALCO
[2] Has been serving as Director since April 20, 2018
[3] The EVP position in charge of the Finance and Planning Division and the Corporate Secretariat has been in existence since February 1, 2018

8. Report of Responsibility

Realization of the Committee's work is reported through:

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

9. Realization of Work Program in 2018

In performing its duties throughout 2018, ALCO held 12 (twelve) meetings with the following agenda:

a. Report of follow-ups of previous ALCO meeting decisions.
b. Review of economic parameters including inflation rates, Bank Indonesia Term Deposit interest rates, yield curves of Rupiah and USD, Rupiah & USD market liquidity and exchange rate of Rupiah.
c. Liquidity reserves comprising Primary and Secondary Rupiah and Foreign Exchange Reserves, Rupiah and Foreign Exchange Fund Structure, Credit Projection, Liquidity Projection and losses due to liquidity risk.
d. Interest rate risks, including Reprising Gap and Sensitivity Analysis, both for Rupiah and Foreign Exchange.
e. Interest Rate Trading Book and Foreign Exchange Risks
f. Loan Portfolio, which comprises limit and outstanding loans and type of debtors.
g. Yield and Cost of Fund of Rupiah and Foreign Exchange.
h. Analysis of Assets/Liabilities Management.
i. Stress Test for Liquidity Risk and Stress Test for Exchange Rate & Interest Rate Trading Book Risk.
j. Comparison of the composition of Bank Funds to the banking sector.
k. Discussion and decision of changes in interest rates for Funds and Loans, Prime Lending Rates and limits relating to the Asset Liability Management.

l. Review of the results of profit/loss simulations in accordance with the strategy applied by the ALM of the Company.

RISK MANAGEMENT COMMITTEE

Risk Management Committee is established to ensure that the risk management framework has provided adequate protection to all Company risk. Risk Management Committee of the Company is stipulated through the Board of Directors Decision Letter No.167/SK/DIR/2017 dated 28 November 2017 concerning the Structure of Risk Management Committee. Besides that, the formation of Risk Management Committee refers to:

- Financial Services Authority Regulation No. 18/POJK.03/2016 dated 16 March 2016 concerning the Implementation of Risk Management for Commercial Bank.
- Board of Commissioners Decision Letter No. 084/SK/KOM/2018 dated 9 May 2018 concerning the Division of Job and Responsibility of the Board of Directors and the Organizational Parent Framework of PT Bank Central Asia Tbk.

1. Risk Management Committee Core Function

a. Make a policy, strategy, and guideline to implement risk management.
b. Improving the implementation of risk management based on the result of evaluation of the effective implementation of risk management process and system.
c. Determining matters relating to the business decisions that is deviated from the normal procedure (irregularities).

2. Risk Management Committee Authority

The Committee has an authority to assess and give recommendations concerning matters relating to the risk management for the Board of Directors is able to make the decision.

3. Structure, Membership of Risk Management Committee and Vote Rights Status

Based on the Decision Letter No. 167/SK/DIR/2017 dated 28 November 2017 concerning the Structure of the Risk Management Committee, the Structure, Membership and Vote Rights Status of Risk Management Committee is as follows:

Position	Served by	Voting Rights Status
Chairman (concurrently as Permanent Member)	Director of Compliance & Risk Management	Reserve Voting Rights
Permanent Member[1)]	• All member of Board of Directors • Executive Vice President of Credit Risk Analysis Group (EVP GARK) • Head of Compliance Work Unit	Reserve Voting Rights
Non-Permanent Member[2)]	• Executive Vice President except EVP GARK • All Heads of Division/Work Unit/Group outside Permanent Members	Reserve Voting Rights
Secretary (concurrently as Permanent Member)	Risk Management Work Unit Head/Replacing Officer	Reserve Voting Rights

Note :
1) For concurrent position, the person only has 1 (one) vote.
2) The presence is according to the topic discussed.

Committee's Independency

All members of Risk Management Committee have met the independency criteria and are able to carry out their duty independently.

4. Job and Responsibility of Risk Management Committee

Core Duty of Members of Risk Management Committee:

a. Giving recommendation to the secretary of Risk Management Committee in the form of topic and meeting material that will be discussed in Risk Management Committee meeting.
b. Giving recommendation in the form of information and analysis relating to the topics discussed in Risk Management Committee meeting.
c. Topics that can be discussed in Risk Management Committee Meeting are among others:
   - Direction and target of the Company in making the policy, strategy, and guideline for the implementation of risk management, and the changes if necessary.
   - Evaluation of effectiveness in implementing risk management framework.

- Development and tendency of total risk exposure from the Company and suggesting the level of overall risk tolerance that is acceptable (risk appetite).
- Result of assessment about total risk exposure faced by the Company along with the impact.
- Evaluation of the Company capital sufficiency in facing the risk of loss occurring, by using various stress testing scenarios.
- Recommendation of the development of risk measurement method, contingency plan in worst case scenarios, and other methods relating to the risk management of the Company.
- Justification relating to the business decisions that are deviated from the normal procedure (irregularities).
- Limit of authority, exposure, and concentration of credit portfolio or other parameters aimed to limit the risk.

Guideline/Charter

In the effort to support the implementation of Job and Responsibility of Risk Management Committee, Risk Management Committee refers to the Decision Letter No. 167/SK/DIR/2017 dated 28 November 2017 concerning the Structure of Risk Management Committee (KMR).

5. Risk Management Committee Meeting

The followings are the conditions about the Risk Management Committee Meeting:

a. Risk Management Committee Meeting is carried out according to the needs and at least once in 3 (three) months or 4 (four) times in 1 (one) year.

b. Risk Management Committee Meeting is legitimate if attended by 2/3 (two-third) of the number of permanent member or ½ (half) of the number of permanent members but after being agreed with by all permanent members.

6. Decision Making

The following are the provisions concerning decision making.

a. Decision making concerning the use of Risk Management Committee authority is only made through the legitimate result of Risk Management Committee meeting.

b. Legitimate and bounded result of Risk Management Committee meeting if approved by more than ½ (half) number of members who are present.

7. Frequency of the Risk Management Committee Meeting throughout 2018.

Name	Number of Meeting	Date	Attendance	Percentage
President Director (Jahja Setiaatmadja)	4	• 23 March • 7 May • 5 November • 10 December	4	100%
Deputy President Director (Eugene K. Galbraith)	4		3	75%
Deputy President Director (Armand W. Hartono)	4		3	75%
Compliance, Legal & Risk Management Director (Subur Tan)	4		4	100%
Corporate Banking Director (Rudy Susanto)	4		2	50%
Commercial & SME Banking Director (Henry Koenaifi)	4		3	75%
Individual Banking Director (Suwignyo Budiman)	4		4	100%
Region & Branch Network Director (Erwan Yuris Ang)	4		3	75%
Credit Director (Inawaty Handoyo)	4		4	100%
Banking Transaction Director (Santoso)	4		3	75%
Human Capital Management Director (Lianawaty Suwono)	4		3	75%
Finance Director & Corporate Secretary (Vera Eve Lim) *)	3		3	100%
EVP of Credit Risk Analysis Group (GARK)	4		3	75%
Head of Compliance Work Unit	4		4	100%
Risk Management Work Unit Head (Secretary)	4		4	100%
EVP of Planning Finance Division & Corporate Secretary	1		1	100%

Name	Number of Meeting	Date	Attendance	Percentage
Head of Internal Audit Division [2)]	1		1	100%
Head of Audit Sub-Division Head Quarter and Subsidiaries Company	2		2	100%
Head of IT Network Infrastructure [2)]	1		1	100%
Senior *Adviser* HI & Corporate Strategic Alliances [2)]	1		1	100%

Note :
[1)] Chairman
[2)] Number of meeting for non-permanent member is according to the invitation for related topic of discussion
[*)] Number of meeting is according to the time when a member becomes member of the Board of Directors effective in 23 April 2018
[**)] At the KMR meeting on November 5, 2018, attended by replacement officials.

8. Accountability Reporting

Accountability and work realization of Risk Management Committee is reported through:

a. Periodical written report at least once in 1 (one) year to the Board of Directors concerning the result of the routine meeting in Risk Management Committee meeting.
b. Written report to the Board of Directors concerning the result of special meeting held to discuss certain matters.
c. Special Report or Activity Report (if necessary).

9. Realization of Risk Management Committee Work Unit Year 2018

In implementing its management throughout 2018, Risk Management Committee holds meeting 4 (four) times , with the realization of the work program of Risk Management Committee as follows:

a. Inform the result of Quantitative Impact Study IFRS 9 (PSAK 71).
b. Inform the result of Bottom Up Stress Test (BUST) 2017/2018.
c. Inform the result of simulation concerning the capital shares to the Subsidiary Company
d. Informing about infrastructure readiness in facing disastrous condition.
e. Informing the condition of the Company's loan portfolio as of September 2018.

INTEGRATED RISK MANAGEMENT COMMITTEE

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

The Structure of Integrated Risk Management Committee is established based on Board of Directors Decision Letter No. 168/SK/DIR/2017 dated November 28, 2017 on Structure of Integrated Risk Management Committee.

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

1. Main Function of Integrated Risk Management Committee

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

- Development of an integrated risk management policy.
- Revision or improvement on the integrated risk management policy based on evaluation results.

2. Authority of Integrated Risk Management Committee

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

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

Position	Served by	Voting Right Status
Chairman (concurrently as Permanent Member	Director who head integrated risk management function	Reserve voting rights
Permanent Member [1)]	• All members of the Board of Directors • Head of Compliance Work Unit	Reserve voting rights

Position	Served by	Voting Right Status
Non-Permanent Member [2)] 1. Executive Officer [3)] 2. Director of Subsidiaries [*)]	• All Executive Vice Presidents • All Heads of Divisions/Business Units/Groups/ Work Units that are connected/related with the Subsidiaries, other than Permanent Members Director who represents and is appointed by Subsidiaries Note: [*)] The number and composition are adjusted to the needs as well as efficient and effectiveness of the implementation of integrated risk management committee duties by taking into account, among others the representation of each financial services sector	Reserve voting rights
Secretary (concurrently as Permanent Member)	Head of Risk Management Work Unit/Alternative	Reserve voting rights

Note:
[1)] If there is any concurrent position, the person only reserves the right of 1 (one) vote.
[2)] Based on the topics discussed
[3)] If Internal Audit Division Head attends the Integrated Risk Management Committee meeting, he/she reserves no right to vote.

4. Duties and Responsibilities the Integrated Risk Management Committee

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

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

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

Guidelines

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

5. Meetings of Integrated Risk Management Committee

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

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

6. Decision Making

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

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

7. Frequency of Integrated Risk Management Committee Meeting in 2018

During 2018, Integrated Risk Management Committee held 2 (twice) meetings as follows:

Position (Director Name/Membership)	Number of Meetings*)	Date	Attendance	Percentage
President Director (Jahja Setiaatmadja) 1)	2		2	100%
Deputy President Director (Eugene K. Galbraith) 1)	2		2	100%
Deputy President Director (Armand W. Hartono) 1)	2		1	50%
Individual Banking Director (Suwignyo Budiman) 1)	2		2	100%
Compliance & Risk Management Director (Subur Tan) 1) #)	2		2	100%
SME & Commercial Banking Director (Henry Koenaifi) 1)	2		2	100%
Network Distribution Director (Erwan Yuris Ang) 1)	2		2	100%
Corporate Business Director (Rudy Susanto) 1)	2		1	50%
Credit Director (Inawaty Handojo) 1)	2		2	100%
Human Capital Director (Lianawaty Suwono) 1)	2		1	50%
Banking Transaction Director (Santoso) 1)	2		2	100%
Financial Director (Vera Eve Lim) 1)	2		2	100%
Compliance Work Unit Head 1)	2	•2 May	2	100%
Risk Management Unit Head (Secretary) 1)	2	•5 November	2	100%
EVP Finance and Planning 2)	1		1	100%
EVP of Strategic Information Technology Group 2)	1		1	100%
Service and Operation Improvement Division Head 2)	1		1	100%
Enterprise Security Work Unit Head 2)	1		1	100%
Head of Internal Audit Division	2		2	100%
Director of PT BCA Finance 2)	2		1	50%
Director of PT CS Finance 2)	2		2	100%
Director of PT BCA Syariah 2)	2		2	100%
Director of BCA Finance Limited Hong Kong 2)	2		2	100%
Director of PT BCA Sekuritas 2)	2		0	0%
Director of PT BCA Insurance 2)	2		2	100%
Director of PT BCA Life 2)	2		1	50%
Director OF PT CCV 2)	2		2	100%

Note:
*) Total meetings for non-permanent members correspond to the invitations for relevant topics.
1) Permanent Member.
2) Non-Permanent Member.

8. Report of Responsibility

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

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

9. Realization of Work Program in 2018

In performing its duties throughout 2018, Integrated Risk Management Committee had realized its work programs through discussion on the following topics:

- Integrated BCP coverage and BCA Financial Conglomerate circuit breaker.
- Integrated BCA Financial Conglomerate Security Information.
- Risk Appetite and BCA Finance Conglomerate Risk Tolerance.
- Integrated Risk Management organizational framework (MRT) and the BCA Financial Conglomerate BCA risk monitoring framework.
- The 2018 Integrated Stress tests with the Company's Financial Conglomerate (The Company and its Subsidiaries).

CREDIT POLICY COMMITTEE

The Credit Policy Committee was formed to direct credit through the formulation of credit policies in order to achieve prudent credit targets. The credit policy committee of PT Bank Central Asia Tbk was ratified in the Directors Decree Board of Directors Decision Letter No.137/SK/DIR/2018 dated September 4, 2018 concerning the Structure of the Credit Policy.

The establishment of the Credit Policy Committee is guided by:

- Financial Services Authority Regulation No. 42/POJK.03/2017 dated July 12, 2017 concerning Obligations for Preparation and Implementation of Credit Policy or Bank Financing for Commercial Banks.
- The Board of Commissioners Decree No.084/SK/KOM/2018 dated May 9, 2018 concerning the Administration of Duties and Responsibilities of the Board of Directors and the Main Framework of Organizations of PT Bank Central Asia Tbk.

1. Main Functions of Credit Policy Committee

- Assist the Board of Directors in formulating credit policies, especially those related to the principle of prudence in credit.
- Monitor and evaluate the implementation of credit policies so that they can be implemented consistently and consequently.
- Conduct periodic reviews of the Basic Corporate Bank Credit Policy (KDPB).
- Monitor the development and condition of the credit portfolio.
- Providing advice and steps to improve the results of monitoring and evaluation that have been carried out.

2. Credit Policy Committee Authority

KKP has the authority to provide recommendations for improvements to the Board of Directors regarding matters relating to credit policy.

3. Structure, Membership, and Voting Status of Credit Policy Committee

Position	Filled By	Voting Status
Chairman (concurrently permanent member)	President Director	Reserve voting rights
Permanent member[1]	• Deputy President Director • Director of Credit • Director of Compliance, Legal & Risk Management • Director of Corporate Banking [2] • Director of Commercial Banking and SME [2] • Director of Individual Banking [2] • Director of Banking Transaction [2] • Executive Vice President of the Credit Risk Analysis Group (EVP GARK) [2] • Executive Vice President of the Corporate Banking Group and Corporate Finance (EVP GBKF) [2] • Executive Vice President in charge of Treasury Division and International Banking Division (DTR-DPI EVP) [2] • Head of Credit Risk Analysis Group and/or Head of Commercial & SME Business Division and/or Head of Corporate Banking and Corporate Finance Group and/or Head of Consumer Credit Business Division and/or Head of Work Unit under Banking Transaction Directorate and/or Head of International Banking Division or Substitute Officer [2] • Head of Internal Audit Division or Substitute Officer • Head of Compliance Unit or Substitute Officer	Reserve voting rights
Secretary (concurrently permanent member)	Head of the Risk Management Work Unit or Substitute Officer	Reserve voting rights

Note:
[1] Other directors have the right to attend the KKP meeting, but without voting rights.
[2] According to the topics discussed.

4. Duties and Responsibilities of Credit Policy Committee

Credit Policy Committee members have the main tasks of which:

- Provide input to the Credit Policy Committee secretary in preparing agenda and meeting materials.
- Provide input in the form of information and analysis at the Credit Policy Committee meeting to make a KKP decision, regarding:
  - Development of credit policies (Corporate Loans, Commercial Loans, SME Loans, KUK, Consumer Loans, Credit Cards and Interbank Credit) in accordance with the company's mission and business plan.
  - Compliance with the provisions of legislation in granting credit.
  - Development and quality of the overall credit portfolio.
  - The truth of the implementation of the authority to decide credit.
  - The truth of the giving process, the development and quality of credit given to related parties and certain large debtors.
  - The truth of implementation of the Legal Lending Limit.
  - Settlement of problem loans in accordance with the provisions of credit policy.
  - Bank fulfillment over the adequacy of the amount of allowance for credit losses.
  - Results of supervision on the application and implementation of the Bank's Basic Credit Policy.

Guidelines

In carrying out its duties and responsibilities, during 2018 the Credit Policy Committee is guided by the Directors Decree No.137/SK/DIR/2018 dated September 4, 2018 concerning the Structure of the Credit Policy Committee.

5. Credit Policy Committee Meeting

The following are some provisions regarding Credit Policy Committee meetings.

- Credit Policy Committee meetings are held as needed and at least once in 1 (one) year.
- Credit Policy Committee meetings are valid if at least 2/3 (two-thirds) of the members are attended.

6. Decision Making

The following are the provisions regarding decision making.

- Decision making in relation to the use of Credit Policy Committee authority can be carried out through circulation to Credit Policy Committee members or through legitimate Credit Policy Committee meetings.
- Decisions through meetings or circulars to Credit Policy Committee members will be deemed valid and binding if approved by more than ½ (half) of the number of members present.

7. Frequency of Credit Policy Committee Member Meetings During 2018

Position (Director Name/Membership)	Number of Meetings	Attendance	Percentage	Information
President Director (Jahja Setiaatmadja)	2	2	100%	
Deputy President Director 1 (Eugene K. Galbraith)	2	2	100%	
Director of Credit (Inawaty Handojo)	2	2	100%	
Director of Corporate Banking [1] (Rudy Susanto)	2	2	100%	
Director of Compliance and Risk Management (Subur Tan)	2	2	100%	
Director of Commercial Banking and SME [1] (Henry Koenaifi)	2	2	100%	
Director of Individual Banking [1] (Suwignyo Budiman)	2	NA	-	The topic presented was not related to the Consumer Credit policy.
Director of Banking Transaction [1] (Santoso)	2	NA	-	The topic presented was not related to the Banking Transaction policy.
Executive Vice President in charge of the Treasury Division and the International Banking Division [1]	2	NA	-	The topic presented was not related to International Banking policies.
Executive Vice President Credit Risk Analysis Group (EVP GARK) [1]	2	2	100%	
Executive Vice President Corporate Banking and Corporate Finance group (EVP GBKF) [1]	2	1	50%	
Head of Credit Risk Analysis Group or replacement official [1]	2	2	100%	
Head of Commercial Business Division and SME or substitute official [1]	2	2	100%	
Head of Corporate Banking and Corporate Finance Group or substitute officials [1]	2	2	100%	
Head of the Consumer Credit Business Division or official substitute [1]	2	NA	-	Topics in sessions did not concern the Consumer Credit policies.

Position (Director Name/Membership)	Number of Meetings	Attendance	Percentage	Information
Head of Work Unit under the Banking Transaction Directorate or substitute official [1)]	2	NA	-	The topic presented was not related to International Banking policies.
Head of the International Banking Division or official substitute [1)]	2	NA	-	The topic presented was not related to International Banking policies.
Head of Internal Audit Division or substitute official	2	2	100%	
Head of Compliance Unit or substitute official	2	2	100%	
Head of the Risk Management Work Unit or substitute official	2	2	100%	

Note:
- Meeting held on August 31, 2018
1) According to the topic discussed
*) Not a member

8. Report of Responsibility

- Periodic written reports to the Board of Directors with copies sent to the Board of Commissioners regarding the results of supervision, monitoring, and evaluation of the implementation of the Bank's Basic Credit Policy (Kebijakan Dasar Perkreditan Bank) as well as suggestions for improvements needed.
- Other data and information relating to the results of supervising, monitoring and evaluating activities.

9. Realization of the Credit Policy Committee work Program in 2018

In carrying out its management duties during 2018, the Credit Policy Committee has implemented a work program, namely:

- Changes in authority to decide on Corporate Loans and Commercial Loans;
- Credit restructuring policy;
- Sustainable finance;
- Policy for granting credit to multi-finance companies.

CREDIT COMMITTEE

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

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

In addition, the establishment of Credit Committee refers to:

- Financial Services Authority Regulation No. 42/POJK.03/2017 dated July 12, 2017 on Requirements to Prepare and Implement Bank Creditor Financing Policy for Commercial Banks.
- Board of Commissioners Decision Letter No. 084/SK/KOM/2018 dated May 9, 2018 on Segregation of Duties of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Board of Directors Decision Letter No. 094/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Credit Risk Analysis Group (GARK).
- Board of Directors Decision Letter No. 096/SK/DIR/2017 dated July 31, 2017 on Organization Structure of Corporate Banking and Corporate Finance Group (GBKF).
- Corporate Credit Manual.
- Commercial Credit Manual.

1. Main Functions of Credit Committee

- To provide credit guidance and to conduct a more intensive and comprehensive credit analysis when necessary.
- To provide decisions or recommendations on credit approval proposals submitted by the referral/proposal associated with:
  - Corporate and commercial debtors;.
  - Specific industries; and
  - Special requests from the Board of Directors.
- To coordinate with the Asset & Liability Committee (ALCO) on funding and adjustments of interest rates for corporate loans.

Level of the Credit Committee

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

1. Corporate Credit Committee.
2. Commercial Credit Committee.

2. Authority of Credit Committee

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

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

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

3. Membership Structure of Credit Committee and Voting Right Status

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

Based on the Board of Directors Decision Letter No. 136/SK/DIR/2017 on Structure, Membership & Voting Rights of Credit Committee:

Membership Structure and Voting Right Status of Corporate Credit Committee

Position	Served By	Voting Right Status
Chairman (concurrently as permanent member)	Credit Director (DKR)	Reserve voting rights
Permanent Members	• President Director (PD) • Deputy of President Director (WP1) • Corporate Banking Director (DBK) • EVP GARK • EVP GBKF [2)] • EVP DTR-DPI [2)]	
	• Head of GBKF[(2)] • Head of DPI[(2)]	No voting rights
Non-permanent Members	• Other directors having the authority to approve credit • Compliance and Risk Management Director (DCR) [3)]	Reserve voting rights
Secretary (concurrently as permanent member)	Head of GARK	No voting rights

Note:
1) Decision in the meeting is made through voting mechanism.
2) Based on the topics being discussed.
3) Have voting rights in terms of credit settlement and other matters related to risk management.

Membership of Commercial Credit Committee and Voting Right Status

Position	Served by	Voting Right Status
Chairman[2)] (concurrently as permanent member)	Head of GARK based on appropriate commercial credit exposure being handled	Reserve voting rights
Permanent Members	• Director of SME & Commercial Banking (DKS) • Credit Director (DKR) • EVP GARK • Head of Regional Office	
Non-permanent Member	Compliance & Risk Management Director (DCR) [3)]	
Secretary (concurrently as permanent member)	Credit Adviser	No voting rights

Note:
1) Decision in the meeting is made through voting mechanism.
2) Chairman duties are shared in turns among Group Heads based on the appropriate commercial credit exposure being handled
3) Have voting rights in terms of credit settlement and other matters related to risk management.

4. Duties and Responsibilities of Credit Committee

Duties of the Credit Committee of the Company are:

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

5. Meetings of Credit Committee

The following provisions govern the meetings of the Credit Committee:

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

- Commercial Credit Committee meetings can be held at the head office and regional offices;
- Details of each Credit Committee meeting must be noted in minutes of meetings.

6. Decision Making

The following provisions govern the decision making process:

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

Accountability of Credit Committee

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

7. Frequency of Credit Committee Meeting in 2018

Meeting implementation and attendance rate of members of both Corporate Credit Committee and Commercial Credit Committee during the year 2018, are as follows:

Frequency and Attendance Rate of Board of Directors in Corporate Credit Committee Meetings in 2018

Position (Name of the Director)	Total Meeting	Attendance	Percentage
President Director (Jahja Setiaatmadja)**	17	12	71%
Deputy President Director (Eugene Keith Galbraith)**	17	14	82%
Deputy President Director (Armand W. Hartono)****	17	5	29%
Credit Director (Inawaty Handojo)*	17	16	94%
Corporate Banking Director (Rudy Susanto)**	17	17	100%
SME & Commercial Banking Director (Henry Koenaifi)***	17	12	71%
Individual Banking Director (Suwignyo Budiman)***	17	-	-
Compliance & Risk Management Director (Subur Tan)***	17	11	65%
Network Distribution Director & Branch Office (Erwan Yuris Ang)***	17	-	-
Banking Transaction Director (Santoso)***	17	2	12%
Human Capital Director (Lianawaty Suwono)****	17	-	-
Financial and Company Secretariat Director (Vera Eve Lim)****	17	3	18%
EVP GARK**	17	16	94%
EVP GBK**	17	12	71%
EVP DTR-DPI**	17	-	-

Note:
*) Chairman (concurrently as Permanent Member).
**) Permanent Member.
***) Non-Permanent Member.
****) Other Board of Directors Members.

Frequency and Attendance Rate of Board of Directors in Commercial Credit Committee in 2018

Position (Name of the Director/Membership)	Total Meeting	Attendance	Percentage
Credit Director (Inawaty Handojo)**	7	7	100%
SME & Commercial Banking Director (Henry Koenaifi)**	7	7	100%
EVP Credit Risk Analysis Group**	7	6	86%
Head of Credit Risk Analysis Group*	7	7	100%
Head of Small and Medium Enterprise Division ***	7	5	71%
Head of Compliance Work Unit****	7	3	43%
Regional Head**	7	5	71%

Note:
*) Chairman (concurrently as Permanent Member).
**) Permanent Member.
***) Resource Personnel.
****) Monitoring Personnel.

8. Realization of Work Programs of Credit Committee in 2018

In performing the management duties throughout 2018, work program of Corporate Credit Committee held 17 (seventeen) meetings and Commercial Credit Committee held 7 (seven) meetings, each with meetings realization as follows:

Date of Corporate Credit Committee Meeting	Date of Commercial Credit Committee Meeting
April 3, 2018	January 23, 2018
April 10, 2018	February 7, 2018
May 16, 2018	March 26, 2018
June 26, 2018	April 30, 2018
July 10, 2018	May 30, 2018
July 19, 2018	August 29, 2018
August 20, 2018	November 14, 2018
August 23, 2018	
August 28, 2018	
August 31, 2018	
September 13, 2018	
September 18, 2018	
October 4, 2018	
October 16, 2018	
November 27, 2018	
November 30, 2018	
December 11, 2018	

INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee (IT Steering Committee) is established to ensure that the implementation of the information technology (IT) system is in line with the Company's strategic plans, and and that implementation aim to improve the Company's competitive advantage through the utilization of appropriate IT functions. The IT Steering Committee is established based on the Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 regarding the Structure of Information Technology Steering Committee.

The establishment of IT Steering Committee refers to for:

- Financial Services Authority Regulation No. 38/ POJK.03/2016 dated December 1, 2016 on Implementation of Risk Management in the Utilization of Information Technology by Commercial Banks.
- Financial Services Authority Circular Letter No. 21/ SEOJK.03/2017 dated June 6, 2017 on Implementation concerning Risk Management in the Utilization of Information Technology by Commercial Banks.
- Board of Commissioners Decision Letter No. 180/SK/ KOM/2017 dated July 12, 2017 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Board of Directors Decision Letter No. 095/SK/ DIR/2017 dated July 31, 2017 on Organization Structure of Strategic Information Technology Group (GSIT).
- Basic Risk Management Policy on The Implementation of Information Technology.

1. Main Functions of IT Steering Committee

- To review and provide recommendations for IT strategic plan so as to be in line with the Company's business plan.
- To perform regular evaluations regarding IT support for the Company's business activities.
- To ensure that any IT investments made would provide added values to the Company.

2. Authority of IT Steering Committee

The authority of the IT Steering Committee are as follows:

- To provide recommendations to the Board of Directors so the IT strategic plan would be in line with the Company's business activities and strategic plans.
- To review and recommend strategic steps to minimize the Company's risk on IT investment sector.
- To review and make recommendations on the feasibility of IT investments that will contribute to the achievement of the Company's business objectives.
- To review and provide recommendations on the formulation of major IT policies, standards and procedures.

3. Membership Structure of IT Steering Committee and Voting Rights Status

According to The Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 regarding Structure of Information Technology Steering Committee, the membership structure and voting right status of the Committee are as follows:

Position	Served by	Voting Rights Status
Chairman (concurrently as permanent member)	Director headed the Information Technology field	Reserve voting rights
Secretary (concurrently as permanent member)	Head of Data Management and IT Management Office Group	Reserve voting rights
Members	• Director of Compliance and Risk Management • Director of Network Distribution and Branch Office • Executive Vice President of Information Technology (EVP IT) • Strategic Information Technology Group (GSIT)*): - Head of Data Management and IT Management Office Group - Head of IT Architecture & Service Quality Group - Head of Application Management Group - Head of IT Infrastructure & Operation Group - Head of Digital Innovation Solutions Group • Head of Enterprise Security Work Unit • Head of Risk Management Work Unit • Head of Compliance Work Unit • Head of Strategy and Development of Operation-Service Division • Head of IT Main User Work Unit**)	Reserve voting rights
	• Head of Internal Audit Division	No voting rights

Note:
*) GSIT only reserves 1 (one) voting right represented by EVP TI.
**) Participation in the meeting is based on the topics relevant to the respective work unit.

4. Duties and Responsibilities of IT Steering Committee

The duties and responsibilities of the IT Steering Committee are as follows:

- To review IT strategic plan so as to be in line with the Company's business strategic.
- To review the effectiveness of strategic plan to minimize risk of company's investment on IT sector.
- To review feasibility of IT investments that will contribute to the achievement of the Company's business objectives.
- To review the formulation of major IT policies, standard, and procedure.
- To monitor and to ensure the conformity of approved IT projects with IT strategic plans.

- To monitor and to ensure the conformity of IT project implementations with the approved project plans (project charters).
- To monitor and to ensure the conformity of IT sector with the needs of management information systems and the company's needs.
- To monitor IT work performance and any effort to improve it.
- To monitor settlement efforts of various IT related matters that cannot be settled by user as work unit and IT implementation work unit in an effective, efficient and timely manner.
- To ensure the availability and precise allocation of resources of the Company.

Charter

In order to support the implementation of its duties, IT Steering Committee refers to Board of Directors Decision Letter No. 128/SK/DIR/2017 dated October 10, 2017, on Charter of Information Technology Steering Committee.

5. Meetings of IT Steering Committee

The following provisions govern the meeting of IT Steering Committee:

- IT Steering Committee Meetings are held as necessary with at least 4 (four) meetings in a year;
- IT Steering Committee Meetings can be held if attended by, at the very least, 2/3 (two-thirds) of the number of invited members with voting rights.

6. Decision Making

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

- Decision-making related to the exercise of the IT Steering Committee's authority will only be carried out through legitimate Committee meeting decisions.
- IT Steering Committee meeting decisions are valid and binding if approved by the attendance of at least 1/2 (half) plus 1 (one) of the members with voting rights.

7. Frequency of IT Steering Committee Meeting in 2018

Up until December 31, 2018, the IT Steering Committee has held 4 (four) meetings with details as follows:

- Dated April 6, 2018
- Dated July 18, 2018
- Dated October 24, 2018
- Dated December 10, 2018

Schedule and frequency of IT Steering Committee meetings during 2018 (based on on Board of Directors Decision Letter No. 127/SK/DIR/2017 dated October 10, 2017 on Structure of Information Technology Steering Committee):

Position (Name of the Director/ Membership Status)	Number of meetings	Attendance	Percentage
Deputy Presiden Director (Armand W. Hartono) [1]	4	4	100%
Compliance and Risk Management Director (Subur Tan)	4	4	100%
Network Distribution and Branch Director (Erwan Yuris Ang)	4	4	100%
Executive Vice President of Information Technology	4	4	100%
Strategic Information Technology Group (GSIT) [2] :			
- Head of Data Management & IT Management Office Group	4	2	50%
- Head of IT Architecture & Service Quality Group	4	3	75%
- Head of Application Management Group [3]	-	-	-
- Head of IT Infrastructure & Operation Group [4]	3	2	67%
- Head of Digital Innovation Solutions Group [5]	3	3	100%
Head of Enterprise Security Work Unit	4	2	50%
Head of Risk Management Work Unit	4	2	50%

Position (Name of the Director/ Membership Status)	Number of meetings	Attendance	Percentage
Head of Compliance Work Unit	4	3	75%
Head of Operation-Service Strategy and Development Division	4	3	75%
Head of Internal Audit Division [6]	4	2	50%

Note:
1) Chairman.
2) GSIT only reserve 1 (one) voting right represented by EVP IT.
3) Currently, the position of Application Management Group Head is vacant; hence, in the IT Steering Committee meeting, it is represented by:
- SR IT Adviser Integration & Transactional Banking Application.
- SR IT Adviser International Business & Back Office Application
4) Serve as Head of Group of IT Infrastructure and Operation since July 1, 2018.
5) Serve as Head of Group of Digital Innovation Solutions since July 1, 2018.
6) No voting rights.

8. Report of Responsibility

Accountability report/work realization report of the IT Steering Committee is submitted through minutes of IT Steering Committee meetings with the following stipulations:

- Attendance of IT Steering Committee members in the meeting has met the quorum.
- Results of IT Steering Committee meeting must be written in minutes of meetings and be well documented.
- Minutes of meetings are prepared by the Secretary of the IT Steering Committee and signed by the Chairman of the IT Steering Committee.

9. Realization of Work Programs of IT Steering Committee in 2018

In performing its duties throughout 2018, the IT Steering Committee has carried out the following programs, to name a few:

- Evaluate and monitor the implementation of strategic IT projects that are aligned with the Company's strategic corporate objectives and the Company's business direction.
- Evaluate the implementation of processes and technologies applied in developing IT projects.
- Review and monitor strategic steps to minimize IT investment risks, reduce operating costs, and improve IT service levels.
- Monitoring utilization of 2018 IT budgets.
- Review and evaluate new IT strategic projects, including:
  a) Cardless Transaction to make it easier for customers to do banking transactions through or smartphone.
  b) Digitalization in Loans by utilizing digital services so that service levels and end-to-end processes for faster customers' loan approval.
  c) Future Branch was developed to optimize customer experience at branch office level.
- Evaluating and monitoring IT initiatives implemented to support the delivery of strategic IT projects. These initiatives are:
  a) Utilization of Progressive Web Apps technology to support the development of mobile-based application.
  b) Transfer of some features or modules to the Open System platform to reduce the burden of processing transactions on Mainframes.
  c) Modernization of Mainframes to support greater transaction processing and efficiency of maintenance costs and related software licenses.
  d) Machine learning development and the ability of data analytics to provide predictive analysis in supporting the conditions and potential needs of future services.
  e) Utilization of Cloud technology and its integration with the Data Center to support future technological developments.
- Review and evaluate the development of the IT HR Management and Management Office to be able to adapt to technological changes.
- Review and evaluate IT Risk Management processes and IT Compliance Governance.

PERSONNEL CASE ADVISORY COMMITTEE

The Personnel Case Advisory Committee is established by and report directly to the Board of Directors. Personnel Case Advisory Committee's mission is to provide recommendations to the Board of Directors regarding the settlement of personnel cases based on the principles of fairness and equality by reviewing any cases of policy violations and/or possible illegal activity undertaken by employees. The Personnel Case Advisory Committee is established based on the Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013.

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

- Board of Directors Decision Letter No. 021/SK/DIR/2012 on Changes to the Management of Violations Guidelines.
- Board of Directors Decision Letter No. 018/SK/DIR/2013 on Revised Decision Letter of Authority within the Scope of Human Resources at Head Office
- Board of Commissioners Decision Letter No. 089/SK/KOM/2013 on Segregation of Duties and Responsibilities of Board of Directors and Main Organizational Framework of PT Bank Central Asia Tbk.
- Guidelines of Standardized Authority of Branch Office and Regional Office.

1. Main Functions of the Personnel Case Advisory Committee

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

2. Authorities of the Personnel Case Advisory Committee

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

3. Membership Structure of Personnel Case Advisory Committee

Based on Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013 on Committee Structure, Membership Structure and Voting Right Status of Personnel Case Advisory Committee are as follows:

Position	Served by	Voting Rights Status
Chairman (concurrently as permanent member)	Head of Human Capital Management Division	Reserve voting rights
Member	• Head of Internal Audit Division • Head of Legal Group • Head of Strategy and Development of Operation-Service Division	Reserve voting rights
Non-permanent member	Head of Regional Network and Planning Management Work Unit	Reserve voting rights
Secretary (concurrently as member)	Head of Branch Audit Sub-Division	No voting rights

Independency of Personnel Case Advisory Committee

All members of the Personnel Case Advisory Committee have met the independency criteria and are capable of conducting their duties independently.

4. Main Duties of the Personnel Case Advisory Committee

Main Duty of Personnel Case Advisory Committee

Member of Personnel Case Advisory Committee is members with voting rights, their main task is providing input in the form of information, analysis, and consideration at the meetings in order to make suggestions/ recommendations regarding:

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

Should there be any Personnel Case Advisory Committee members unable to attend the meeting, he or she can be represented by other officials (with a level equal to the Sub-Division Head or Bureau Head) appointed by the concerned member.

Charter

In order to support the implementation of its duties, Personnel Case Advisory Committee refers to Board of Directors Decision Letter No. 181/SK/DIR/2013 dated December 24, 2013.

5. Meetings of the Personnel Case Advisory Committee

The following are several provisions regarding the Committee Meetings:

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

6. Decision Making

The following are several provisions of the Personnel Case Advisory Committee meeting decisions and the decision-making process:

- Decision-making related to the exercise of Personnel Case Advisory Committee's authority can only be made through legitimate Committee meeting decisions.
- Decisions made in the Committee meetings can be in the form of:
  - One recommendation to the Board of Directors agreed upon by all members, or
  - More than one recommendation (if consensus is not reached).

7. Frequency of the Personnel Case Advisory Committee Meetings in 2018

As of December 31, 2018, the Personnel Case Advisory Committee held 14 (fourteen) meetings, as described bellow:

Meeting Frequency Personnel Case Advisory Committee in 2018

Position (Name/Membership)	Number of Meeting	Attendance	Percentage
Head of Human Capital Division *)	14	14	100%
Head of Internal Audit Division 1)	14	14	100%
Head of Legal Group 1)	14	11 #) ##)	79%
Head of Legal Group 1) 3)	8	8	100%
Head of Strategy and Development of Operation-Service Division 1)	14	9 #)	64%
Head of Regional Network and Planning Management Work Unit 2) 4)	8	6 #)	75%
Head of Regional Network and Planning Management Work Unit 2) 5)	3	3	100%

Note:
*) Chairman
1) Member
2) Non-permanent member
3) Retired by August, 2018
4) Rotate to serve as Head of Regional Network IV as of August, 2018
5) Effective by September, 2018
#) unable to attend meeting
##) Three (3) times was represented by (Senior Legal Advisor from Legal Group)

8. Report of Responsibility

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

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

9. Realization of Work Program of Personnel Case Advisory Committee 2018

In performing its duties throughout 2018, the Personnel Case Advisory Committee has held 14 (fourteen) meetings, which realizations of the work program were to provide input in terms of information, analysis and consideration to make recommendations for actions to be taken by the Board of Directors in response to resolve violations committed by employees that required the Board of Directors decision for settlement, including the imposition of sanctions and/or improvement of systems and operational procedures and/or legal proceedings.

CORPORATE SECRETARY

The Company established the position of Corporate Secretary based on the prevailing regulations, covering:

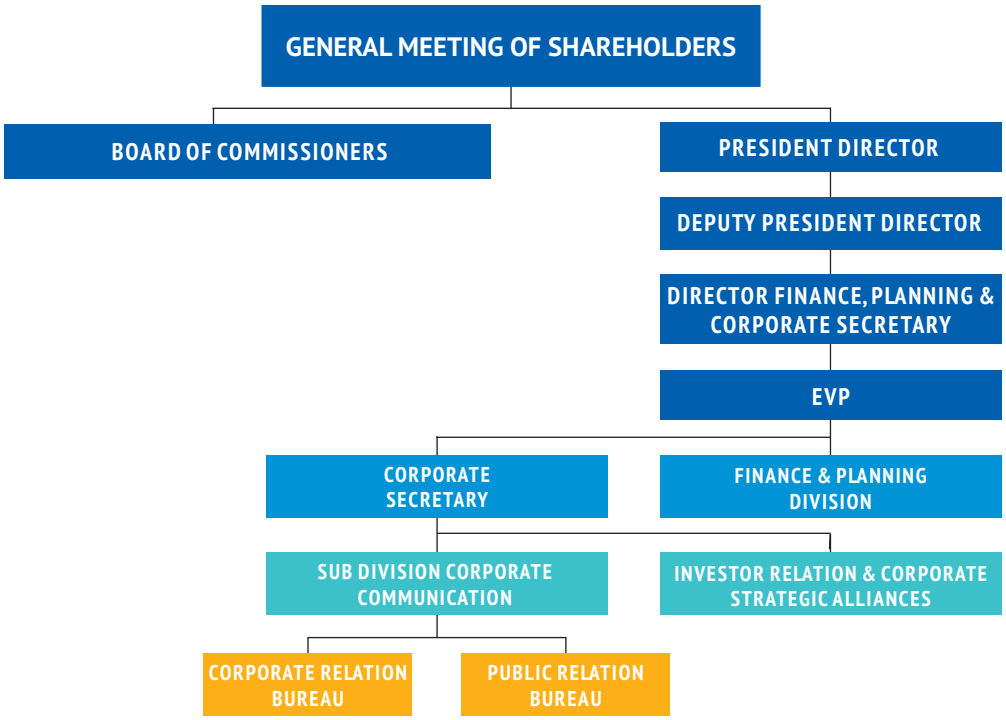
- The Financial Services Authority Regulation No. 35/POJK.04/2014 on Corporate Secretary of Issuers or Public Companies;
- Decision Letter of Board of Directors of IDX No. Kep-00001/BEI/01-2014 on Amendment to Regulation No. I-A regarding Registration of Equity Share and Securities Issued by Listed Companies; and
- Decision of Board of Directors of IDX No. 339/BEJ/07-2001 dated July 20, 2001 on Amendment to the Provisions of letter C.2.e on Regulation of Registration of Securities No. I-A regarding General Provisions for Registration of Equity Securities at Stock Exchange.

Through the Corporate Secretary, the Company strives to improve information disclosure and communication to all stakeholders. The Corporate Secretary is also responsible for:

- ensuring that the Company has implemented good corporate governance principles,
- manage the positive images and necessity of Company,
- maintaining good relationship with all stakeholders,
- supporting the Company's business conducted by the management,
- implementing secretariat duties, and
- ensuring the compliance of the Company with all applicable regulations.

Structure and Position of Corporate Secretary

The Function of the Corporate Secretary in the Company is carried out by the Corporate Secretariat unit. The Company Secretariat is led by a Corporate Secretary who has a position at the level of the Head of the Division, responsible directly to the Executive Vice President (EVP), and supervised by the Finance Director and the Corporate Secretariat.



Note:
Based on Board of Commissioners Decision Letter No. 084/SK/KOM/2018 dated May 9, 2018 on Division of Duties and Responsibilities Board of Directors and Organization Framework of PT Bank Central Asia Tbk.

Corporate Secretary Profile

Jan Hendra was appointed as the Corporate Secretary of BCA, based on Decree No. 2235/SK/HCM-KP/A/2016, effectively since October 1, 2016 until present time.

Jan Hendra is an Indonesian citizen and resides in Indonesia. Jan Hendra's career in the banking industry started in 2005. Prior to his appointment as Corporate Secretary, Jan Hendra held various managerial positions in the Consumer Card Business Group (Card Center) as Head of Marketing and Product Development (April 2013 - September 2016), Head of Consumer Card Portfolio Management (2012-2013), Head of Issuing Portfolio Management (2012), and Head of Business Development (2009-2012). He earned a Bachelor's degree in Electrical Engineering from Trisakti University, Jakarta (1997), and completed his Master's degree in Software System Engineering at the University of Melbourne, Australia (2000).

Competence Development and Training Program

As an effort to support the conduct of his duties, the Corporate Secretary participated in a series of competence development and training programs in 2018, such as:

No.	Training Topic	Organizer	Location	Date
1	Indonesia All Access	Nomura Indonesia	Jakarta, Indonesia	January 17, 2018
2	CXO Executive Summit	Google	California, USA	February 5-6, 2018
3	Investment Forum 2018	Mandiri Sekuritas	Jakarta, Indonesia	February 9, 2018
4	Indonesia Conference	UBS Securities Indonesia	Jakarta, Indonesia	March 5, 2018
5	Indonesia Investor Conference	Citi Group Sekuritas Indonesia	Jakarta, Indonesia	May 3, 2018
6	Annual Indonesia Conference	CGS-CIMB Sekuritas Indonesia	Bali, Indonesia	July 12-13, 2018
7	3rd Annual Indonesia Conference	Credit Suisse	Singapore, Singapore	August 15-16, 2018
8	CFA level 1	Binus Business School	Jakarta, Indonesia	July 28 - November 24, 2018

Corporate Secretary Function

The functions of the Corporate Secretary at the Company according to The Financial Services Authority Regulation No. 35/POJK.04/2014 are:

1. keeping abreast of development in capital markets, especially the laws and regulations applicable in capital markets;
2. providing input to the Board of Directors and Board of Commissioners to comply with the provisions contained in the laws and regulations of capital markets;
3. assisting the Board of Directors and Board of Commissioners in the implementation of corporate governance, covering:
   a. information disclosure to the public, including information availability on Company's website;
   b. timely delivery of reports to the Financial Services Authority;
   c. conventions and documentation of General Meetings of Shareholders;
   d. organization and documentation of meetings of the Board of Directors and/or the Board of Commissioners; and
   e. implementation of orientation program for the new members of the Boards of Directors and/or the Board of Commissioners.
4. acting as a liaison officer between the Company and the shareholders, Financial Services Authority, and other stakeholders.

Duties and Responsibilities of Corporate Secretary

Based on Decision Letter No. 084/SE/POL/2017 dated April 21, 2017 on Description of Duties and Responsibilities of Corporate Secretary which refers to Board of Directors Decision Letter No. 124/SK/DIR/2016 dated August 31, 2016 on Organizational Structure of Corporate Secretariat, as well as the related Capital Market provisions, the duties and responsibilities of the Company's Corporate Secretary are to:

- Determine strategies and Corporate Secretariat work programs and monitor implementation.
- Represent the Board of Directors in liaising with government agencies and private institutions.
- Build and manage the Company's positive image and identity by fostering public relation activities through mass media, internal media and other facilities.
- Support the conduct and implementation of Good Corporate Governance in the Company.
- Administer the operations of the Company by the Board of Directors and Board of Commissioners so as to comply with the Articles of Association and other regulations, including those on corporate activities (GMS, public expose, and other corporate actions).
- Nurture good relations with internal parties, work partners, investors, capital market community, and shareholders.
- Allocate work programs as well as monitoring and evaluating their implementation.
- Support the conduct and implementation of Good Corporate Governance.
- Maintain and improve the Company's financial reputation and credibility in wholesale financial markets, so that the Company has a strong access potential when requiring funds from wholesale financial markets.
- Handle and ensure settlement of issues in Corporate Secretariat.
- Adhere to the policies of the Board of Directors, Regulations of the Bank Indonesia, Regulations of Financial Services Authority and other regulations.

Brief Description on Duty Implementation of Corporate Secretary in 2018

Throughout 2018, the Corporate Secretary had conducted the following activities:

1. Convened the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders.
2. Conducted self-assessment on the implementation of Good Corporate Governance and Integrated Governance.
3. Prepared the Good Corporate Governance Implementation Report.
4. Prepared Corporate Social Responsibility Report.
5. Adjusted Good Corporate Governance implementation with regulator provisions.
6. Organized PORSENI in celebration of the Company's 61st anniversary.
7. Conducted public expose (together with Investor Relations).
8. Conducted Press Conference & Analyst Meeting.
9. Organized National Work Meeting (together with other work units).

10. Conducted press conferences to disclose the Company's performance and progress.
11. Organized corporate communication materials and media of the Company for both external and internal parties, e.g. website development in accordance with regulations, issuer's reports to regulators, Info BCA Magazine, and others.
12. Conducted review and update of existing policies of corporate governance of the Company and its units, which included updating the Company Governance Manual, and the Integrated Governance Manual, review on Affiliate Transaction, information disclosure, etc.

Corporate Secretary Report in 2018

Throughout 2018, the Corporate Secretary had fulfill their duties and responsibilities as follows:

a. Keeping abreast of the development in capital market, especially the laws and regulations applicable in capital market.

No.	Matters	Description
1.	Organizing Corporate Action	- Organizing the Annual GMS and Extraordinary GMS of the Company for the Fiscal Year 2017 on April 5, 2018.
2.	Implementation of capital market provisions	- Implementation of the Financial Services Authority Regulation No. 11/POJK.04/2017 on Share Ownership Report/Every Change of Share Ownership of Public Companies. - Coordination in the creation of Recovery Plan. - Coordination in the creation of Sustainable Financial Act Plan (RAKB).

b. Providing input to the Board of Directors and Board of Commissioners to comply with the provisions contained in the laws and regulations of capital markets.

No.	Matters	Description
1.	Analysis on Capital Market Provisions	Analysis on capital market provisions is contained in: a. Memorandum to the Board of Directors and/or Board of Commissioners, as follows : - Regulations on Buy/Sell Transaction Report Mechanism of BBCA Stock to the Financial Services Authority through Memo No. 113/MO/DCS/2018 dated March 12, 2018. - The GCG implementation on Meetings and Trainings of Board of Directors and Board of Commissioners through Memo No. 156/MO/DCS/2018 dated May 4, 2018. - Power of Attorney on Director's Attendance in the Director's Meeting through Memo 208/MO/DCS/2018 dated July 17, 2018. b. The Company's internal portal, namely MyBCA in the hotspot section, with related GCG article links : 1. The delivery of Registration Statement or the submission of Corporate Act electronically. 2. Securities transaction not forbidden for internal staff. 3. The prudent principles for general bank on outsourcing. 4. The notary that conduct activities in the capital market. 5. The report delivery through the Company's electronic report system. 6. The increase of Company's capital is open by giving the Right to Order Securities First. 7. Securities Repurchase. 8. Open Company Takeover. 9. Integrated licensing service related to Bank's operational relation with the Bank of Indonesia. 10. Securities Repurchase that was released by the Open Company. 11. Debt Securities General Offer and/or an Islamic Bond to Professional Investor. 12. Merger and Acquisition Notification Obligation in Business Competition Regulation.
2.	Inputs/Opinions	- Reviewed the Affiliate Transactions of the Company. - Meetings and Trainings for the Board of Directors and Board of Commissioners.

No.	Matters	Description
3.	Adjusted the implementation of updated governance regulations, such as Bank Indonesia Regulation, Financial Services Authority Regulation and provisions contained in the ASEAN Corporate Governance Scorecard	- Updated the Governance Manual. - Set up the Insider Trading Policy. - Set up the Dividend Share Policy. - The Compilation of policies for evaluating the performance of Directors and Board of Commissioners. Reviews and policy making are conducted in coordination with related work units.

c. Assisting the Board of Directors and Board of Commissioners in the implementation of corporate governance, covering:

No.	Matters	Description
1.	Information disclosure to the public, including information availability on Company's website;	The Compilation of policies for evaluating the performance of Directors and Board of Commissioners. - Reviewed and updated the Company's website on Governance; - Provided reports on information disclosure/investor news, both to the investors and to the public. Such reports can be accessed on the Bank's website at : https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Berita-Investor - Provided Company reports on the website, among others: a. Annual Report (https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Tahunan); b. Monthly, Quarterly and Annual Financial Statements (https://www.bca.co.id/en/Tentang-BCA/Hubungan-Investor/Laporan-Keuangan); c. Corporate Governance Report (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola); d. Integrated Governance Report (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola); e. Sustainability and/or Corporate Social Responsibility Reports (https://www.bca.co.id/en/Tentang-BCA/Korporasi/Cari-Tahu-Tentang-BCA/sustainability-report). - Unveiling the Recovery Plan of 2018 that can be accessed on the Company's website : (https://www.bca.co.id/~/media/Files/product-files/20180912-pengungkapan-rencana-aksi-bca-2018)
2.	Timely delivery of reports to the Financial Services Authority	- Conducted self-assessment on the implementation of Corporate Governance in Semester I in June 2018 and Semester II in December 2018, and delivered the result reports to the Financial Services Authority. - Submitted Reports or correspondence related to governance implementation and fulfillment of capital market provisions to the Financial Services Authority and Bank Indonesia as described in the Access to Information Chapter in this Annual Report. - Submitted annual Good Corporate Governance Implementation report. - Conducted self-assessment on the implementation of Integrated Governance in Financial Conglomerates in Semester I in June 2018 and Semester II in December 2018, and delivered the result report to the Financial Services Authority. - Submitted Reports or correspondence related to integrated governance implementation to the Financial Services Authority and Indonesia Stock.

No.	Matters	Description
3.	Conventions and documentation of General Meetings of Shareholders (GMS)	Convene the Annual GMS and Extraordinary GMS, and documented the data of the Company's Annual GMS and Extraordinary GMS that consist of announcements, notice, and the decisions of the Annual GMS and Extraordinary GMS through: - The Company's website that can be accessed on: https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Aksi-Korporasi. - The soft copy and hard copy data managed by Corporate Relationship Bureau of Corporate Secretary Divisions (including correspondence related to the Annual and Extraordinary GMS to regulators).
4.	Organization and documentation of meetings of the Board of Directors and/or the Board of Commissioners	Documentation of meetings of Board of Directors and Board of Commissioners is managed by the Board of Directors Bureau. Every semester, the Board of Directors Bureau delivers data of Board of Directors and/or Board of Commissioners meetings to Corporate Relationship Bureau of Corporate Secretary Division to be administrated. Total meetings of Board of Directors and Board of Commissioners in 2018 can be seen in the Meeting of Board of Directors and Board of Commissioners Chapter in this Annual Report.
5.	Implementation of orientation program for the new members of the Boards of Directors and/or the Board of Commissioners	The orientation program is conducted for new Directors and Commissioners. Reports on orientation program can be seen in the Board of Commissioners and Board of Directors Chapters in this Annual Report.

d. Acting as a liaison officer between the Company and the shareholders, Financial Services Authority, and other stakeholders :

No.	Matters	Description
1.	Implementation of Public Expose	Conducted Public Expose (together with Investor Relations) on August 27, 2018 at Stock Exchange Building, Jakarta. The Company had reported the result of the Public Expose to the Stock Exchange according to the regulations.
2.	Implementation of Press Conference & Analyst Meeting	In 2018, Press Conference & Analyst Meeting were conducted on : - April 23, 2018 (position of QI 2018). - July 26, 2018 (position of Semester I 2018). - October 25, 2018 (position of QIII 2018).
3.	Communication media and internal event	- Organized Porseni Nasional (sports and cultural national event) in celebration of the Bank's 61st anniversary on February 24, 2018 at GOR Soemantri Kuningan Jakarta that involved 1,218 athletes and officials from all Regional Offices, Head Office and Subsidiaries of the Company. - Organized National Work Meeting on December 13-14, 2018 (together with other work units).
4.	Company's communication materials	- Reviewed and updated the Company's website on Governance. - Managed and updated information on the Company's website in accordance with prevailing regulations. - Organized press conferences related to the Company's performance and progress. The 2018 Press Release Report is described on the Access to Information Chapter in this Annual Report. - Organized Company corporate communication materials such as publication of Company's Financial Statements through mass media, advertisements on national holidays, and so on. - Developed and implemented Company sponsorship activities in line with the Company's policies.

Information Disclosure Report

Throughout 2018, Company has disclosed information to the public in Bahasa and English through mass media, Company's website, Indonesia Stock Exchange website, moreover the Company has also submit reports annually to the Indonesia Stock Exchange, Financial Services Authority, Capital Market and/or Financial Services Authority Banking Supervision Department, and the e-reporting IDXnet website and SPEOJK. The Information Disclosure report can be seen in the Access to Information Chapter in this Annual Report.

FUNCTION OF INVESTOR RELATIONS

Main Duties of Investor Relations

The main duties of investor relations is representing the Management in its relationship with the community of investors and capital market, comprising:

- Planning communication strategies, especially towards investors, potential investors, analysts and the capital market community in general.
- Preparing materials and carrying out road shows, analyst meetings and conference calls.
- Communicating various aspects related to shares and the Company's performance and financial reports to relevant parties, including analysts, investors and potential investors.
- Managing relationships with analysts, fund-managers, and economic experts and observers (especially on shares).
- Monitoring and reporting to the Management on the evaluation reports of analysts on the Company's performance and price of shares periodically.
- Coordinating the preparation, publication and distribution of annual reports to investors/analysts.
- Providing the Company's data and financial information to investors and the capital market community.

Activities of Investor Relations

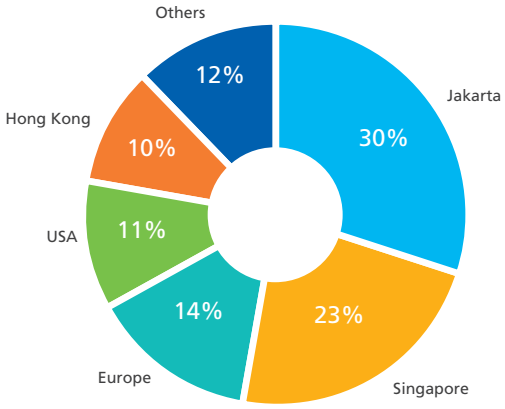
Investor Relations maintains communication with the finance and capital market communities in order to provide them with precise and accurate perspectives on the performance, business prospects and any other information deemed necessary for investors to make decisions. Investor relations' activities must continuously uphold the principles of confidentiality and equal treatment for all investors.

The Company routinely holds an analyst meeting to expose its performance every quarter. The Company also actively attends conferences and non-deal road shows held by securities companies that bring together the Company with domestic and global investors. Apart from that, the Company also receives visits from investors and holds conference calls in line with investors' requests.

Statistics of BCA Investor Relations' Activities in 2018 and 2017

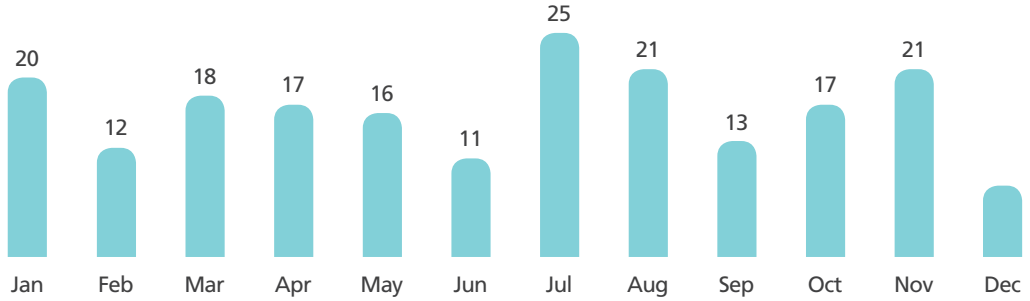
	2018	2017
Analyst Meeting & Public Expose	5	5
Non-deal road show	3	2
Investors' Conferences (domestic and international)	13	14
Investors' Visits	132	122
Conference call	46	55
Total	**199**	**198**

The number of participants in investors' visits and conference calls was 334 people, comprising of people from the following countries:



Remark:
*) Others come from Malaysia, Australia, South Korea, South Africa, Japan, India, the Philippines and the United Arab Emirates.

Monthly Frequency of Investor Relations' Activity in 2018



The monthly average of Investor Relations activities in 2018 was 16 activities per month.

Investor Relations Contact

The Company's Investor Relations can be reached through :

Investor Relation Contact

PT Bank Central Asia Tbk
Menara BCA 20th Floor
Jl. MH Thamrin No.1
Jakarta
Telp. : +62 21 235 88000
Email : investor_relations@bca.co.id

INTERNAL AUDIT DIVISION

The Internal Audit unit function is carried out by the Internal Audit Division. The mission of the Internal Audit Division is to improve and protect the value of the Company through providing risk-based and objective assurance, advice and insight. In addition, the Internal Audit Division has a role as a strategic management partner in building sound financial institutions.

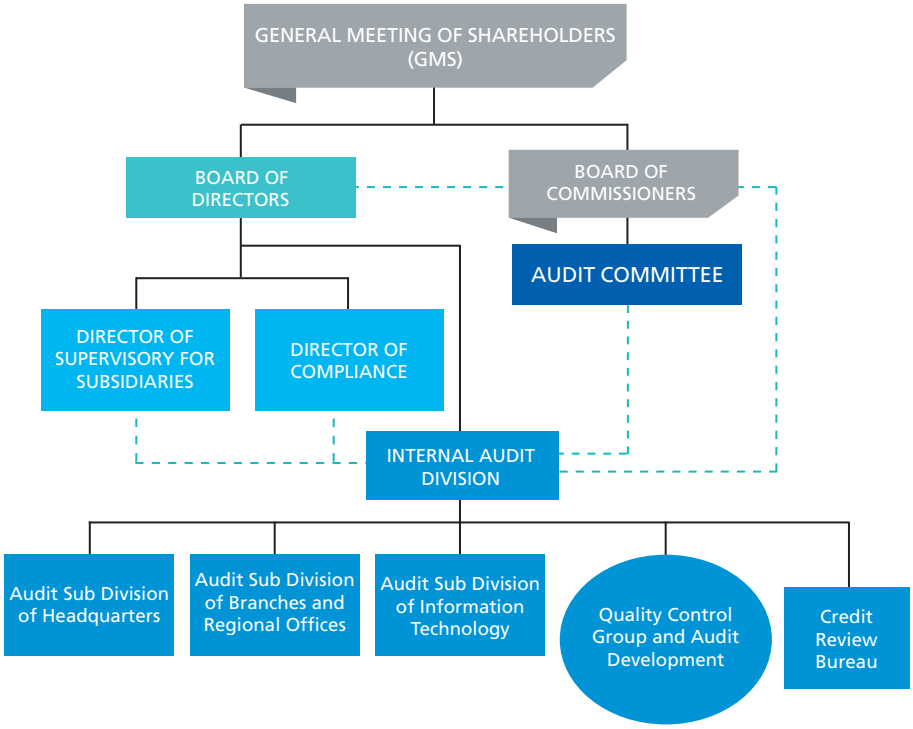
In carrying out its functions, the Internal Audit Division carries out independent and objective assurance and consultation activities to provide added value and improve the Company's operations in achieving its objectives by evaluating the effectiveness of the risk management process, internal control, governance.

Position and Structure of the Internal Audit Division

The Internal Audit Division is led by the Head of the Division and is responsible to the President Director and can communicate directly with the Board of Commissioners and the Audit Committee.

The Internal Audit Division also submits audit reports to the Director of Compliance and Risk Management and the supervisory director of the Subsidiary Company.

The following is the organizational structure of Internal Audit Division:



Note:
------ communication/information line
*) including Integrated Internal Audit function

To support the implementation of integrated governance for the Company Financial Conglomerate, the function of the Integrated Internal Audit Division is implemented by the Bank's Internal Audit in accordance with the Financial Services Authority Regulation No. 18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomerates.

Following are some initiatives carried out in the implementation of integrated internal audits:

- Monitor the implementation of the subsidiary's internal audit function and provide recommendations that increase added value.
- Conduct audit checks on subsidiaries and provide recommendations for improvements.
- Provide support for the development of the subsidiary's internal audit function.

Every semester, the Internal Audit Division submits an integrated internal audit report to the Board of Commissioners, Audit Committee and the Board of Directors as a report on the implementation of duties and accountability for the integrated internal audit function.

Procedure for Appointment / Dismissal of the Head of the Internal Audit Division

The appointment, replacement, or dismissal of the Head of the Internal Audit Division is carried out by the President Director with the approval of the Board of Commissioners and has been reported to the Financial Services Authority.

Head of Internal Audit Division

The Head of the Internal Audit Division is held by Ayna Dewi Setianingrum from November 1, 2017 based on the Employee Appointment Decree number 3141/SK/HCM-KP/A/2017 dated October 24, 2017.

She has experience in various positions in the Internal Audit Division of PT Bank Central Asia Tbk since 1995 and has obtained an internal audit professional certification - Qualified Internal Auditor (QIA).

Competence Development and Training Program

The Head of the Internal Audit Division attended a series of competency development training programs to support the implementation of its duties, here are the competency development programs attended in 2018.

No.	Training Program	Organizer	Location	Date
1	Connecting The World Through Innovation - International Conference 2018 and Financial Institutions Benchmarking Program	Institute of Internal Auditors	Dubai, UAE	7-10 May 2018
2	Indonesia Knowledge Forum – 2018	BCA	Jakarta, Indonesia	9-10 October 2018
3	IIA Workshop – CAE Best Practices	Institute of Internal Auditors	Surabaya, Indonesia	5-6 December 2018
4	Congress XIII – Indonesian Accountants Association	Indonesian Accountants Association	Jakarta, Indonesia	11-12 December 2018

Internal Audit Charter

The Internal Audit Division has an internal audit charter as a frame of reference in carrying out its duties and it contains the mission, independence, authority, and scope of work. The internal audit charter has been regularly reviewed and updated according to the needs of the Company. The final update on the charter of internal audit was carried out in April 2018 and was approved by the Board of Commissioners, Audit Committee and President Director.

Independency

To support independence and ensure a smooth implementation of audits and monitoring of the audit results follow-up actions, the Head of the Internal Audit Division is responsible to the President Director. The Head of the Internal Audit Division can communicate directly with the Board of Commissioners and the Audit Committee, to inform various matters relating to the audit. During 2018, the Internal Audit Division met

with the President Director and Audit Committee each 9 (nine) times, while the meeting with the Board of Commissioners took place 2 (two) times.

The Internal Audit Division does not have the authority and responsibility to carry out operational activities, both in the Company and Subsidiaries.

Auditor's Code of Ethics

In addition to complying with the Company's code of ethics, the Internal Audit Division has an auditor code of ethics that serves as a standard and reference of conducts and thinking in implementing their duties and functions as auditors. The auditor's code of ethics refers to the International Professional Practices Framework (IPPF) -The Institute of Internal Auditors (IIA), which consists of Integrity, Objectivity, Confidentiality and Competence. Annually, all auditors in the Internal Audit Division make a statement of compliance to the auditor's code of ethics as an effort to increase the shared commitment and trust of stakeholders.

Duties and Responsibilities of the Internal Audit Division

The scope of assignment of the Internal Audit Division includes the activities of all Branch Offices, Regional Offices, Head Offices, Subsidiaries, and activities of companies that are outsourced to third parties (outsourced) with the following duties and responsibilities:

1. Assist the President Director, the Board of Commissioners and the Audit Committee in carrying out the supervisory function.
2. Prepare and implement an annual risk-based audit plan and report its realization to the President Director, the Board of Commissioners and the Audit Committee.
3. Test and evaluate the adequacy and effectiveness of the risk management process (risk management), internal control (internal control), governance processes (governance) and provide recommendations for improvements.
4. Evaluate the quality of performance and achievement of targets from the work program of the Branch Office / Regional Office / Head Office.
5. Monitor, analyze and report on the implementation of follow-up actions that have been conducted by the auditee on the recommendations of the audit results.
6. Carry out credit quality assessment continuously.
7. Compile and submit reports related to the audit results to the Board of Commissioners, Audit Committee and the Board of Directors and other reports regarding the implementation of the internal audit function to the Financial Services Authority.
8. Carry out the integrated internal audit function, monitor the effectiveness of the internal audit function, and support the improvement of internal audit quality in each of the Subsidiary Companies.
9. Acting as a consultant for the internal parties of the Company in need, especially regarding the scope of internal audit duties.

Audit Implementation Standards

The audit is carried out in accordance with the Standards for Implementing the Bank's Internal Audit Function (SPFAIB).

The Internal Audit Division also uses reference to global best practices published by:

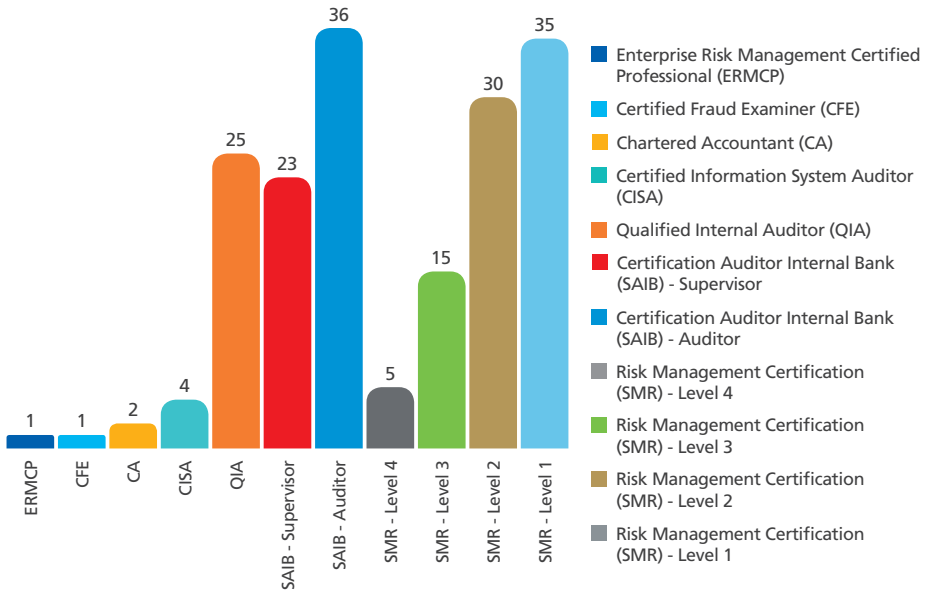
- The Institute of Internal Auditors (covering The Core Principles for the Professional Practice of Internal Auditing, The Code of Ethics, The Standards and The Definition of Internal Auditing).
- Information Systems Audit & Control Association (ISACA).
- Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The effectiveness of the internal audit function and its compliance with SPFAIB and The Institute of Internal Auditors (IIA) Standards are reviewed by independent external parties at least once in 3 (three) years. The last review by external parties was carried out at the end of 2016.

Number of Auditors in the Internal Audit Division

As of December 31, 2018, the Internal Audit Division was supported by 188 (one hundred and eighty eight) auditors with various positions, work experience and professional certification.

Internal Audit Division Employee Certification



Competency Development

The Internal Audit Division has a competency development program referring to The Institute of Internal Auditors - Competency Framework that is aligned with the Company's strategy. The education and training program is carried out continuously in accordance with the latest competency mapping in order to be able to keep abreast of developments and issues that occur in the business, operational and information technology areas.

Development of auditor competency is carried out continuously, both internally and externally through training or seminars, both domestically and abroad to add insight and keep abreast of developments in the audit field according to best practice.

Audit Management System & Continuous Auditing

In line with technological developments, the Internal Audit Division continues to innovate the use of data, techniques, and technology in order to increase the effectiveness and efficiency of audit implementation and increase added value with near real time auditing, and early detection of potential errors / fraud.

In carrying out audit activities, the Internal Audit Division has used an integrated Audit Management System to support the implementation of audit and audit planning processes to monitor follow-up of audit results and implement technology-based Continuous Auditing including Continuous Risk Assessment and Continuous Control Assessment to improve monitoring, risk management evaluation and internal control more effectively, efficiently and earlier to support early warning systems.

Reporting

Board of Commissioners, Audit Committee and Directors consisting of:

1. Board of Commissioners, Audit Committee and Directors consisting of:
   a. Audit Report.
   b. Follow-up Report on Audit Results.
   c. Report on Investigation Results.
   d. Audit Activity Realization Report.
   e. Integrated Internal Audit Report.
   f. Report on Quality Control Review Results.
2. The Financial Services Authority concerning the implementation of the Internal Audit function which consists of:
   a. Report on the implementation of activities and results of internal audit.
   b. Report on the results of information technology audits.
   c. Special report on each internal audit finding that is expected to disrupt the Company's business continuity.
   d. External party review report that contains opinions on the work of the Internal Audit Division and its compliance with the Bank's Internal Audit Function Implementation Standards (SPFAIB) and possible improvements.

Implementation of Internal Audit Division Activities during 2018

The activities of the Internal Audit Division in 2018 are focused on the following:

1. Carry out audits of Branch Offices, Regional Offices, Division / Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan determined based on the results of the risk assessment.
2. Give an audit focus on:
   a. Process System Development Life Cycle (SDLC) is in line with the development of information technology that is relatively fast.
   b. Mobile banking is in line with the increase in transaction volume through the channel.
   c. Corporate credit process to maintain good corporate loan quality.
   d. The products and processes of credit card transactions are in line with the implementation of the National Payment Gateway.
   e. Regulatory audit of payment system processes.
   f. Regulatory audit of the Internal Capital Adequacy Assessment Process (ICAAP).
3. Conduct an evaluation of the development of Continuous Auditing to support audit activities.

Focus of the 2019 Audit Plan

1. Execute audits of Branch Offices, Regional Offices, Division / Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan determined based on the results of the risk assessment, focusing on:
   a. Application of enterprise security to ensure integrated and comprehensive protection and security against the resilience of information technology systems and information security.
   b. Internet banking is in line with the increase in volume and transactions through the channel.
   c. The process of organizing ATMs (including the use of third parties) is in line with the growth of transactions and the number of machines and the addition of features to support operational activities.
   d. The main application reliability that supports the credit card and bookkeeping business processes.
   e. Regulatory audit in accordance with Bank Indonesia Regulations and Financial Services Authority Regulations on:
      - Payment system process.
      - Internal Capital Adequacy Assessment Process (ICAAP).
      - Electronic money and payment transaction processing.
2. Increasing the role of the Internal Audit Division in Early Warning Systems (EWS) by continuing to develop audit coverage through continuous auditing and analytical data for early detection of potential errors / fraud.
3. Increasing collaboration with other assurance providers in identifying and mapping the impacts and changes in risk in line with business changes, technology, and providing recommendations to mitigate risks that might occur.
4. Develop ongoing auditor competency and professionalism with a focus on increasing specialist auditors, analytic data and continuously following the development of information technology.

PUBLIC ACCOUNTANT FIRM (EXTERNAL AUDIT)

In order to fulfill the implementation of the External Audit function in accordance with Financial Services Authority Regulation No. 32/POJK.03/2016 concerning Amendments to Financial Services Authority (OJK) Regulation No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports, and Financial Services Authority Circular Letter No. 36/POJK.03/2017 concerning Procedures for Using Public Accountant Services (AP) and Public Accounting Firms (KAP) in Financial Services Activities, then:

1. The Company uses the services of an AP and/or KAP to carry out an annual audit of historical financial information based on work agreements with the KAP. The work agreement includes the scope of the audit.
2. The Company restrict using audit services to the annual historical financial information from the same AP no later than the audit period for 3 (three) years of reporting in a row. The Company can reappointment audit services for annual historical financial information from the same AP after 2 (two) financial years reporting in a row as long as it does not use audit services for annual historical financial information from the same AP.
3. Appointment of AP and/or KAP is conducted on AP and/or KAP registered at the Financial Services Authority. The Company only includes 4 (four) of the largest Public Accounting Firms registered at the Financial Services Authority.
4. The appointment of an AP and/or KAP that provides audit services for annual historical financial information is decided by the General Meeting of Shareholders of the Company by considering the proposal of the Board of Commissioners.
5. Proposals for the appointment of the AP and/or KAP submitted by the Board of Commissioners pay attention to the recommendations of the Audit Committee, taking into account:
   a. Independence of AP, KAP, and staff of KAP.
   b. The scope of the audit.
   c. Audit service benefits.
   d. The expertise and experience of the AP, KAP, and Audit Team from KAP.
   e. Methodology, techniques, and audit facilities used by KAP.
   f. The benefits of fresh-eye perspectives will be obtained through replacing the AP, KAP, and the audit team from the KAP.
   g. Potential risks for the appointment of audit services by the same KAP consecutively for a long period of time, and/or
   h. The results of the evaluation of the implementation of audit services for annual historical financial information by the AP and KAP in the previous period.
6. The Company reports the appointment of AP and/or KAP in the framework of audits of annual historical financial information using the form contained in the annex Circular Letter of Financial Services Authority by attaching:
   a. Documents for the appointment of the AP and/or KAP, among others of which are a Summary of Minutes of General Meeting of Shareholders or Minutes of General Meeting of Shareholders, and Work Agreements between the Company and KAP.
   b. Audit Committee recommendations and considerations used in giving recommendations on the appointment of an AP and/or KAP.
7. The Audit Committee evaluates the implementation of audit services for annual historical financial information by the AP and/or KAP, which at least includes:
   a. Conformity of audit implementation by the AP and/or KAP with applicable audit standards.
   b. Adequacy of time for field work.
   c. Assessment of coverage of services provided and adequacy of quotation tests.
   d. Recommendations for improvements provided by the AP and/or KAP.
8. Reports on the results of the evaluation of the Audit Committee are submitted by the Board of Directors of the Company by using the form contained in the annex SE OJK and signed by the Audit Committee.

2018 Audit Fees

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms) was appointed as the Company's auditor to conduct an audit of the Company's financial statements for the financial year ending 31 December 2018, with an estimated service fee of Rp6,400,000,000 (six-billion four-hundred-million rupiah) excluding VAT.

For the appointment of Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms), the Company submitted a report to the Financial Services Authority by letter No. 352/DIR/2018 dated 29 June 2018. This is in accordance with the provisions stipulated in Financial Services Authority Regulation No. 13/POJK.03/2017 concerning the Use of Public Accountant Services and Public Accounting Firms in Financial Service Activities and Financial Services Authority (OJK) Circular No. 36/SEOJK.03/2017 concerning Procedures for the Use of Public Accountant Services and Public Accounting Firms in Financial Service Activities.

Anually, the Company submits an annual publication report accompanied by a Management Letter on the annual financial report audit to the Financial Services Authority no later than 4 (four) months after the end of the financial year.

Others Audit Services Provided by KAP/ AP

During 2018, there were no fees for non-audit services paid to Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan (a member of PricewaterhouseCoopers network of firms).

Public accountant office and public accountants who have audited the Company's financial statements (2018, 2017, 2016, 2015 and 2014):

	2018	2017	2016	2015	2014
Public Accountant Office	Tanudiredja, Wibisana, Rintis & Rekan	Tanudiredja, Wibisana, Rintis & Rekan	Siddharta Widjaja & Rekan	Siddharta Widjaja & Rekan	Siddharta Widjaja & Rekan
Public Accountants	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Kusumaningsih Angkawijaya	Kusumaningsih Angkawijaya	Elisabeth Imelda

COMPLIANCE FUNCTION

The Company's business activities continue to experience changes and improvements, one of which is caused by the use of information technology that is developing very rapidly, so that the complexity of its activities is increasingly high. The increasing complexity of the Company's business activities has resulted in greater challenges and risk exposures faced.

Seeing the increasing growth of the Company's business challenges and risks, a variety of efforts are needed to mitigate these risks, one of which is compliance risk. Hence, in accordance to the prevailing regulations, to manage and mitigate the compliance risk, the Company has appointed one member of the Board of Directors as the Director in charge of the compliance function.

To assist the duties of the Director in charge of the compliance function, the Company has formed a Compliance Unit (CU), which is independent and free from the influence of other work units. CU is responsible for monitoring the level of compliance of the Company in meeting the provisions of the Financial Services Authority (FSA), Bank Indonesia (BI) and other regulators. CU is also responsible for the provisions for implementing the Anti-Money Laundering and Prevention of Terrorism Funding (AML and PTF) program, including being responsible for conducting risk assessments for the implementation of the AML and PTF program in accordance with the provisions of the regulator. CU is currently also responsible for monitoring and evaluating the level of compliance with each Subsidiary Company, in the framework of implementing Integrated Governance.

In order to ensure the implementation of the Company's compliance function, the Board of Directors and the Board of Commissioners have also conducted active supervision. Active supervision is carried out in the form of, among others, approval of policies and procedures, periodic reporting, requests for clarification, and through meetings.

Activities Related to Compliance Function During 2018

The things that CU has done during 2018 in carrying out its functions are as follows:

1. In order to encourage the creation of a Compliance Culture:
   - Disseminate / inform new provisions to the Directors and Board of Commissioners.
   - Disseminate new regulations from regulators to related work units.
   - Conduct socialization of provisions to the Company's employees.
   - Providing information on FSA, BI regulations, and other regulations in the Company's portal site that can be accessed by employees.
   - Include human resources in the Compliance Unit in various trainings / trainings, workshop, dissemination of regulations from regulators and also follow compliance certification held by the Banking Professional Certification Institute (LSPP) in order to improve quality, including actively participating in the Communication Forum Director working group Banking Compliance (FKDKP).
   - Carry out consultative functions related to the application of applicable regulations through giving advice / responses to questions from the Work Unit or Branch.
2. In order to manage compliance risk and ensure that policies, regulations, systems and procedures as well as business activities carried out by the Company are in accordance with the provisions:
   - Identify sources of compliance risk.
   - Conduct gap analysis and analyze the impact of new provisions on the Company's operations.
   - Propose adjustments to internal manuals, policies and procedures.
   - Conducting reviews and giving opinions on new product and activity plans, to ensure that the products to be made and new activities to be carried out are in accordance with applicable regulations.
   - Reviewing the draft internal provisions that will be issued to ensure that internal provisions are in accordance with applicable regulations.
   - Review compliance with the release of corporate loans.
   - Conducting a compliance test on the implementation of provisions in the Branch Office, in collaboration with the Branch Internal Supervisor.
   - Updating database of applicable provisions.
   - Monitoring the level of compliance with applicable provisions related to the principle of prudential banking, such as Minimum Capital Adequacy Ratio, Rupiah Statutory Reserves, Net Open Position, Legal Lending Limit, Non Performing Loan. Throughout 2018, the Company's operations were carried out in accordance with prudential banking principles.
   - Develop Compliance Matrix Diary as a monitoring tool to maintain commitment to reporting obligations to regulators.
   - Monitor the imposition of sanctions / fines from regulators.
   - Conduct compliance risk assessments and compile compliance risk profile reports on a quarterly basis, in order to manage compliance risk.
   - Prepare Quarterly Compliance Monitoring Reports submitted to the Board of Directors and Board of Commissioners.
   - Review documents in order to ensure the operational readiness of opening, transfer of address and closure of office networks.
   - Coordinating with related work units in order to assess risk-based Bank Soundness Level.
3. In order to ensure the Company's compliance with the commitments made to regulators:
   - Monitoring the Company's commitment to the FSA, BI and other regulators carried out with the Internal Audit Division (DAI);
   - Monitor and follow up on information / data requests by FSA and BI in the context of bank supervision.
4. Monitor and evaluate the compliance function of the subsidiary in the Company's Financial Conglomerate, and prepare the integrated compliance report to be submitted to the Board of Commissioners and the Board of Directors.

Compliance Indicator in 2018

Compliance indicators act as a form of commitment and level of compliance of the Company with the provisions and laws and regulations. The compliance indicators for 2018 are as follows:

- The Minimum Capital Adequacy Ratio (MCAR) includes credit risk, market risk and operational risk is 23.39%, which is above the applicable provisions.
- The NPL ratio (net) is 0.45%, which is within the permissible limit of a maximum of 5% (net).
- There is no exceeding or violation of the Legal Lending Limit (LLL), both to related parties and unrelated parties.
- 6.55% Rupiah Statutory Reserves (RSR) and 11.88% of Macroprudential Liquidity Buffers (MLB) in accordance with applicable regulations.
- Foreign Currency Statutory Reserves (RSR) 8.41% in accordance with the applicable provisions regarding Foreign Currency RSR.
- The Net Open Position (PDN) of 0.54% is far within the permissible limits of the applicable provisions of a maximum of 20% of capital.
- Liquidity Coverage Ratio (LCR) 266.18% already above the minimum requirement of 100%.
- Commitments to the FSA, BI, and other supervisory authorities are well met.

Table of Compliance Indicators in 2018

No.	Compliance Indicator	Applicable Provision	Company's Achievement
1	KPMM	Min. 12.375% s.d. < 13.375%	23.39%
2	NPL	Max. 5%	0.45%
3	BMPK	Max. 10% of Equity	7.38%
4	GWM Rupiah	Min. 6.5%	6.55%
5	GWM Foreign Currency	Min. 8%	8.41%
6	PDN	Max. 20%	0.54%
7	LCR	Min. 100%	266.18%

Anti-Money Laundering and Prevention of Terrorism Funding Programs (AML and PTF)

One of the main tasks related to aspects of customer recognition in the Compliance Unit is ensuring that the Company has implemented an Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and PTF). The Company has carried out various activities as a manifestation of the Company's commitment to participate in eradicating money laundering and preventing funding of terrorism. Related activities for the Implementation of the Anti-Money Laundering and Prevention of Terrorism Funding (AML and PTF) Program during 2018 are as follows:

- Periodically report the implementation of AML and PTF to the Directors and Board of Commissioners.
- Monitor suspicious financial transactions using the Anti-Money Laundering application.
- Coordinate the implementation of updating customer data through preparation of targets and monitoring of realization of targets.
- Reviewing new product and activity plans to ensure that they pay attention to AML and PTF regulations.
- Filter customers and transactions related to the List of Suspected Terrorists and Terrorist Organizations (LSTTO) and the List of Funds for Proliferation of Weapons of Mass Destruction (DPPSP) issued by the competent authorities.
- Conducted a compliance test on the application of AML and PTF at the branch office in collaboration with the Branch Internal Supervisor.
- Reporting suspicious financial transactions, cash financial transactions, and financial transactions to transfer funds to and from abroad, as well as Integrated Services User Information System Data (SiPESAT) to the Financial Transaction Reports and Analysis Center (PPATK).
- Conduct training and socialization of AML and PTF on an ongoing basis through classroom, e- learning as well as video conferencing.
- Develop training materials for the application of AML and PPT.
- Develop and implement a risk and compliance awareness program for branches through collaboration with the Risk Management Unit.
- Conduct periodic reviews of internal provisions related to AML and PTF based on the renewal of AML and PTF provisions from regulators, as well as changes in the company's processes or products.

Integrated Compliance Function

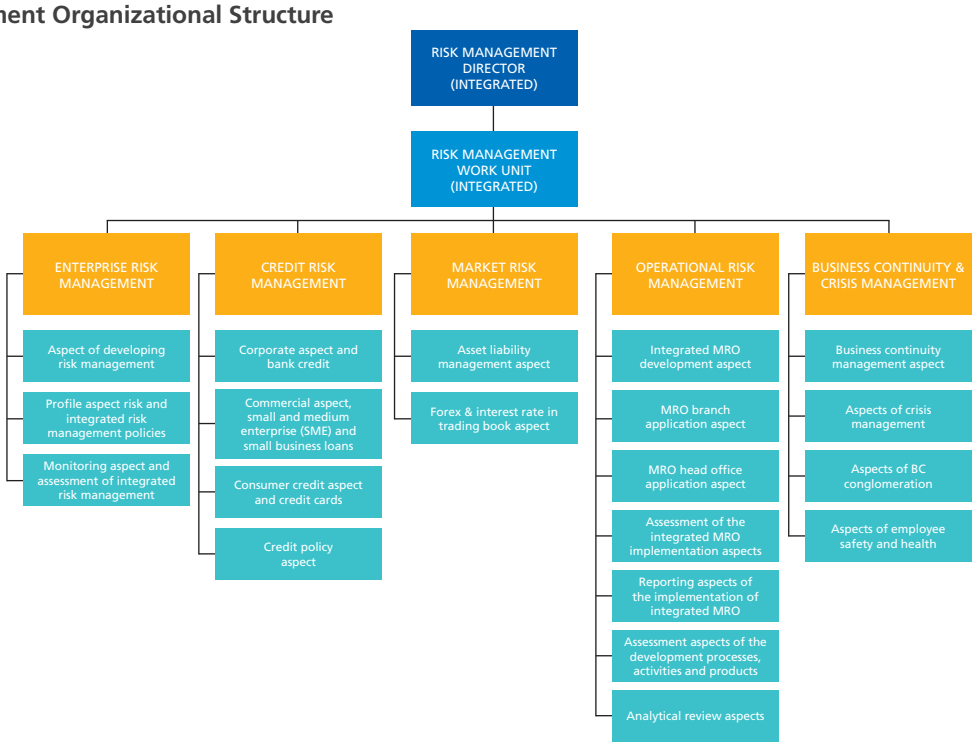
In accordance with the applicable FSA Regulations, and in the framework of implementing Integrated Governance, the Company as the Main Entity in the Company's Financial Conglomerate, has also added an integrated compliance function within the Compliance Work Unit organization. The main task of the integrated compliance function in the Compliance Unit is to monitor and evaluate the implementation of the compliance function in each Financial Services Institution (FSI) in the Company's Financial Conglomerate, including implementation of AML and PTF Program.

APPLICATION OF RISK MANAGEMENT

The Board of Commissioners and Directors of the Company are responsible for implementing risk management and internal control systems in the Company and Subsidiaries in an integrated manner. Disclosure of the application of the Company's risk management includes:

- Active supervision by the Board of Commissioners and Directors.
- Adequacy of risk management policies and procedures, as well as risk limits.
- Adequacy of the identification process, measurement, monitoring, and risk control, as well as risk management information systems.
- A comprehensive internal control system.

Risk Management Organizational Structure



Overview of the Company's Risk Management System

The Company effectively implements risk management and internal control systems that are tailored to the objectives and business policies, size and complexity of the Company's business activities based on requirements and procedures as stipulated in Bank Indonesia Regulations (PBI), Financial Services Authority Regulations (POJK), and refers to international best practices, through the following actions:

1. Identify and control all risks including those originating from new products and new activities.
2. Have a Risk Oversight Committee which aims to ensure the existing risk management framework has provided adequate protection against all Company risks and has the main duty:

- to provide recommendations and opinions in an independent professional manner regarding the suitability of policies with the implementation of risk management policies to The Board of Commissioners,
- monitor and evaluate the implementation of duties of the Risk Management Committee (KMR) and the Risk Management Work Unit (SKMR).

3. Having a KMR that has the main task :
   - compiling policies, strategies and guidelines for implementing risk management,
   - perfecting the implementation of risk management based on the results of evaluating the implementation of effective risk management processes and systems, and
   - determining matters related to business decisions that deviate from normal procedures (irregularities).
4. Have an Integrated Risk Management Committee (KMRT) which has the main task of providing recommendations to the Board of Directors which at least includes:
   - Preparation of integrated risk management policies.
   - Improvement or completion of integrated risk management policies based on the results of the implementation evaluation.
5. Having a SKMR that was formed to convince the Company and Subsidiaries to integrate risk mitigation correctly through identification, measurement, monitoring, control and reporting in accordance with the risk management framework and able to deal with emergency situations that threaten the sustainability of the Company's business.
6. Manage risks and ensure the availability of policies and determination of risk limits supported by procedures, reports and information systems that provide accurate and timely information and analysis to management, including determining steps to deal with changing market conditions.
7. Ensure that in the process of compiling work systems and procedures it has taken into account both the operational and business aspects and the level of risk that may occur in a work unit.
8. Ensure that the internal control system has been implemented in accordance with the provisions.
9. Monitor the Company's compliance with the principles of sound bank management in accordance with applicable regulations through the work unit of the Compliance Unit.
10. Make a quarterly Company Risk Profile Report and Integrated Risk Profile Report every semester and submit it to the OJK in a timely manner.

Risk Management System

In the context of risk control, the Company has implemented an integrated Risk Management Framework as outlined in the Basic Risk Management Policy (KDMR). The framework is used as a means of determining the strategy, organization, policies and guidelines, as well as the Company's infrastructure so that all risks faced by the Company can be identified, measured, monitored, controlled and reported properly.

In order for the implementation of risk management to run effectively and optimally, the Company has a KMR that has the authority to review and provide recommendations on matters relating to risk management for decisions from the Board of Directors.

In addition, the Company has formed several other Committees whose task is to handle risks more specifically, including the Credit Policy Committee (KKP), the Credit Committee and the Asset and Liability Committee (ALCO).

The Company always carries out a comprehensive risk assessment of the planned issuance of new products and activities in accordance with regulatory provisions.

Risks Faced and Managed

In accordance with Financial Services Authority Regulation No. 17/POJK.03 / 2014 dated November 18, 2014 and Circular Letter of OJK No. 14/SEOJK.03/2015 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, the Company becomes the Main Entity of the Company's Financial Conglomerate, which integrates managing 10 (ten) types of risks, as follows:

1. **Credit Risks**
   - Credit organizations continue to be refined by referring to the four eyes principle where credit decisions are taken from two sides, namely business development and credit risk analysis.
   - The Company has a Bank Credit Basic Policy (KDPB) which is constantly refined in line with the Company's development, regulatory provisions and in accordance with the prudential banking principles and international best practices.
   - Improvement of the credit risk management system and procedures is carried out through the development of a "Loan Origination System" on the work flow of the crediting process (from beginning to end) so that an effective and efficient credit process can be achieved. The development of a debtor risk profile measurement system continues to be developed so that it can be applied as a whole, as well as the process of building a credit database that continues to be carried out and refined.
   - To maintain credit quality, the monitoring of credit quality continues to be carried out regularly, both in the credit category (Corporations, Commercials, Small & Medium Enterprise (SME), Consumers and Credit Cards), the industrial sector and the overall credit portfolio. For branches that have SME / KPR / credit card with a DPK30 + ratio (overdue> 30 days) and a high NPL, close monitoring and control of authority is carried out so that the branch can focus on improving credit quality.
   - The Company has developed credit risk management by conducting stress testing analysis of the loan portfolio and monitoring the results of the stress testing. In response to conditions of market changes and economic turmoil, the Company periodically conducts stress testing analysis. Stress testing is useful for the Company as a tool to estimate the magnitude of the risk impact on "stressful conditions" so that the Company can make appropriate strategies to mitigate these risks as part of implementing the "contingency plan".
   - In the context of monitoring and controlling credit risk that occurs in subsidiaries, the Company has regularly monitored the credit risk of subsidiaries, while ensuring that the subsidiaries have a good and effective Credit Risk Management Policy.

2. **Market Risk**
   - In managing foreign exchange risk, the Company centralizes the management of Net Open Position (NOP) in the Treasury Division, which combines daily NOP Reports from all branches. In general, each branch must close its foreign exchange risk at the end of each working day, even though there is a PDN tolerance limit for each branch depending on the amount of foreign exchange transaction activity in the branch. The Company makes daily PDN Reports that combine PDN in consolidated and administrative account financial position reports (off-balance sheet accounts).
   - To measure foreign exchange risk, the Company uses the Value at Risk (VaR) method with the Historical Simulation approach for internal reporting purposes, while for the calculation of reporting on the Minimum Capital Provision Obligation, the Company uses standard methods in accordance with regulatory provisions.
   - The main components of the Company's obligations that are sensitive to movements in interest rates are customer deposits, while sensitive Company assets are Government Bonds, securities, and loans. ALCO regularly monitors market developments and adjusts deposit and credit interest rates.
   - The Company determines deposit and credit interest rates based on market conditions and competition by monitoring the movement of the benchmark interest rates and interest rates offered by competing banks.

3. **Liquidity Risk**
   - The Company attaches great importance to safeguarding the adequacy of liquidity in fulfilling its commitments to customers and other parties, both in terms of providing credit, repaying customer deposits, and for meeting operational liquidity needs. The overall management function of liquidity needs is carried out by ALCO and operationally by the Treasury Division.
   - Measurement and control of liquidity risk is carried out by monitoring liquidity reserves and liquidity ratios such as Loan to Funding Ratio (LFR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), analyzing maturity profiles, cash flow projections, and stress test regularly to see the impact on the Company's liquidity in the face of extreme conditions. The company also has a contingency funding plan to deal with these extreme conditions.
   - The Company has implemented provisions related to liquidity in accordance with regulatory provisions that require the Bank to maintain Rupiah liquidity (Statutory Reserves / GWM) both on a daily basis and on average for a certain reporting period, which consists of Primary GWM and RIM Demand Deposits (Macroprudential Intermediation Ratio) in the form of Rupiah demand deposits at Bank Indonesia, PLM (Macroprudential Liquidity Buffer) in the form of SBI, SDBI, and SBN, as well as foreign currency GWM in the form of foreign currency demand deposits at Bank Indonesia.

4. **Operational Risk**
   - Reliable and effective operational risk management is a key factor in maintaining the Company's position as the leading transaction bank in Indonesia. The Company faces operational risks caused by human errors, insufficient internal processes, system failures, and/or external events. To manage, mitigate and minimize operational risks, the Company has an Operational Risk Management Framework, and has implemented the Operational Risk Management Information System (ORMIS), a web-based application consisting of several tools and methodology, as follows:
     - Risk Control Self Assessment (RCSA) to all Branches / Regional Offices and to Work Units / Divisions at Head Office which are considered to have significant operational risks. One of the objectives of RCSA implementation is to instill a risk culture and increase risk awareness which is the main requirement in risk management.
     - Loss Event Database (LED) as a database of cases / losses related to operational risk that occur in all Work Units. The main purpose of implementing LEDs is as a means of recording operational losses that will be used in calculating the capital burden allocation, continuous monitoring of events that can cause operational losses for the Company, and to analyze cases or problems encountered, so that corrective / preventive actions can be taken to minimize / mitigate the risk of operational losses that may arise in the future.
     - Key Risk Indicator (KRI) is an application used to provide an indicator as a means to be able to provide an early warning sign of the possibility of an increase in operational risk in a Work Unit. This KRI is also further developed to become Predictive and Risk Management which can assist the Work Unit in monitoring risk exposures.
   - In accordance with the regulator's provisions regarding the Minimum Capital Provision Obligation, in calculating the bank's capital adequacy ratio (CAR), the Company has allocated capital for the provision of losses from operational risk using the Basic Indicator Approach, excluding capital allocation for reserve losses from credit risk and market risk.
   - To ensure that the Company can serve banking transactions that last 24 (twenty four) hours a day without interruption, the Company runs 2 (two) data centers in redundancy designed

to ensure business continuity in the event of a system failure in one of the two data center locations. In addition to 2 (two) data centers that work in mirroring, the Company also has a Disaster Recovery Center (DRC) in Surabaya. At present the Surabaya DRC continues to be developed as part of the Bank's Business Continuity Management and is designed to be able to operate as a Crisis and Command Center in the event of a disruption or natural disaster in the Jakarta area which causes the data center in Jakarta to be inoperable.

- The Company also has a Secondary Operation Center ready for use in the event of a disturbance/disaster in the building/work location of the Company's Critical Work Unit.

5. Legal Risk

- Inherent legal risk is assessed based on the potential loss of cases that occur in the Company and Subsidiary Companies that are in the process as well as those that have been completed in court compared to capital on a consolidated basis. The parameters used to calculate the potential losses for cases currently in process in the court are the basis of the claim (case position), case value, and legal documentation. Meanwhile, the parameters used to calculate losses from a claim are losses suffered by the Company and Subsidiaries based on court decisions that have permanent legal force.
- To identify, measure, monitor and control legal risk, the Company has established a Legal Group at the Head Office and Legal Work Unit in all Regional Offices.

  In order to mitigate legal risk, the Legal Group has done, among others:
  - Creating a Legal Risk Management Policy, has internal provisions governing the organizational structure and job description of the Legal Group as well as standardizing legal documents.
  - Hold legal communication forums to improve the competence of legal staff.
  - Disseminating the impact of the new regulations in force on the Company's banking activities and various modus operandi of banking crimes and legal handling guidelines for branch officials, Regional Offices and related Head Office work units.
  - Conduct legal defense of civil and criminal cases involving the Company that is in the process in court and monitor the progress of the case.
  - Prepare a strategy for credit security strategies (in collaboration with other work units, including the Credit Rescue Unit) in connection with the problem of bad credit.
  - Registering the assets of the Company, including Intellectual Property Rights (IPR) for the Company's banking products and services as well as rights to land and buildings owned by the Company at the competent authority.
  - Monitor and carry out legal actions for violations of the Company's assets including violations of the Company's Intellectual Property Rights (IPR).
  - Monitor and analyze cases currently in process in court faced by the Company and Subsidiaries.
  - Conduct an inventory, monitor, analyze and calculate potential losses that may arise related to legal cases that occur.

6. **Reputation Risk**
   - An assessment of reputation risk is carried out using parameters such as the number of complaints and negative publications as well as the achievement of complaints. The assessment is compiled in a quarterly reputation risk profile report.
   - To manage and control reputation risk, the Company is supported by Halo BCA Contact Center facilities (24-hour telephone service for information, advice and complaints; social media manager; webchat service www.bca.co.id). The development of procedures and working management in order to facilitate better monitoring and information system management can support speed and quality of work organization.
   - Reputation risk management is carried out based on regulatory provisions.

7. **Strategic Risk**
   - The inherent strategic risk assessment is carried out using parameters such as the suitability of the strategy with the conditions of the business environment, low risk strategies and high risk strategies, the Company's business position and the achievement of the Bank's Business Plan.
   - Quality assessment of the implementation of strategic risk management is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, and the adequacy of the risk control system.

8. **Compliance Risk**
   - Compliance risk is one type of risk that must be managed by the Company, considering that this risk can cause financial or non-financial losses.
   - In accordance with OJK Regulation No. 46/POJK.03/2017 dated 12 July 2017 concerning Implementation of Commercial Bank Compliance Function, the Company has appointed a member of the Board of Directors as Director in charge of the compliance function, who is responsible for ensuring compliance and minimizing compliance risk by formulating compliance risk management policies and procedures and monitor the implementation. In carrying out its duties, the Director in charge of the compliance function is assisted by the Compliance Unit (CU) which is independent of the operational work unit.
   - In assessing inherent compliance risk, the parameters used are the type and significance of violations committed, frequency of violations committed or track records of compliance, and violations of provisions for certain financial transactions. In addition, CU is also responsible for the implementation of the Anti Money Laundering and Prevention of Terrorism Funding Program (APU and PPT), including being responsible for conducting risk assessments on the implementation of the AML and CFT program according to regulatory provisions.
   - The Company has compliance policies and procedures, which include, among other things, a process to always adjust the provisions and internal systems with applicable regulations, communicate provisions to related employees, conduct a review of new products / activities, conduct periodic compliance tests, and train employees. The results of supervision of the Compliance Director are reported quarterly to the President Director with a copy to the Board of Commissioners.
   - In monitoring suspicious financial transactions as part of the implementation of the AML and CFT program, the Company has an Anti Money Laundering application that is constantly being developed in order to improve its capabilities.

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

10. Insurance Risk

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

Implementation of Risk Management System Review

Based on the results of self-assessment, in 2018 the rating of the Company's risk profile individually and in an integrated manner with Subsidiary Companies is "low to moderate".

The risk profile rating is the result of an inherent assessment "low to moderate" risk rating and the rating of the quality of implementing "satisfactory" risk management.

Risk level rating from 10 (ten) types of risk assessed are as follows:

- Risk that has a "low" risk level rating are Market Risk, Liquidity Risk, Legal Risk and Intra-Group Transaction Risk.
- Risk that has a risk level rating of "low to moderate" are Credit Risk, Operational Risk, Reputation Risk, Strategic Risk, Compliance Risk and Insurance Risk.

The rating of the Integrated Company risk profile that is "low to moderate" can be achieved as the Company and Subsidiary Companies have implemented a risk management process quite effectively and efficiently in all of their activities.

The inherent risk trend for the coming period is stable because based on the projection results, it is estimated that there will be no significant changes in inherent risk.

Macroeconomic conditions in the coming period are not expected to have a negative impact on the Company and Subsidiaries. Although it is estimated that there will still be pressure on the national economic condition in the coming period, the risks in all business activities of the Company and Subsidiaries are expected to be able to continue to be managed based on the precautionary principle.

The quality of risk management implementation for the coming period is stable because the Company and Subsidiaries continuously improve the adjustment of risk management in all of their activities so that the Company and Subsidiaries can identify, measure, monitor and control any risks that exist.

The Company and Subsidiary Companies have implemented integrated risk management covering all risks, which directly or indirectly affects the continuity of their business. This is intended so that the Company and Subsidiaries can better manage risk and establish risk appetite and risk tolerance that are in accordance with the complexity and characteristics of their business.

The Company's and Subsidiaries' risk management policies are constantly updated in accordance with regulatory regulations / regulations, direction of developments in the implementation of Basel II and III Accord, prudential banking principles and international best practices.

The Company and Subsidiaries will continue to pay attention to the economic situation and conditions and the development of the banking sector in carrying out their business.

INTERNAL CONTROL SYSTEM

The Company's internal control system abides by Financial Services Authority Circular Letter No. 35/SEOJK.03/2017 dated July 7, 2017 regarding Guidelines for Internal Control System Standards for Commercial Banks, which covers 5 (five) key components, namely:

1. Management Oversight and Control Culture.
2. Risk Recognition and Assessment.
3. Control Activities and Segregation of Duties.
4. Accounting, Information and Communication Systems.
5. Monitoring Activities and Correcting Deficiencies.

The five components are in line with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company has:

a. Established a business contingency recovery plan and back-up system to prevent failure in high-risk businesses.
b. Documented and reviewed the effectiveness of back-up procedures, processes and systems in a periodic manner to ensure that all plans and processes regarding contingency recovery and back-up systems run effectively.
c. Documented the implementation of above mentioned periodic reviews. In addition, the Board of Directors of the Bank puts great attention to any weaknesses found in procedures, processes and systems based on the results of reviews, and takes improvement measures to eliminate those weaknesses.
d. Established and maintained management information systems implemented electronically and non-electronically. Considering the fact that the use electronic information system and information technology has risk potentials, the Company's management seeks to control them in an effective manner to avoid disturbance to the business and prevent the potential of significant loss occurring to the Company.

The management and all employees of the Company have vital roles and responsibilities in improving the quality and implementation of the Company's internal control system so as to be more reliable and effective.

All the parties involved and responsible for implementing the Company's Internal Control System in order to be more reliable and effective are:

1. Board of Commissioners.
2. Audit Committee.
3. Board of Directors.
4. Internal Audit Division.
5. Internal supervisors of the Company.
6. Work units.
7. Work unit issuing the Company's policy and/or procedure.
8. Officers and employees of the Company.
9. External parties.

An effective internal Control System should at least provide adequate and comprehensive data/information regarding:

a. Business activities;
b. Financial performance;
c. Compliance with the prevailing provisions and laws and regulations;
d. Market information (external conditions);
e. Current events and conditions;

so as to be able to make the accurate decisions which can be held accountable for.

Implementation of Internal Control

1. **Internal control is implemented through several activities, namely:**
   a. **Financial Control, whereby:**
      1) The Board of Directors has prepared strategic plans that have been approved by the Board of Commissioners. The strategic plans have been stipulated in the Bank Business Plan as the blueprint of a 3-year business strategy and Annual Work Plan and budget of the Company, which have been distributed to all relevant officers of the Company in order to be implemented.
      2) The strategies have been established by factoring in any impact of strategic risk on the Company's capital, in among other areas, capital projections and the Minimum Capital Requirement.
      3) The Board of Directors actively engages in discussions or offers input and monitors the internal situation, and developing external factors that directly or indirectly would affect meeting the Company's business strategic objectives.
      4) The Company has implemented a financial control process, both on the Company and on the members of the Company's Financial Conglomerates, in order to monitor the realization against the budget as drafted in periodic reports. The Company has established a subsidiary monitoring unit to monitor the performance development of each of its subsidiaries.
   b. **Operational Control, whereby:**
      1) Each banking operational transaction that the Company undertakes has been equipped with a work procedure that is

stipulated in work manuals. Such work procedure is developed by the Operational and Service Development and Strategy Division and reviewed by various relevant work units to ensure that operational risks that may arise have been effectively and properly mitigated.

2) There are several boundaries in place by:
   a) Imposing a limit and authorization for officers to conduct a transaction.
   b) Utilizing User IDs and passwords as well as installing finger-scanners for employees to access computers.
3) To support comprehensive operational risk control, the Company has:
   a) Established an organizational structure as follows:
      - Segregation of functions so as to avoid the occurrence of conflict of interest.
      - Supervisor to oversee the implementation of internal control at Branch Offices on daily basis.
      - Branch Internal Supervisor to oversee the implementation of internal control at Branch Offices.
      - Regional Office Internal Supervisor to oversee the implementation of internal control at Regional Offices.
      - Head Office Internal Supervisor to oversee the implementation of internal control in certain work units at Head Office.
      - Internal Audit Division that is independent of risk taking unit to examine and assess the adequacy and effectiveness of risk management, internal control and corporate governance processes, either at the Company or for members of the Company's Financial Conglomerates.
      - Risk Management Work Unit, Legal Group and Compliance Work Unit that are independent of risk taking units.
      - Anti-Fraud Bureau to improve the effectiveness of anti-fraud strategy implementation on all activities of the Company.
   b) Established employee rotation and transfer policies.

c. Compliance to laws and regulations, whereby:

1) The Company is committed to comply with the prevailing laws and regulations and take the necessary steps to improve weaknesses found in regard to risk, if any.
2) The Company has established a Compliance Work Unit independent of risk taking units and is responsible for monitoring the compliance of the Company and its subsidiaries in an integrated manner.
3) The Company has :
   a) Monitoring on Reporting Compliance to Bank Indonesia or Financial Services Authority or other regulators.
   b) Compliance Report of the Company, including Report on the Implementation of APU and PPT Program to be submitted to the Financial Services Authority every 6 (six) months.
   c) Compliance Monitoring Report on the Prudent Principles of the Company, including Report on the implementation of APU and PPT Program to be submitted to the Board of Commissioners, President Director and Deputy President Director every 3 (three) months.
4) The Company's Compliance Risk Management Strategy involves the necessary policies to always comply with applicable regulations; which means, pro actively taking preventive measures (ex-ante) to minimize the possibility of violations and conducting curative actions (ex-post) for improvements.

2. **The Application of Internal Control Function**
   The Company applies an effective internal control system tailored to the Company's business goals, policies, size and complexities, in accordance with the requirements and procedures set forth by regulators, and refer to the best practices through the following measures:
   a) Establishment of clear reporting lines and separation of functions between operational units and units implementing the control function.
   b) The control function is implemented by the Risk Management Work Unit, Legal Group, Compliance Work Unit, Credit Risk Analysis Group and Internal Audit Division.
   c) The Internal Audit Division has independently and objectively reviewed the Company's procedures and operational activities on a periodic basis. Review results are presented in Audit Reports and Audit Follow-Up Reports to be submitted to the Board of Commissioners, Audit Committee and Board of Directors.
   d) The Branch Internal Supervisor, Regional Office Internal Supervisor, Head Office Internal Supervisor and Internal Audit Division have evaluated the implementation of systems and procedures applicable in the Company. Evaluation results from the Branch Internal Supervisor, Regional Office Internal Supervisor, Head Office Internal Supervisor and Internal Audit Division serve as benchmarks on the level of compliance of work units in existing systems and procedures.

Review on the effectiveness of internal control system

Review on the effectiveness of internal control system in the Company were done by monitoring and correcting irregularities, namely:

1. The Company continuously evaluates and monitors the effectiveness of the overall internal control implementation, including changes in internal and external conditions that may influence the Company in achieving its targets.
2. Monitoring activity is focused on the Company's primary risks and is part of its routine activities, including periodic evaluations to detect and prevent unknowingly accepting of new risk conducted by operational work units, risk monitoring work unit and Internal Audit Division.

APPLICATION OF ANTI-FRAUD STRATEGY

1. Introduction

The Company has in place an Anti-Fraud Strategy Guidelines ratified by Circular Letter No. 064/SE/POL/2015 dated 7 April 2015. This guideline is a demonstration of the Company's management commitment in preventing fraud by implementing an effective and continuous fraud-control system. This fraud-control system directs the Company in taking decisive measures to prevent, detect, investigate, and monitor any incident of fraud.

Fraud is defined as any deliberate act or omission intentionally committed to deceive, swindle or manipulate the Company, its customers, or any other party, taking place within the Company and/or using the Company's facilities resulting in the Company, its customers or other parties suffering losses, and/or the committee of the fraud obtaining financial gain either directly or indirectly.
The types of acts that are fraudulent are:
1) Cheating.
2) Fraud.
3) Asset embezzlement.
4) Disclosure of information.
5) Banking felonies.

2. Background

The legal basis of the Company's anti-fraud policy is Bank Indonesia Circular Letter No. 13/28/DPNP dated 9 December 2011 on Implementation of Anti-Fraud Strategy for Commercial Banks (hereinafter referred to as "SE BI"). The SE BI itself is intended to strengthen the internal control system of the Company and as a further implementation of Bank Indonesia Regulation No. 5/8/PBI/2003 dated May 19, 2003 concerning the Application of Risk Management for Commercial Banks.

Based on the aforementioned SE BI, the Company is required to have and to implement an effective anti-fraud strategy that meets at least the minimum reference and the Company shall take into account to as a minimum the following:

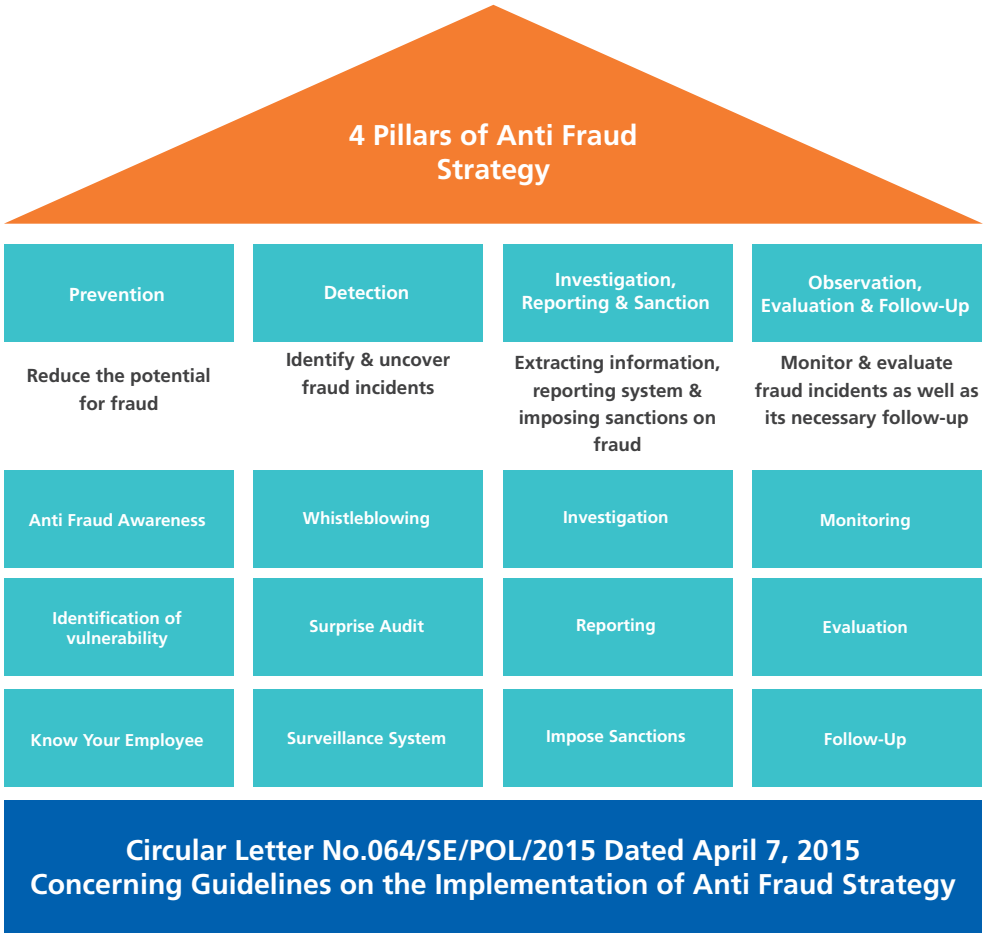
1) Internal and external factors.
2) The complexity of business activities.
3) Potential, type, and risk of fraud.
4) The adequacy of required resources.

3. Objectives

The objectives of the Company's anti-fraud policy are:

- To nurture an anti-fraud culture across the entire organization of the Company.
- To boost awareness of and concern for the risk of fraud in the Company's operations.
- As a reminder to all personnel of the Company to comply with applicable procedures and regulations.

The Pillar and Implementation of Anti-fraud Strategy



Anti-fraud strategy, which in its application is a fraud-control system, has 4 (four) pillars, as follows:

1) Prevention:
   Prevention apparatus is aimed at reducing the potential fraud risk, which at least encompasses anti-fraud awareness, vulnerability identification, and know your employees.
2) Detection:
   Detection apparatus occurs with the intention to identify and detect fraudulent incidents within the Company's business operations, encompassing at least whistleblowing, surprise audits, and surveillance system policies and mechanisms.
3) Investigation, Reporting, and Sanctions:
   Various other apparatus are intended to extract information, use reporting systems, and make imposition of sanctions on fraud incidents well known within the Company's business operations, which at least encompasses investigative standards, reporting mechanisms, and imposition of sanctions.
4) Monitoring, Evaluation, and Follow-up:
   Apparatus intended to monitor and evaluate fraud incidents as well as the necessary follow-up measures are based on evaluation results.

4. Implementation and Internalization

The Company has strives to implement an anti-fraud strategy by continuously raising awareness and employee vigilance of acts of fraud by means of e-learning, in-class training, information dissemination through comics, posters, videos, promotion of anti-fraud culture, and more.

In line with the Company's vision to become the preferred bank and a mainstay as an important pillar of the Indonesian economy, the Company has developed an Anti-Fraud Statement that essentially states that management is committed to implementing zero-tolerance policy against fraud through the building of powerful pillars that function for prevent, detect, investigate, and monitor continuously against existing risks, indications, and occurrences of fraud.

Examples of anti-fraud awareness posters:

One of the internalization efforts that can be accessed by all employees is e-learning. In 2018, all employees were required to follow the e-Learning Anti-Fraud Awareness that can be accessed through the MyBCA and Mobile Learning internal portals.

Anti-fraud training in 2018

Participant	2018	2017
New hires	1,520	2,368
Existing employees	30,658	2,151

WHISTLEBLOWING SYSTEM

Disclosure of the Company's whistleblowing system in this Annual Report takes into account Chapter III letter g number 16 of Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Issuer's Annual Report or Public Company.

The whistleblowing system is a means of communication for internal and external parties to report fraud or violations committed by perpetrators associated with the Company. Reporting should be based on good faith and not a personal complaint or based on flawed intention/slander.

The Company's whistleblowing policy is set forth in Board of Directors Decision Letter No. 183/SK/DIR/2012 dated 12 December 2012 on the Implementation of the updated BCA whistleblowing system in Board of Directors Decision Letter No. 146/SK/DIR/2017 dated 1 November 2017 on the Implementation of the Company's whistleblowing system.

Objectives of Whistleblowing System

The implementation of the whistleblowing system in the Company aims to:

- Put together stakeholders awareness to report fraud or violations occurring within the Company without fear or worry as confidentiality is guaranteed.
- Detect and prevent fraud or offenses as early as possible through information disclosure by whistleblower.

1. Report Delivery Procedure

A. Tools

The tools that can be utilized by informers to divulge any fraudulent incident can be accessed through Company's website at https: //www.bca.co.id/en/whistleblowing. Any information submitted will be directly collected by the whistleblowing system manager.

B. Criteria of acceptable reporting of an accusation:

1) To facilitate and accelerate the follow-up process, the following criteria must be met by the reporting party in submitting his/her reporting.
   - Provide information regarding the identity of the complainant, at least:
     - Informant's name (anonymity permitted).
     - Phone number/e-mail address to be contacted.
2) Provide a reliable indication of the fraudulent act or violation (4W1H) accompanied by supporting data (if any), including:
   - Fraudulent act to be reported (What);
   - The offender involved (Who);
   - When it occurred (When);
   - Place/Location of occurrence (Where);
   - How it happened (How).

3) Types of fraud or violation to be reported:

Fraud	Intentional misconduct or omission to mislead, deceive or otherwise manipulate the Company, its customers, or any other party, taking place within the Company and/or using the Company's facilities resulting in the Company, its customers or other parties suffering loss and/or perpetrator fraud obtaining financial benefits either directly or indirectly. The types of acts classified as fraud are: 1. Deception. 2. Fraud. 3. Embezzlement of assets. 4. Disclosure of information. 5. Banking felonies.
Code of ethics violation	Actions that are not in accordance with the Company's corporate culture as based on positive values that nurture and thrive within the entire Company, to achieve common goals and also as a reference for the Company's personnel in making decisions and acts.

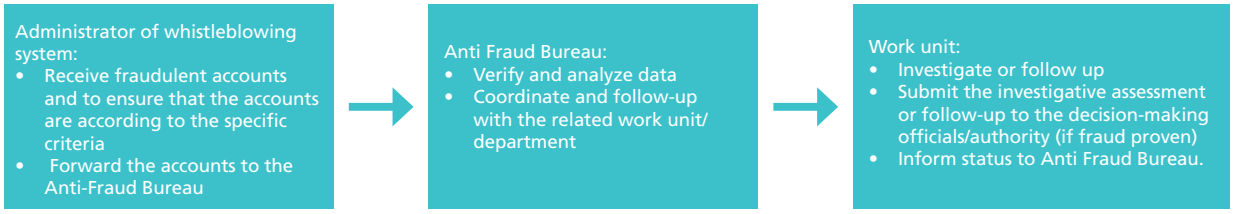
Conflict of interest	Any action that may cause a condition in which a person, while performing his/her duties and obligations, has other interests outside Company's interests, whether that would be personal interests, family, or the interests of others, causing that employee to lose objectivity in making decisions and policies according to the authority granted by the Company to him/her.
Law violation	Any action that violates the applicable laws in Indonesia.

2. Whistleblower Protection

The Company's whistleblowing system will ensure the confidentiality of the informant's identity and the contents of information submitted.

3. Complaint Handling

The following is the complaint handling flowchart in relation to the Company's whistleblowing system:



4. Complaint Management Party

Follow-up on complaints is thoroughly handled by referring to the Company's applicable provisions and the prevailing laws and regulations in Indonesia by the Company's internal team as appointed by the management of the Company.

Imposition of Sanctions

If based on investigation results, the alleged perpetrator is proven to have committed fraud or violation, and then the decision-making authority shall impose sanctions in accordance with the applicable provisions.

Disclosure of Internal Fraud and Complaints Through Whistleblowing System In 2018

A. Number of Internal Fraud Cases

Disclosure of irregularities/deviations (internal fraud) is based on section 64 of Financial Services Authority (OJK) Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks and Chapter IX point 5 of Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

Internal fraud is defined as fraud committed by management, supervisors, permanent employees, temporary employees and/or outsourced workers. The denominating classification expressed is a deviation of more than Rp100,000,000.00 (one-hundred-million rupiah).

Table of Fraud by Management, Permanent Employee and Non-Permanent Employee:

Misappropriation (internal fraud) in 1 year	Number of cases done by:					
	Member of BOD and member of BOC		Permanent Employees		Contract employees and outsourced workers	
	2017	2018	2017	2018	2017	2018
Total Fraud	-	-	10	7	-	-
Resolved	-	-	7	5	-	-
Internal company investigation process	-	-	-	2	-	-
Settlement not sought	-	-	-	-	-	-
Followed up with legal process	-	-	3	-	-	-

B. Number of Complaints/Accusations Through the System

Recapitulation of fraud exposures through the whistleblowing system submitted periodically by the Anti-Fraud Bureau to the Board of Directors: as of 31 December 2018, there were 23 (twenty three) complaints received by the whistleblowing system with the following status:

Status	Amount	Description
Open (on process)	0	Under investigation:
Closed (resolved)		**Fulfilled reporting criteria**
	2	– Proven
	2	– Unproven
		Reporting criteria unfulfilled:
	13	– Customer's grievances or information
	6	– Incomplete data and whistleblower has not provided necessary additional information

ANTI GRATUITY

1. Background

The stakeholders' and general public's trust towards the Company is strongly influenced by the ethical behavior of the Company's entire staff ranging from the Board of Commissioners, Board of Directors, and management down to all employees. This trust is very important to foster and maintain business relationships with customers and other third parties that have relationships with the Company.

In practice, the potential of business relationships that may lead to matters that are more personal is highly probable, furthermore a business relationship that intertwines with personal relationships can create conflict between the interest of the Company and that of personal interest.

In this regard, to raise public confidence and to uphold the Law No. 20 Year 2001 on the amendment of the Law No. 31 Year 1999 on the Eradication of Corruption and supporting the implementation of the principles of good corporate governance, the Board of Directors considers it necessary to stipulate conflict of interest provisions intended to provide guidance on the Company's personnel as individuals in dealing with customers, partners, fellow co-workers. The Company has specific anti-corruption that included in the Company Code of Ethics, which can be read in the Code of Ethics chapter of this Annual Report.

2. Anti-gratuity Policy

The anti-gratuity policy is intended to provide reasonable, credible, and proper conduct guidelines for the entire organization in engaging with customers, partners and co-workers, and is not intended to interfere with employees' personal lives.

These policies, among others, stipulate that:

- All personnel are prohibited from requesting or accepting, allowing or consenting to receive a gift or reward from any third party who obtains or seeks to obtain favours from the Company in the form of credit facilities or other facilities related to the Company's operational activities.
- All personnel of the Company are prohibited from requesting or accepting, allowing or consenting to accept a gift or reward from any third party who obtains or seeks to obtain work or orders relating to the procurement of goods or services of the Company.
- In the event that customers, partners, and other parties offer gifts during certain occasions, such as religious celebrations or other kind of celebrations, if:
  - As a result of the receipt of the parcel/gifts, it is believed to have a negative impact and affect the Company's decision, and
  - The value of the parcel/gifts is beyond reasonable limits.

Then the employee receiving the parcel/gifts shall immediately return the parcel/gifts along with a polite explanation that no personnel of the Company are allowed to receive any parcel/gifts.

The substance of the anti-gratuity policy has been stated and can be downloaded in the company's website in the section on Governance (https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Tata-kelola).

3. Joint Commitment

In relation to the above aforementioned matter and the Company's commitment in implementing good corporate governance, the Company's entire staff is obliged:

A. To ascertain, comprehend and implement the provisions with full responsibility and without exception.

B. To uphold the implementation of such provisions, in which all members of the Board of Commissioners, Board of Directors and employees must make compulsory Annual Disclosure containing all circumstances or conditions that can permit the emergence of conflict of interest.

4. Sanctions of violation

As one of the endeavors to prevent gratuities prohibited by law and regulation, the Board of Directors since 2003 has issued a decision backing up the anti-gratuity policy to be implemented at all levels of the Company.

The anti-gratuity policy is binding and must be recognized and implemented earnestly by all employees as part of the Bankers Code of Conduct and in shoring up the implementation of good corporate governance principles. In the event of any policy violation or non- compliance, the violator may be liable to sanctions in accordance to the extent of violation.

It has now been adopted as the Company's culture not to accept gifts or payment from customer, debtors, vendors, partners, and other third-parties on services rendered by the Company's employee within his/her scope of work. Each individual also has to abide by the Code of Ethics in his/her relationship with vendors. The Code of Ethics is stated in the Guideline of Corporate Governance and can be read in this Annual Report.

AFFILIATED TRANSACTIONS AND TRANSACTIONS WITH CONFLICT OF INTEREST

The disclosure of affiliated transaction and transaction with conflict of interest is part of an effort to comply with Financial Institutions Supervisory Agency (BAPEPAM & LK) regulation number IX.E.1, apendix on the Decision of the Head of BAPEPAM & LK No. Kep-412/BL/2009 dated November, 25, 2009 on Affiliated Transaction and Transaction with Conflict of Interest and PSAK 7 (revision of 2010).

Policy on Affiliated Transaction and Transaction with Conflict of Interest

The Bank has implemented policies related to affiliated transactions and transactions with conflicts of interest as stipulated in Board of Directors Decision Letter No. 079/SK/DIR/2017 regarding Affiliated Transactions and Transactions with Conflicts of Interest dated 21 June 2017 based on Appendix on Capital Market and Financial Institutions Supervisory Agency Regulation No. IX.E.1, Appendix on the Decision of the Head of BAPEPAM & LK No. Kep-412/BL/2009 dated 25 November 2009 on Affiliated Transactions and Transactions with Conflict of Interest.

The policy regulates, among other things:

- Definition of Affiliated Transactions and Transactions Containing Conflicts of Interest,
- Affiliated Parties,
- Category of transactions,
- Flow of reporting mechanisms,
- The reporting period and/or information disclosure.

Affiliated Transactions

Affiliated party

Those who meet the criteria of affiliated party, connected to Bank, are:

- Employees, directors, and Commissioners.
- Major shareholders, by any means personal or company, direct or indirect, which own at least 20% of total shares of shareholders with voting rights release by Bank, or own smaller number of shares regulates by Financial Services Authority.
- Any company limited enterprise, by any means is the enterprises run by the bank, either direct or indirect.
- Any company with one or more director, or one or more commissioners, who still concurrently hold the position of Director or Commissioner of the bank.
- Any company runs by the bank's major shareholders.
- Any person who has a personal connection with the Company's Directors and/or the major shareholders, be it due to marriage or paternal relationship to second generation, horizontally or vertically.

Realization of Affiliated Transaction on 2018

Throughout 2018, there were 13 (thirteen) affiliated transactions by the company whereby each transaction was considered not a conflicting transaction. The details of the transactions are as follows:

No	Date	Type of transaction	Affiliated Company	Value of transaction	Relation
1	19 January 2018	Office rental for Supporting Branch	PT Bukit Muria Jaya Estate	Rp4,818,000,000.00	Related party of the company that owned by controlling shareholders
2	8 March 2018	Venue rental for Analyst Meeting Quarter IV 2017	PT Grand Indonesia	Rp110,715,000.00	
3	26 March 2018	Venue rental for dinner with the Association of Indonesian Economy Graduates (Ikatan Sarjana Ekonomi Indonesia)	PT Grand Indonesia	Rp58,987,500.00	
4	29 March 2018	Venue rental for lunch of BCA management	PT Grand Indonesia	Rp125,840,000.00	
5	6 April 2018	Venue rental for Annual GMS and Extraordinary GMS BCA 2018	PT Grand Indonesia	Rp184,525,000.00	
6	23 April 2018	Venue rental for Analyst Meeting Quarter I 2018	PT Grand Indonesia	Rp110,715,000.00	

No	Date	Type of transaction	Affiliated Company	Value of transaction	Relation
7	14 May 2018	Venue rental for Investor Gathering	PT Grand Indonesia	Rp221,430,000.00	Related party of the company that owned by controlling shareholders
8	5 June 2018	Venue rental for Fast Breaking with PT Bank Central Asia Tbk	PT Grand Indonesia	Rp517,880,000.00	
9	3 July 2018	Rental 0f 19 unit of Run of The House for hospitality event of Halal Bihalal among BCA management	PT Grand Indonesia	Rp47,500,000.00	
10	27 July 2018	Venue rental for Analyst Meeting Quarter II 2018	PT Grand Indonesia	Rp110,715,000.00	
11	1 August 2018	Venue rental for lunch of BCA management	PT Grand Indonesia	Rp125,840,000.00	
12	25 October 2018	Venue rental for Analyst Meeting Quarter III 2018	PT Grand Indonesia	Rp110,715,000.00	
13	20 December 2018	To buy and to sell land and building.	PT BCA Finance	Rp7,515,200,000.00	Subsidiaries Company

Characteristic of Affiliated Transaction

All companies stated in the table above which has transaction with Bank is the affiliate part of the Bank since they were run by the same party, as stated on Article 1 Clause 1 alphabet (e) Regulation No. 8 Year 1995 regarding Capital Market.

Fairness of Transaction

The core principles to be observed when doing transaction with Affiliated Party are:

- To observe the good governance principles, which are openness (transparency), accountability, responsibility, independency, and fairness.
- To confirm about the appropriateness and the fairness of the value and the requirement of the transaction (arm's length transaction).

Affiliated transactions which has been done by the Company during 2018 were all proper transactions (arm's length transaction).

Transactions with Conflict of Interests

Policy related to conflicts of interest

In policies related to conflicts of interest, everyone in the Company (including the Board of Directors and the Board of Commissioners) must be conscious and aware of activities that allow the occurrence or occurrence of conflicts of interest and must avoid them. If the activity is unavoidable, it must be reported immediately to management or the authorities.

In implementing policies related to conflicts of interest with integrated governance, the Board of Directors also ensures that the implementation of intra-group transaction risk management is free from conflicts of interest between Financial Conglomerates and individual Financial Services Institutions.

Disclosure

Disclosure of transactions with conflicts of interest is done based on Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 about Implementation of Governance for Commercial Bank.

In 2018, the Company had no transactions with conflict of interest

Name and position of conflict	Name and position of decision maker	Type of transaction	Value of transaction	Description
-	-	-	-	-

Independent Parties in Affiliated Transactions and Conflicts of Interest

In accordance with Bank policy in the material transaction with conflict of interest that require shareholder's approval, the Company appoints an independent party to evaluate the fairness of the transaction value.

If the independent appraiser states that a transaction with an Affiliated Party and the Company is not fair, then the transaction is included in a transaction containing a conflict of interest so that it requires prior approval from the independent shareholders of the Company through an Independent GMS.

Company Policy regarding Transaction Reviews Mechanism

As mentioned above, the Company has its own policy regarding affiliated transaction and transaction with conflict of interest. In the implementation of the policies, every work unit which would do any transaction with affiliated party has the obligation to inform all the transaction to the Bank, herewith to the Corporate Secretary Division, in writing report with all related evidences . Corporate Secretary Division would conduct a coordinate analytical action regarding the transaction to confirm about the transaction category. In supporting the fairness in any affiliated transaction and transaction with conflict of interest, during 2018 there was a review on the mechanism and reporting flow regarding affiliated transaction and transaction with conflict of interest.

LEGAL CASES

Legal proceeding and significant cases faced by the Company in 2018 are described as follows:

Legal Cases

Legal proceeding disclosure is carried out based on Article 6 in Chapter IX – Transparency on Governance Implementation on Financial Services Authority Circular Letter No. 13/SEOJK03/2017 on the Implementation of Governance for Commercial Banks.

The Company's legal proceedings in 2018 that are processed in court are depicted in the table below:

Legal Proceedings	Number of Cases	
	Civil	Criminal
Resolved with permanent legal force	120	11
In the process of settlement	145	4
Total	**265**	**15**

a. In the process of settlement

There were 149 (one hundred and forty-nine) cases in the process of settlement with the details as follows:

1. Civil: 145 (one hundred and forty-five) cases.
   - Credit related: 103 (one hundred and three) cases, including lawsuits or appeals/ objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.
   - Operations: 40 (forty) cases, including matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.
   - Human resources – related: 2 (two) cases.
2. Criminal: 4 (four) cases.

b. Resolved (with permanent legal force)

There were 131 (one hundred and thirty-one) cases already resolved (with permanent legal force) as follows:

1. Civil: 120 (one hundred and twenty) cases.
   - Credit related: 92 (ninety-two) cases, including lawsuits or appeals/objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.
   - Operations: 28 (twenty-eight) cases, including matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.
   - Human resources – related: 0 (zero) case.
2. Criminal: 11 (eleven) cases.

Details of legal proceeding faced by the Company in 2018 are described as follows:

Civil

Proceeding Types	Proceeding Details	Status	Value (Proceeding's Value ≤Rp10B)	Value (Proceeding's Value >Rp10B)
Credit	Lawsuits or appeals/objections from debtors, collateral owners, other parties or in regard to Company claims on confiscated goods or claims pertaining to collateral and credit.	In the process of settlement	103	-
		Resolved (with permanent legal force)	92	-
Operations	Matters related to banking operations, land and buildings owned by Company, and other lawsuits other than credit issues.	In the process of settlement	40	-
		Resolved (with permanent legal force)	28	-
Human Resources	Human Resources.	In the process of settlement	2	-
		Resolved (with permanent legal force)	-	-

Criminal

Proceeding Types	Proceeding Details	Status	Value (Proceeding's Value ≤Rp10M)	Value (Proceeding's Value >Rp10M)
Criminal	Deposit document forgery, Collateral document forgery, fraud	In the process of settlement	4	-
		Resolved (with permanent legal force)	11	-

None of the proceedings that the Company faced is valued more than Rp10 Billion.

The Company does not face any significant risk in regards to legal cases because according to its self-assessment the legal risk is considered "low".

SIGNIFICANT CASES AND ADMINISTRATIVE SANCTIONS TOWARDS THE VIOLATIONS

Disclosure on significant cases faced by Company, subsidiaries, member of the Board of Directors and Board of Commissioners is carried out in accordance to Letter G Chapter III – Content of Annual Report on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on Forms and Content of Listed Companies and Public Companies Annual Report.

In 2018, there were no significant cases facing Company and its subsidiaries, or members of its Board of Commissioners and Board of Directors in office for this reporting period, and consequently, there is no effect on Company's financial condition.

In 2018, there were no material administrative sanctions imposed by authorities (Financial Services Authority, Bank Indonesia, Stock Exchange, and other authorities) on Company or members of the Board of Commissioners and Board of Directors.

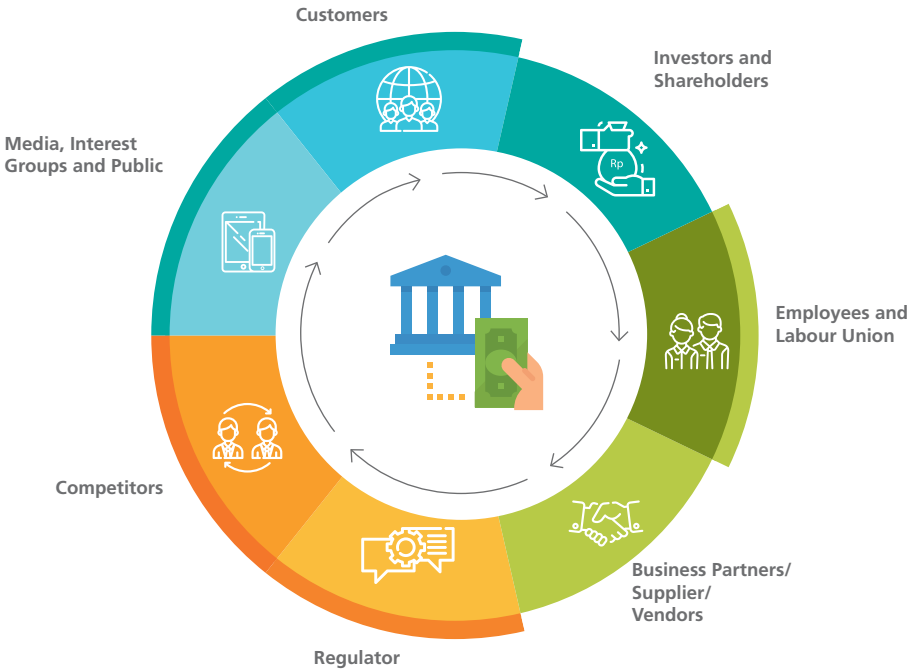
ACCESS TO INFORMATION AND CORPORATE DATA

To implement the principles of transparency and accountability, the Company at all times maintain good communication with stakeholders, namely regulators, shareholders, customers, employees of the Company, business partners, and public. The efforts to continue fostering good relations to the stakeholders, are conducted through the means of communication policy.

The Company communication policy is set in the Communication Function and Information Section as well as the Information Disclosure in The Guide Lines for Corporate Governance. To support the implementation of the principle of transparency and policy, Company provides the access to information and company data to the public through a number of communication lines further explained below:

Stakeholders Involvement

Company stakeholders are parties related to the company's business activities and affects the company sustainability significantly.



The Company works together and interacts with the stakeholders through the process of involvement needed and formal. Interactions with the stakeholders mainly managed by Corporate Secretary Division.

Furthermore, Company administers various internal communication line to create fluency, intensity, and effectivity in the internal information in disseminating company information which will accelerate the process and mechanism in all lines of the company.

Name of Stakeholder	Importance	Means of Involvement	Frequency
Customer and client	• Product information and banking services as well as the security of customer privacy • Providing the best for banking solutions for the stakeholders • The development of banking solutions departs from the customer needs and carried out by paying attention to the protection and safety of the customers, while also performing it consistently and continuously • Provide solution to transaction problem, and to use banking product or service	**HALO BCA** Contact Center 1500888 Website and Social Media	All the time
Investor and Shareholder	Financial performance and the implementation of the principle of prudence and corporate governance	1. GMS 2. Quarterly Report 3. Annual Report Continuous Report	1. Once a year 2. Quarterly 3. Once a year
Regulator (Financial Services Authority and Bank Indonesia)	Approval and implementation of the principle of prudence and a well corporate governance	- Monthly Report - Quarterly Report - Information Disclosure Related to the Affiliated Transaction - Explanation of Information for Mass Media - Submission of proof for the Annual GMS & Extraordinary GMS Information, Report Summary for the Finance Consolidation - E-Reporting of GMS preliminary notice, GMS plan, Monthly Report, Plan for Public Expose, - Delivery of Press Release regarding Financial Statements, Photocopy of the Annual GMS & Extraordinary GMS tract, Newspaper Ads - Submission of Proof for the preliminary notice for GMS - Report and Announcement of the Dividend Distribution Schedule - Report of Ownership or Report in Changes of Share Ownership	According to regulations (Monthly, quarterly, and incidentally)

Name of Stakeholder	Importance	Means of Involvement	Frequency
Public Community	Programs and opportunities for empowerment through community programs and Corporate Social Responsibility (CSR).	a. Continuous Reports b. BCA Service Pillar: - BCA Smart Solution - BCA Synergy Solution - BCA Superior Business Solution	All the way
Media	Information and corporate data, among others regarding the financial condition of the company, product, and corporate action	Press Release	If Needed
Business partner/Supplier/ vendor	• Procurement of goods and/ or services, type of need/information specification and company data, process to becoming partners. • Input, advice and other information.	- Website - Beauty Contest - Code Ethics Related to Vendors - Logistic Division (Procurement Aspect)	If Needed
Employee	Industrial relations and matters related to welfare, rights, and worker obligations	Internal Communication through BCA info, BCA Update, MyBCA, Visual Audio means, Halo SDM-Call center for BCA staff, Sharing Session, GCG article series, services and/or banking facilities	All the time

Information and Product Transparency

Company has provided clear, evident, and current informations regarding the company products which can be easily obtained by the customer in accordance with the provisions of the Financial Services Authority (OJK)/ Bank Indonesia among others:

- The Company Website should always provide complete and up-to-date information regarding the company's product and services;
- Leaflet, brochure, Plasma TV, or other written forms at each of the company's branch offices throughout Indonesia which contain information on bank products to facilitate customer understanding;
- The Company Officers such as The Relationship Officer, Account Officer, and Customer Service in all branch offices will enthusiastically provide information on products/services and solutions needed by customer;
- Product Information, services and/or banking facilities provided are clear, precise, and accordance with customer needs;
- The product information, services and/or banking facilities provided to customer can be read clearly and understandable;
- It has been regulated in the account opening form regarding the agreement to provide customer data, customers who approve the provision of such data must sign in the column provided;
- The company has published product information, services and/or banking facilities in accordance with Bank Indonesia/Financial Services Authority regulations regarding the transparency of the Bank Product Information and use of Customer's Personal Data.

Means

For the Company, business management is not only about pursuing profitability. The Company also constantly strives to provide the best banking solutions for stakeholders. To offer the best banking solutions, the Company provides a means of communication, including through:

- Access to Information (for customers, media, shareholders, public);
- The Company Website;
- Social Media;
- Press Conference;

- Correspondence to Financial Services Authority and Indonesia Stock Exchange;
- Internal Communication;
- Bakorseni.

Access to Information

The Company at all times provides convenience to access information and data of the Company, reporting procedure and/ or problem solving, for stakeholders and public, regarding the Company's financial condition, banking products and corporate actions. The Company also conducts press releases disseminated to print and electronic media.

For further information and Corporate data can contact the following:

1. Customers may contact:

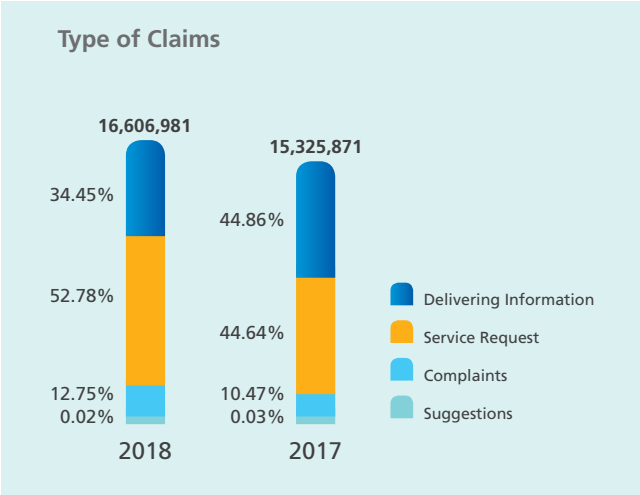
   Halo BCA call center
   - Phone : 1500888.
   - Email : halobca@bca.co.id.
   - Twitter : @halobca.
   - Halo BCA Chat : www.bca.co.id.
   - Video call at major branch office : BSD, SCBD, Alam Sutera, Thamrin, Matraman, Darmo, and myBCA.
   - Video Banking at myBCA Gandaria City, Bintaro Xchange, Central Park, Kota Kasablanka, Emporium Pluit, Ciputra World Surabaya, Grand City Surabaya, BCA Learning Institute Sentul.

   Service level at Halo BCA

   Service Level acceptance of customer contact:
   - Response time for phone calls : 20 seconds
   - Response time on Twitter : 3 minutes
   - Response time for Halo BCA Chat : 3 minutes
   - Response time to emails : 1 hour

   Service Level Agreement (SLA)

   Problem solving varies from 1 (one) business day up to 30 (thirty) work days based on the type of problem. Currently 99.26% of issues submitted through Halo BCA are completed in accordance with the SLA. The number of customers contacting Halo BCA as of 2018 reached 16,606,981 (sixteen million six hundred six thousand nine hundred eighty one).



   Type of customer claims divided in the following criteria:

   a. A total of 34,45% through delivery of information.
   b. A total of 52,78% through customer service (ex: blocking, activation, etc).
   c. A total of 12,75% through customer complaints.
   d. A total of 0,02% through customer suggestions.

2. Media may directly contact Corporate Secretary, Public Relations Aspect via email: humas@bca.co.id

3. Communication related to investor relations is made through website publication (www.bca.co.id) accessible for public. The information published through company website under Investor Relations section includes:
   - Financial Information (Financial Highlights, Monthly Financial Statements and Quarterly Financial Reports including Analyst Meeting materials and other publications).
   - Annual Report.
   - BCA Shareholder Information.
   - Credit Rating.
   - Investor News.

   The Information is published in accordance with requirements from regulators and investors, Capital Market community and shareholders. Through company website, the investors, Capital Market community and shareholders can also register their emails to obtain quarterly financial information publication.

4. The Company also provides investor relations email at investor_relations@bca.co.id to communicate with its investors, Capital Market community and shareholders, should there be any questions related to the Company's financial and business information or suggestions for the purpose of improving Investor Relations. Investor Relations can be contacted through:

   Investor Relation Contact
   PT Bank Central Asia Tbk
   Menara BCA 20th Floor
   Jl. MH Thamrin No.1
   Jakarta
   Phone. : +62 21 235 88000
   Email : investor_relations@bca.co.id

Company Website

Given the growing popularity of smartphone usage, the Company website (www.bca.co.id) is more easily accessible with a customized design for mobile users (mobile responsive design). the Site also provides an online registration form for those interested in the various services of the Company, which will be later followed up by the Company. These are all intended to facilitate customers and potential customers to immediately feel the benefits from the Company's products and services.

The Company website presents a variety of interesting and useful articles and also contains financial and banking information and other disclosures of information. Some company activities, such as analyst meetings, financial reports, and various corporate social responsibility activities of the Company are also regularly presented on the Company website. This is in line with the Company's commitment to maintain, at all times, the disclosure of information for the purpose of implementing Good Corporate Governance.

Company Media Social

In today's digital age, social media is growing rapidly and becoming an effective means of communication for the Company. The Company social media is used among netizens. Currently the company adopts various social media platforms such as:

- Twitter account (@XpresiBCA,@GoodLife, @BizGuideBCA,@HaloBCA,@BankBCA,@ KartuKreditBCA),
- Facebook (/XpresiBCA,/GoodLifeBCA, / BizGuideBCA, /BankBCA,/KartukreditBCA),
- Youtube (Solusi BCA),
- Kaskus,
- Slideshare (www.slideshare.net/SolusiBCA),
- Linkedln BCA,
- Instagram (@goodlifeBCA),
- Line (@BankBCA).

Through those social media accounts, the Company intends to build a more solid interaction with customers and others who have not become customers of the Company. Such step also serves as an evidence for the Company's serious intention to always be present in the community.

In addition to the interaction by using social media listening tools, the Company also continues on creating innovations to be able to respond to various complaints and suggestions from social media users on a real time basis. Real time interaction can be conducted through VIRA or Virtual Assistant Chat Banking of BCA. VIRA channels can be accessed via kaskus Chat, BCA Facebook Messenger, and BCA LINE chat application. Through VIRA chat, customers can obtain information related to promos, checking of balance and movements, exchange rates, ATM info, credit card info, and other access to banking services.

Throughout 2018, the Company actively conducted campaign activities of social media related communications which included:

1. Campaigns related to the updates of the Company's banking products to communicate the benefits of the products to potential markets.
2. Campaigns related to education of safe banking transactions for the public.
3. And campaigns related to the Company's promotional.

The Company's official accounts and social media activities are accessible at www.bca.co.id/social media. The Company consistently strives to maintain its existence to the public.

List of Press Release

The Company's press releases represent the implementation of good corporate governance principles, particularly the principle of transparency. During 2018 there were 163 (one hundred sixty three) press releases made by The Company which include among others:

No.	Press Release Title	Date
		January
1	BCA Participates in Applying Market Standard for REPO Transactions	12
2	Encouraging People's Business Credit Distribution, BCA Distributes Rp25 Billion UMKM Loans through KlikACC	15
3	Support HR Development, BCA Holds Benchmark & Best Practices Sharing with ITB & Unpad Staff	17
4	BCA Gives Rp250 Million in Assistance for Handling Measles and Asmat Bad Nutrition Outbreaks	21
5	BCA Wins Two Awards at the 20th KSEI Anniversary	24
6	Support the National Non-Cash Movement, Flazz BCA is Ready to Serve Transaction of All Toll Roads in Lampung	29
7	BCA Signs Cash Management Cooperation with Bethel Indonesia Church	29
		February
8	BCA Holds Excellent Service Training in West Belitung	1
9	Supporting HR Quality Development, BCA Holds Excellent Service Training for Kopi Sirap Hamlet, Mount Kelir	7
10	Enliven the 61st BCA Anniversary, BCA Expoversary 2018 Held	9
11	BCA Flazz Chinese New Year Edition Sold well at BCA Expoversary 2018!	10
12	2018 BCA Expoversary Success More Than 50 Thousands of Visitors Enthusiastically Packs the Event	12
13	Closer to Millennials Generation, BCA Offers a Sneaker Collection at BCA Jakarta Sneaker Day 2018	19
14	BCA 61st Anniversary of Social Activities: Care for Public Health, BCA Holds Free Medical Treatment in North Duri	20
15	61 Years of Innovation Presenting the Best Products and Services for Indonesian People	21
16	Improve Service Quality, BCA Inaugurates Borobudur KCU New Building	21
17	The series of BCA 61st Anniversary Social Activities, BCA Holds 101st Blood Donor and Submits Operational Cars to PMI	21
18	Supporting the Development of Nusantara Culture, BCA Holds the Wayang Kulit Culture Art	23
19	Provide Convenience to Customers Owning Vehicles and Ideal Residential, BCA Holds BCA EXPO 2018 in Palembang	23
20	Provide Convenience to Customers Owning Vehicles and Ideal Residential, BCA Holds BCA Expo 2018 in Surabaya	23
21	BCA 61st Anniversary Social Activity Series: BCA Holds Leadership Training for Outstanding Students of ITB and Unpad	24
22	BCA 61st Anniversary Series of Social Activities: BCA Holds Leadership Training for Achieving Students at Hasanuddin University	24
23	BCA 61st Anniversary Social Activities: Introduction of Batik Art to Students and Public Health Care Gemah Sumilir Batik Village	27
24	Fulfilling Cheap and Safe Vacation Needs, BCA Provides Special Promos at the 2018 Astindo Travel Fair	28
		March
25	BCA's 61st Anniversary Series of Social Activities: BCA Holds Free Medication & Hydroponic Education for Pentingsari Village Residents	4
26	BCA's participation in the Prof. Dr. Moestopo University Student Seminar (Beragama)	6
27	BCA Holds Socialization of Cash Management Solutions for Educational Institutions in Bogor	7

No.	Press Release Title	Date
28	Presenting Quality Products and Services for Customers, BCA Wins Indonesian WOW Brand Award	8
29	PT Bank Central Asia Tbk Performance Results 2017 - Trust Through Quality	8
30	Support the Healthy Living Society, BCA Again Holds Free Cataract Surgery in Medan	10
31	Obedient and Timely in Paying Taxes, BCA Wins Taxpayer Award	13
32	Supporting Healthy Living Communities, BCA Again Holds Free Cataract Surgery in Bogor	14
33	Support Student Development, BCA Gives Public Lecture on the Development of Information Technology in the Age of Financial Technology	16
34	Enhancing Student Competence, BCA Gives Public Lecture on the Development of Information Technology in the Digital Age	16
35	BCA Wins Enterprise Achiever Award at 2018 Obsession Awards	22
36	Solid Financial Performance in 2017, BCA Wins the Best Indonesian Retail Bank Award	22
37	Enhancing Leadership Skills, BCA Holds Leadership Training for Outstanding Students at Sriwijaya University	24
38	Caring for the Community, BCA holds Healthy Walks, Health Education and Savings and Glasses Donations for Tamansari Tourism Villagers	25
39	Support the National Non-Cash Movement, BCA Signs Cooperation with Bogor Trade Mall	25
40	BCA Holds 2018 Customer Remittance Seminar	26
41	Enhancing the Role of MSMEs for the Indonesian Economy, BCA Holds a Macroeconomic Seminar in the Digital Age	28
		April
42	Realizing the Integrated Creative Economy, BCA Supports the Making of the 'Dream of 1000 Islands' Film	3
43	Now, VIRA is present at Google Assistant	3
44	BCA Holds Annual and Extraordinary General Meeting of Shareholders	5
45	Enhancing Leadership Skills, BCA Holds Leadership Training for Achieving Students at Sam Ratulangi University	7
46	Supporting the Improvement of Education in Indonesia, BCA Holds Leadership Training for Achievement Students at Gajah Mada University	7
47	Extending Student Insights, BCA Gives Family Business Seminars to the Digital Revolution	9
48	BCA Encourages 13 Awards at 2018 Contact Center Service Excellence Award	10
49	Encouraging UMKM Growth for the Indonesian Economy, BCA Holds an Age Now Entrepreneurial Seminar	12
50	Increasing the Efficiency of the Domestic Payment System, BCA Launches BCA GPN Passport Card	16
51	Supporting the Development of Human Resource Quality, BCA Holds a Creative Selling Skill Training for Residents of 7 Guided Tourism Villages	17
52	BCA Disburses Syndicated Loans for the Batang-Semarang Toll Project	17
53	BCA Wins Award at the London Summit of Leaders Event	17
54	BCA Autodebet Gives Ease of Payment of Contribution for JKN-KIS Program Participants	18
55	Provides Convenience to Customers Owning Vehicles and Ideal Residential, BCA Expo Semarang Held	21
56	Enhancing Leadership Skills, BCA Holds Leadership Training for Outstanding Students at Udayana University	21
57	PT Bank Central Asia Tbk Results of 2018 First Quarter Performance - Maintaining a Solid Performance	23
58	BCA Provides a Seminar at the 2018 Infobank Digital Brand Awards Event	25

No.	Press Release Title	Date
59	BCA Signs Cooperation in Housing Loans (KPR) with Astra Modern Land	27
60	Supporting Improvement of Education in Indonesia, BCA Holds Leadership Training for UI and IPB Outstanding Students	29
		May
61	Increasing the Role of Women in the Field of Data Analysis, BCA Holds a Jakarta Data Girls Workshop	2
62	Support Student Development, BCA Holds Leadership Training for Outstanding Students at Cendrawasih University	5
63	Supporting Improvement of Education in Indonesia, BCA Holds Leadership Training for Achieving Students at Mulawarman University	5
64	Successfully Increasing the Role & Quality of HR, BCA Wins Award at the 2018 HR Excellence Award Event	7
65	BCA Wins Award at The Foreign Exchange Private Banks at the 2018 Bisnis Indonesia Award	7
66	Supporting HR Quality Development, BCA Holds Professional Business Ethics Training for Business Actors in Gemah Sumilir Village	7
67	Maintaining the Company's Positive Image, BCA Wins Award at the 2018 Indonesia Most Admired Companies Award Event	9
68	Creating a Healthy Living Society, BCA Holds Free Cataract Surgery in Bengkulu	10
69	Djohan Emir Setijoso Wins The Most Outstanding People Award 2018	11
70	Support Natural Ecosystem Maintenance, BCA Plant Mangroves in Ujung Kulon National Park	12
71	Successfully Providing Quality Services, BCA Wins the Top Performing Listed Companies Award at the 2018 Investor Awards Event	14
72	Supporting the Community Loves Investment BCA Becomes SBR003 Sales Distribution Partner	14
73	Preserving Indonesian Wayang Culture, BCA Holds Focus Group Discussion (FGD) "Puppet For Student"	14
74	BCA Issues Rp500 billion in Phase I Subordinated Bonds	15
75	BCA Promotes 11 Awards in the 2018 Infobank Satisfaction Engagement Awards Awards	17
76	BCA Service Hours During Fasting Month 2018	17
77	BCA Wins Award at 2018 Digital Innovation Award Indonesia Economic Event	25
78	BCA Wins Award in Indonesia's Event Top 100 Most Valuable Brands 2018	31
		June
79	BCA Provides Property Ownership Credit Facility for Mutiara Cemerlang Sinergi	4
80	Supporting the Productive Sector, BCA Distributes IDR 10 Billion KUR to PT Widodo Chicken Breeders Prospering Poultry	5
81	BCA Always by Your Side During the 2018 Eid Holiday Period	6
82	BCA Services in the 2018 Concurrent Election	26
83	BCA Once Again Wins the Best Bank Award in Indonesia and Asia	27
84	Superior in Capital Strength, BCA Wins the 2018 Best Bank Award Investor Award	29
		July
85	Encouraging Young People to Love Wayang, BCA Launches Wayang Book Movement for Indonesia	7
86	Strengthening National Identity, BCA Launches Bonded Weaving Pattern Uniforms at BCA Café 8	9
87	HaloBCA Launches the Book "Journey to Find Happiness in HaloBCA"	13
88	BCA Receives Visit from Miss Grand Indonesia 2018 at the BCA Learning Institute	16
89	Encouraging UMKM Growth, BCA Holds "One Opportunity for a Million Happiness" Workshop	17

No.	Press Release Title	Date
90	BCA Wins Again the Best Bank Award in Indonesia at the 2018 Euromoney Awards for Excellence Event	18
91	BCA Received 25 Awards in the 2018 World Asia Pacific Award Contact Center Event	20
92	BCA Disburses Syndicated Loans for the Kunciran-Serpong Toll Project	20
93	BCA Signs Home Ownership Credit (KPR) Cooperation with PT Brahmayasa Bahtera	24
94	BCA Receives Visit from The Delegation of Asian Productivity Organization (APO)	25
95	PT Bank Central Asia Tbk Results of the First Semester 2018 Performance: Maintaining a Solid Performance	26
96	BCA Holds Communication and Leadership Skill Training for 30 Pentingsari Tourism Village Managers	28
97	BCA Disburses Syndicated Loans for the Jakarta-Cikampek II Elevated Toll Road Project	31
		August
98	Consistently Presenting Latest Services for Customers, BCA Wins 2018 Service Quality Award	2
99	Encouraging Indonesian Children to Save, BCA Holds Financial Literacy in Gunung Kidul, Yogyakarta	6
100	BCA Provides Assistance in Guiding and Distributing KUR to NU Farmers in Pemalang and Jepara Areas	7
101	BCA cooperation with BPJS Kesehatan about the Limited Collection Program	8
102	BCA Disburses Syndicated Loans of IDR 1.32 Trillion for A.P Flyover Toll Road Project Pettarani	9
103	Supporting the Government to Expand the SBN Market, BCA Once Again Becomes a SBR004 Sales Distribution Partner	20
104	BCA Holds Press Conferences during the 2018 BCA Expo Bandung Event	20
105	Supporting the Release of Six Orangutans in Kehje Sewen Forest, BCA Donates Rp250 Million to BOS Foundation	27
106	Public Expose 2018 Maintains Performance Solidity	27
107	BCA Holds Service Standard Training for BCA Foster Village Administrators in Belitung	28
108	BCA Supports National Seminar: 'Awakening Transportation Sector BUMN'	28
		September
109	Celebrating the Finhacks 2018 #DataChallenge Event, BCA Holds a Roadshow in Three Cities	1
110	Providing the Best Products and Services for Customers, BCA Expo Bandung Returns	1
111	Promoting Enthusiasm in Customer Service, 10 BCA's Directors Serve Customers in National Customer Days	4
112	Promoting HR Potential, BCA Supports Inspigo Platform	4
113	Commemorating National Customer Day, BCA Invites Customers to Visit BCA Digital Service Centers	4
114	Supporting Productive Sector, BCA Distributes Rp20 Billion KUR to PT Santosa Agrindo - Beef Cattle Breeding Partner	14
115	Bandung, Last City of BCA – Finhacks 2018 #DataChallenge Roadshow	15
116	Developing Cipali Toll Road and Building BIJB Kertajati Airport Link Toll Road, BCA Disburses Syndicated Loan of Rp3.15 Trillion to PT Lintas Marga Sedaya	17
117	Optimizing Public Health, BCA Donated Rp1.315 Billion Worth of Equipments for Cataract Surgery and Blood Donation	24
118	BCA Wins Four Awards at Indonesia Banking Award 2018	26
119	BCA Demonstrates Socialization of Hedge Swap Transactions to Bank Indonesia for BCA Exporter Customers	27
120	BCA Supports Creation of Innovation and Digital Transformation Value through IKF VII	27
121	Developing Social and Environmental Programs, BCA Wins Two Awards at 2018 Social Business Innovation Award & Green CEO	27

No.	Press Release Title	Date
		October
122	Information on Palu Network Status	1
123	BCA and BCA Syariah Make Donation to Help Ease Burden of the People of Palu and Donggala	3
124	Promoting Expansion of Government Investment Instruments, BCA is Ready to Market ORI015	4
125	Promoting MSME Role, BCA Organizes 'One Opportunity One Million Happiness' Workshop in Malang	4
126	Consistently Implementing Workers' Social Security, BCA Won Paritrana Award 2018	8
127	Strengthening Innovation and Digital Transformation Value, BCA Holds Indonesia Knowledge Forum VII	9
128	Welcoming BCA Expo 2018, BCA and Sinar Mas Land to Hold Press Conference	11
129	Encouraging Spirit of Self-Protection, BCA and AIA Launch Maksima Critical Illness Protection (PRIMA)	11
130	For the Third Time, BCA Expo Returns for Customers	13
131	Providing Ease to Customers, BCA Offers to Open Tahapan BCA Savings without Passbook	16
132	Succeeding in Digitalization Development, BCA Wins DataGovAI 2018 Award	17
133	Featuring 23 Top Dealers, BCA Autoshow Surabaya 2018 is Held	19
134	Post-Disaster in Central Sulawesi, Branch Offices and ATM Resume Normal Operation	19
135	Encouraging the Youth to Love Wayang, BCA Organizes 'Wayang for Student' Show & Workshop in Bandung	23
136	BCA, First Indonesian Brand to Feature in BrandZTM Top 100 World Brands	24
137	PT Bank Central Asia Tbk First Nine Months 2018 Results Positioning for Growth	25
138	Celebrating Financial Inclusion Month (FIM), BCA Supports FinEXPO – Sundown Run 2018 and Launches Tahapan Berjangka SiMuda	27
		November
139	BCA Collaborates with Eastpring Investments Indonesia Provide Alternative Investment Solutions	5
140	Promoting MSME Role, BCA Organizes 'One Opportunity One Million Happiness' Workshop in Makassar	7
141	Halo BCA Wins 19 Awards at Contact Center World 2018	9
142	Facilitating Merchants to Purchase Kiosks, BCA Disburses Rp20 Billion Loans via PT Askara Bangun Cemerlang	12
143	Recording A Solid Perfomance, BCA Wins ASEAN Business Awards 2018	12
144	BCA Makes a Book Donation worth Rp2.553 Billion via #BukuUntukIndonesia Movement	14
145	BCA Disburses Syndicated Loan of Rp1.1 Trillion for 35,000 MW Power Project	14
146	Demo Day Finhacks 2018 #DataChallenge to Bring Forth Indonesian Data Scientists	14
147	Realizing Social Empathy, BCA Donates Rp1.345 Billion to UNICEF & WWF	16
148	BCA Donates Rp300 Million for Borehole Construction in Gunung Kidul	19
149	Promoting Healthy Life, 1,800 Runners Light Up BCA Medan Run 2018	25
150	BCA Brings Home Two Awards at Bank Indonesia Awards 2018	27
151	BCA Disburses Rp7.1 Trillion Loans to Grup Pupuk Indonesia	28
152	Successfully Becoming Inspiring Leader, President Director of BCA Jahja Setiaatmadja Wins the Best CEO 2018	29
153	Maintaining Outstanding Performance, BCA Wins Forbes Indonesia's 'Best of the Best' Awards 2018	29
154	BCA Wins the 'Healthy' Bank Accolade at Indonesia Best Banking Brand Awards 2018	30

No.	Press Release Title	Date
		December
155	Driving Sukuk Ritel Sales, BCA Wins Four Awards from Indonesian Ministry of Finance	3
156	BCA Partners with Singapore Airlines to Launch BCA Singapore Airlines Krisflyer Infinite Credit Card	3
157	Successfully Applying Banking Digitization, BCA Nabs Mobile DNA 2018	6
158	Implementing Best Governance Practices, BCA Wins the 10th IICD Corporate Governance Award 2018	10
159	Jahja Setiaatmadja Wins Indonesia Most Admired CEO 2018	14
160	Encouraging Love for Wayang, BCA Organizes "Wayang for Student", Followed by 695 Students	18
161	BCA Wins an Award at Good Governance Award 2018	19
162	As a Form of Commitment to Service Excellence, BCA Always by Customer's Side During End of Year Holiday Season 2018	20
163	Update on Sunda Strait Post-Tsunami Network Status	26

Correspondence to Financial Services Authority and Indonesia Stock Exchange

Correspondence to the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX) is part of the application and principles of good corporate governance, especially the principles of transparency and accountability. During 2018 the correspondence to OJK and IDX carried out by the Company includes:

Financial Services Authority

No	Date	Letter Number	To	Subject Matter
1	January 19, 2018	003/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
2	February 7, 2018	077/DIR/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
3	February 20, 2018	105/DIR/2018	OJK	Agenda Announcement of the Annual GMS for the Fiscal Year 2017 and the Extraordinary GMS of PT BCA Tbk in 2018
4	February 27, 2018	020/DCS/2018	OJK	Evidence Submission of Announcement for the Annual GMS & Extraordinary GMS of PT BCA Tbk (Company GMS in 2018)
5	March 8, 2018	027/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
6	March 9, 2018	136/DIR/2018	OJK	Agenda Explanation of the Annual GMS and the Extraordinary GMS of PT BCA Tbk
7	March 9, 2018	028/DCS/2018	OJK	4th Quarter 2017 Financial Report Submission (audited) of PT BCA Tbk
8	March 9, 2018	029/DCS/2018	DPB3 - OJK	4th Quarter 2017 Financial Report Submission (audited) of PT BCA Tbk
9	March 12, 2018	031/DCS/2018	OJK	Evidence Submission for the Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk & Subsidiaries as of December 31, 2017
10	March 12, 2018	032/DCS/2018	DPB3 - OJK	Evidence Submission for the Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk & Subsidiaries as of December 31, 2017
11	March 13, 2018	144/DIR/2018	OJK	Submission of Annual Report and 2017 Sustainable Report PT BCA Tbk
12	March 13, 2018	145/DIR/2018	DPB3 - OJK	Submission of Annual Report and 2017 Sustainable Report PT BCA Tbk
13	March 14, 2018	036/DCS/2018	OJK	Submission of Evidence for Calling the Annual GMS and the Extraordinary GMS of PT BCA Tbk in 2018

No	Date	Letter Number	To	Subject Matter
14	March 14, 2018	037/DCS/2018	DPB3 - OJK	Submission of Evidence for Calling the Annual GMS and the Extraordinary GMS of PT BCA Tbk in 2018
15	March 23, 2018	007/KOM/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
16	March 26, 2018	049/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
17	March 29, 2018	207/DIR/2018	OJK	Availability Explanation of Material for Recovery Plan Agenda
18	March 29, 2018	051/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
19	April 6, 2018	054/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
20	April 9, 2018	055/DCS/2018	OJK	Submission of Copy for the Deed of the Annual GMS Tract & Extraordinary GMS of PT BCA Tbk in 2018
21	April 9, 2018	056/DCS/2018	DPB3 - OJK	Submission of Copy for the Deed of the Annual GMS Tract & Extraordinary GMS of PT BCA Tbk in 2018
22	April 9, 2018	058/DCS/2018	OJK	Submission of Copy for the Deed of the Annual GMS Tract & Extraordinary GMS of PT BCA Tbk in 2018
23	April 9, 2018	059/DCS/2018	DPB3 - OJK	Submission of Copy for the Deed of the Annual GMS Tract & Extraordinary GMS of PT BCA Tbk in 2018
24	April 17, 2018	063/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
25	April 17, 2018	064/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
26	April 17, 2018	065/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
27	April 17, 2018	066/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
28	April 17, 2018	067/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
29	April 17, 2018	068/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
30	April 17, 2018	069/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
31	April 17, 2018	070/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
32	April 17, 2018	071/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
33	April 17, 2018	072/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
34	April 17, 2018	073/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
35	April 17, 2018	074/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
36	April 20, 2018	077/DCS/2018	OJK	Letter Copy Submission of the Ministry of Law and Human Rights of the Republic of Indonesia & Statement of Decision of PT BCA Tbk Meeting Resolutions
37	April 20, 2018	078/DCS/2018	DPB3 - OJK	Letter Copy Submission of the Ministry of Law and Human Rights of the Republic of Indonesia & Statement of Decision of PT BCA Tbk Meeting Resolutions
38	April 23, 2018	079/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
39	April 23, 2018	081/DCS/2018	OJK	Submission of Copy for the Deed of the Annual GMS Tract & Extraordinary GMS of PT BCA Tbk in 2018

No	Date	Letter Number	To	Subject Matter
40	April 23, 2018	082/DCS/2018	DPB3 - OJK	Submission of Copy for the Deed of the Annual GMS Tract & Extraordinary GMS of PT BCA Tbk in 2018
41	April 24, 2018	256/DIR/2018	DPB3- OJK`	Annual Report Submission of the Integrated Governance of the PT BCA Tbk Financial Conglomerate in 2017
42	April 24, 2018	085/DCS/2018	OJK	Submission of PT BCA Tbk (“Company”)First Quarter 2018 (unaudited) Financial Statements
43	April 24, 2018	086/DCS/2018	DPB3 - OJK	Submission of PT BCA Tbk (“Company”)First Quarter 2018 (unaudited) Financial Statements
44	April 24, 2018	087/DCS/2018	OJK	Submission of Evidence Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk & Subsidiaries as of March 31, 2018
45	April 24, 2018	088/DCS/2018	DPB3 - OJK	Submission of Evidence Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk & Subsidiaries as of March 31, 2018
46	April 27, 2018	090/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
47	April 27, 2018	091/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
48	April 27, 2018	092/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
49	April 27, 2018	093/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
50	April 27, 2018	094/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
51	April 27, 2018	095/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
52	April 27, 2018	096/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
53	April 30, 2018	268/DIR/2018	DPB3 - OJK	Submission of Annual Reports and Audited Annual Financial Statements of PT BCA Tbk's 2017 Subsidiaries
54	April 30, 2018	097/DCS/2018	OJK	Ownership Report or Any Change in PT BCA Tbk Share Ownership
55	April 30, 2018	098/DCS/2018	OJK	Copy Letter Submission of the Ministry of Law and Human Rights of the Republic of Indonesia & Statement of Decision of PT BCA Tbk Meeting Resolutions
56	May 4, 2018	276/DIR/2018	OJK	Ownership Report or Any Change in PT BCA Tbk. Share Ownership
57	May 7, 2018	279/DIR/2018	OJK	Ownership Report or Any Change in PT BCA Tbk. Share Ownership
58	May 7, 2018	099/DCS/2018	OJK	Submission of Advertisements for Brief Prospectus Newspapers in the Context of Continuous Public Offering of BCA Phase I Sustainable Subordinated Bonds in 2018
59	May 7, 2018	100/DCS/2018	DPB3 - OJK	Submission of Advertisements for Brief Prospectus Newspapers in the Context of Continuous Public Offering of BCA Phase I Sustainable Subordinated Bonds in 2018
60	May 14, 2018	103/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
61	May 22, 2018	298/DIR/2018	DPB3 - OJK	Submission of BCA Finance Ltd Annual Financial Report 2017 - Audited (Subsidiary of PT BCA Tbk)
62	June 5, 2018	118/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions

No	Date	Letter Number	To	Subject Matter
63	June 29, 2018	122/DCS/2018	OJK	Submission of Newspaper Ad Information for additional and / or improvement of the Brief Prospectus in the Context of the Continuous Public Offering of BCA Phase I Sustainable Subordinated Bonds in 2018
64	July 2, 2018	123/DCS/2018	OJK	Submission of Prospectus in the framework of Sustainable Public Offering of BCA Phase 1 Sustainable Subordinated Bonds in 2018
65	July 2, 2018	124/DCS/2018	OJK	Compatibility of prospectus data
66	July 2, 2018	125/DCS/2018	DPB3 - OJK	Submission of Newspaper Advertising Additional Information and / or improvements to the Brief Prospectus & Submission of Prospectus in the Context of the Continuous Public Offering of BCA Phase I Sustainable Subordinate Bonds in 2018
67	July 3, 2018	127/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
68	July 5, 2018	129/DCS/2018	OJK	Submission of Newspaper Ads Additional Information and / or improvements to the Brief Prospectus in the Context of the Continuous Public Offering of BCA Phase I Sustainable Subordinated Bonds in 2018
69	July 5, 2018	130/DCS/2018	OJK	Submission of Additional Documents
70	July 5, 2018	131/DCS/2018	DPB3 - OJK	Submission of Newspaper Advertising Additional Information and / or Repairs to the Brief Prospectus in the Context of the Continuous Public Offering of BCA Phase I Sustainable Subordinated Bonds I 2018 & Submission of Additional Documents Regarding Realization of Subordinated Bonds
71	July 27, 2018	138/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
72	July 27, 2018	139/DCS/2018	OJK	Submission of PT BCA Tbk's Second Quarter 2018 Financial Statements
73	July 27, 2018	140/DCS/2018	DPB3 - OJK	Submission of PT BCA Tbk's Second Quarter 2018 Financial Statements
74	July 30, 2018	141/DCS/2018	OJK	Submission of Evidence Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk & Subsidiaries as of June 30, 2018
75	July 30, 2018	142/DCS/2018	DPB3 - OJK	Submission of Evidence Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk & Subsidiaries as of June 30, 2018
76	August 1, 2018	143/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
77	August 14, 2018	147/DCS/2018	OJK	Ownership Report or any change in share ownership of PT BCA
78	August 15, 2018	148/DCS/2018	OJK	Ownership Report or any change in share ownership of PT BCA
79	August 16, 2018	149/DCS/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
80	August 16, 2018	150/DCS/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
81	September 14, 2018	506/DIR/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
82	October 25, 2018	174/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
83	October 26, 2018	175/DCS/2018	OJK	Submission of the Third Quarter of 2018 (Unaudited) Financial Statements of PT BCA Tbk

No	Date	Letter Number	To	Subject Matter
84	October 26, 2018	176/DCS/2018	DPB3 - OJK	Submission of the Third Quarter of 2018 (Unaudited) Financial Statements of PT BCA Tbk
85	October 29,2018	178/DCS/2018	OJK	Submission of Evidence Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk and Subsidiaries as of September 30, 2018
86	October 29, 2018	179/DCS/2018	DPB3 - OJK	Submission of Evidence Announcement Summary of the Consolidated Financial Statements of PT BCA Tbk and Subsidiaries As of September 30, 2018
87	7 November 2018	181/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions
88	16 November 2018	640/DIR/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
89	21 November 2018	184/DCS/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
90	23 November 2018	653/DIR/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
91	23 November 2018	654/DIR/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
92	27 November 2018	186/DCS/2018	OJK	Submission of Evidence Announcement interim Dividend Distribution for 2018 PT BCA Tbk
93	7 December 2018	674/DIR/2018	OJK	Ownership Report or any change in share ownership of PT BCA Tbk
94	20 December 2018	192/DCS/2018	OJK	Information Disclosure in connection with the Affiliated Transactions

Indonesia Stock Exchange

No	Date	Letter number	To	Subject Matter
1	March 8, 2018	026/DCS/2018	BEI	Submission of Press Release related to Publication Information of the fourth quarter 2017 Financial Statements (audited) of PT BCA Tbk
2	April 9, 2018	057/DCS/2018	BEI	Report & Announcement of Cash Dividend Distribution Schedule for 2017 PT BCA Tbk
3	April 20, 2018	076/DCS/2018	BEI	Copy Letter Submission of the Ministry of Law and Human Rights of the Republic of Indonesia & Statement of Decision of PT BCA Tbk Meeting Resolutions
4	April 23, 2018	080/DCS/2018	BEI	Submission of Press Release related to Publication Information of First Quarter 2018 Financial Statements (unaudited) of PT BCA Tbk
5	July 26, 2018	136/DCS/2018	BEI	Submission of Press Release related to Publication Information of Second Quarter of 2018 (unaudited) PT BCA Tbk
6	August 23, 2018	153/DCS/2018	BEI	Explanation of Information in Mass Media
7	August 30, 2018	154/DCS/2018	BEI	Results Submission of the Presentation of Issuers and Press Conferences at the Public Expose - Presentation of Listed Company Performance ("Public Expose 2018")
8	October 25, 2018	173/DCS/2018	BEI	Submission of Press Release concerning Publication Information of Third Quarter 2018 (Unaudited) Financial Statements of PT BCA Tbk
9	November, 26 2018	185/DCS/2018	BEI	Report & Announcement of Interim Dividend Distribution Schedule for 2018 PT BCA Tbk

Internal Communication

Internal communication plays a pivotal role in building the character and culture of the Company and the solidity of the working teams. Seamless, intensive and effective internal communication in disseminating company information will accelerate the processes and mechanism across all lines within the Company. Therefore, good support to the Company's internal communication serves as integral part of achieving the Company's overall performance.

The content of information and media of communication are the keys to the success of internal communication. Both will complement each other as a unity so that the information can be easily comprehended, understood and followed up by employees.

With the relatively large number of employees all over Indonesia, effective internal communication serves as the key to the success of the Company in achieving its vision and mission. This is the reason why the Company recognizes the needs to devise a proper internal communications strategy aimed at creating a harmonious relationship with all employees. With the seamless, intensive and effective internal communications in disseminating company information, the Company can accelerate the processes and mechanisms across all lines.

Internal means of the Company's communication includes:

1. **InfoBCA Magazine**
   InfoBCA magazine is an internal monthly magazine of the Company that serves as a media of education, socialization, entertainment and tool to share knowledge and experiences and activities within the Company for all employees. InfoBCA magazine contains company information, banking products, banking services, networking, internal programs, awards, technology, management, and other useful information for employees. InfoBCA magazines are published in two versions, both printed and e-magazine versions (which can be downloaded from MyBCA's internal portal).
2. **MyBCA**
   MyBCA is an Internet-based internal communication. The internet network can only be accessed by internal parties within the Company by using the facilities provided by the Company. My BCA is managed by Information Technology Group in accordance with public relation aspect and other work unit in the head office. The internal web serves as a tool to convey the Company's information, business unit program, socialization of banking products, services, learning, and various other important information. MyBCA has been developed for online employment information and administration services, including healthcare fees, leave request, overtime, business trips, employee data, compensation, appraisal and others.
3. **Plasma TV**
   Plasma TV is a media of internal communication installed at strategic places within the building or area within the Company's office. The audio-visual electronic media contains information about the Company, banking products and services, business unit activities and other important information.
4. **Email**
   The Company adopts an emailing system for its internal communication media. Another internal communication built through email system includes management communication forum.
5. **Microsoft Lync**
   Through Microsoft Lync facility, the Company's employees can send data or information via PC (Personal Computer) and communicate with each other similar to chatting features on modern gadgets. The Microsoft Lync facility is very useful for urgent matters, since incoming messages directly appear on the screen along with the accompanying incoming message alert. In addition, the Microsoft Lync facility can also be used to transmit large files or data.

6. **Internal Event**
   Internal communication is also built through various internal events such as:
   a. Celebration of the Company's anniversary;
   b. Lunch Together with Management;
   c. Gathering, such as Christmas/ New Year and Eid and annual activities / recreation, pension events, and others;
   d. National Working Meeting;
   e. Bakorseni activities;
   f. Knowledge sharing, such as COP (community of practice) activities, BCA Open Source etc.
7. **Corporate Identity Manual**
   It is an internal guideline for the Company, particularly for the use of corporate logo and other implementations. The standardization includes among others for the use and implementation of logos and corporate materials.
8. **Facebook Semua Beres**
   The Company utilizes facebook as a means of internal communication under the Facebook account of Semua Beres. Registered internal parties are connected to one another and can also share information and experiences.
9. **Halo SDM**
   Halo SDM is a call center service for employees, which is a means of communication to share information related to human resources rules. The facility is expected to provide an opportunity for every employee to know better, understand and comply with the Company's internal rules.

Bakorseni

In an effort to create work life balance, the Company through the Learning and Development Division, particularly through Work Life Balance Aspect, manages sports and arts communities to allow employees to engage in their hobbies in sports and the arts. These communities are coordinated by BCA Sports and Art Coordinating Board (Bakorseni BCA).

The purpose of the community is to involve all employees to develop their potentials in sports and art to balance their work activity as well as to strengthen relationships among employees to create togetherness and friendship. It is expected that these activities can create a work life balance that makes employees stay healthy and improve their productivity.

Bakorseni activities include:
1. Sports including Football, Futsal, Volleyball, Basketball, Badminton, Table Tennis, Chess, Cycling, Tennis, Bowling, Hiking, Running, Fishing, Karate, Freeletics.
2. Art including choir, band, photography, and dance.

As a mean to promote engagement, the Company also held Pekan Olahraga dan Seni (Sports and Arts Week Activity), in the regional scope (regional office/ Jabodetabek) or national scope.

Bakorseni also participates in events or games such as Interbank Sports Week - organized by Bank Indonesia (POR BANK) or sports events organized by the National Banking Association (Perbanas), Financial Services Authority (OJK) and Regional Banking Consultative Body (BMPD).

Bakorseni Activities in 2018:
1. Jabodetabek Porseni commemorates the 61st Anniversary of the Company on 3-24 February 2017 at GOR Pertamina, Jakarta involving officers from Jabodetabek Regional Offices, Head Office and Subsidiaries.
2. Sports Division conducts regular exercises and activities with communities registered within the Company at Head Office or Regional Offices.
3. Art Division conducts regular exercises, friendly competition activities and participates in various events in a number of activities conducted by internal and external parties.

CODE OF ETHICS

The Company's Code of Ethics serves as a reference for Company employees in making decisions and actions or working professionally. The Code of Ethics provides reference on what is expected from the Company employees in their relationships with customers, shareholders, other employees, suppliers/partners, the government and the people where the Company located.

In making every decision and action in representation of the Company, the Company Employees are demanded to fulfill the highest standards of integrity, including in cases where said standards are not stipulated in prevailing laws and regulations in Indonesia.

The main principles in the Company's Code of Ethics are:
1. Professionalism;
2. Integrity;
3. Excellent team;
4. Prime service;
5. Social care.

Cores of the Company's Code of Ethics for Bankers

The cores of the Company Code of Ethics for Bankers comprise:
1. Comply with existing laws and regulations.
2. Maintain the good name and reputation of the company and safeguard corporate assets.
3. Maintain the confidentiality of the company and customer data.
4. Ensure that personal interests do not conflict with the interests of the company or customers.
5. Accurately record all transactions according to applicable policies.
6. Nurture and maintain a harmonious working environment and healthy competition.
7. Will not abuse their position and powers for personal or family interests.
8. Will not commit an act of misconduct that may be harmful to their professional image and the company reputation in general.
9. Will shun all forms of gambling or speculation.
10. Will constantly build their knowledge and broaden their horizons by keeping abreast of developments in the banking industry in particular and the business world in general.

Enforcement of Code of Ethics

The Company's Banking Code of Ethics is enforced on everyone in the Company, namely members of the Board of Directors, members of the Board of Commissioners and Company employees.

Socialization

In line with the Board of Directors Decision Letter No. 778/SK/DIR/1995 On The Company's Code of Ethics for Bankers, the Code of Ethics applies to members of the Board of Commissioners and Board of Directors, and the company employees. Efforts to socialization the Code of Ethics include:
1. Providing the Company's Code of Ethics in pocketbook form to be distributed to all Company employees. Employees sign a statement asserting that they understand and promise to observe and implement The Company's Code of Ethics for Bankers to guide their conduct and behavior both inside and outside of work. In line with the policy to implement a Company Whistleblowing System as stipulated in the Board of Directors Decision Letter No. 146/SK/DIR/2017 dated November 1, 2017, violations of the code of ethics may be subjected to reports in the whistleblowing mechanism.
2. The Company's Code of Ethics for Bankers is available at the Company's internal website portal (MyBCA) and the Company's website under Corporate Governance.
3. Socialization on discussions of the code of ethics, including on the bank's confidentiality, positions' confidentiality, fraud and other subjects are done through sharing sessions or COP (Community of Practice) in every Division/Work Unit at the Company.

Code of Ethics Related to Anti-Corruption

The Company implements its compliance to anti-corruption regulations to ensure that its business activities are in line with the principles of prudence and good corporate governance. The Company individuals are committed to creating an anti-corruption culture in all aspects of their work. The realization of said commitment is reflected in policies and implementations.

Anti-Corruption policies

Anti-Corruption policies in the Company's Code of Ethics include:
1. Ensure that personal interests do not conflict with the interests of the company or customers.

2. Will not abuse their position and powers for personal or family interests.
3. Will not commit an act of misconduct that may be harmful to their professional image and the company reputation in general.

Implementation Procedures

Procedures to implement anti-corruption policy and culture can be found in :

1. Whistleblowing System Policy (detail information can be viewed in section Whistleblowing System page 449 in this Annual Report).
2. Code of Ethics related to vendors.
3. Anti-Gratuity Policy (detail information can be viewed in section Anti-Gratuity page 451 in this Annual Report).
4. Conflict of Interest Policy (detail information can be viewed in section Introduction page 290 in this Annual Report).
5. Annual Disclosure (detail information can be viewed in section Introduction page 298 in this Annual Report).

The Company implements the internalization of anti-corruption values through sharing sessions, familiarization, articles in internal website portal, plasma TV, the Info BCA magazine and other internal communications media.

Code of Ethics Related to Vendors

In doing their duties, the Company employees often have to work with vendors. Therefore, the Company employees will need to observe Code of Ethics that relates to vendors, including :

1. In carrying out their duties, all Company employees must maintain the good name and reputation of the Company, including but not limited to :
   a. Maintaining self appearance and behavior in line with ethics and good manners (actions and words).
   b. Not excessively compromising in vendor pre-qualifications and verification of vendors' bills.
   c. Avoiding meetings that will influence or be perceived as influencing decisions in their duties.
2. Avoiding situations where vendors' behaviors lead to personal gain and/or harm the Company.
3. Maintaining the confidentiality of the Company's and vendors' data obtained while carrying out their duties and not using them for personal gain.
4. Proactively providing information to the management or the authorities of any family relationship or affiliation with vendors that may potentially influence objectivity in carrying out jobs.
5. Not taking any profit out of vendors' mistakes.
6. Neither requesting nor receiving any form of money/gift/parcel/service and not binding themselves on any debt transactions.
7. Returning all forms of money/gift/parcel/service in line with prevailing regulations and proving such returns with a letter signed by Work Unit Head and a receipt of a return of goods.
8. Always preventing any conflict of interest in dealing with vendors.

In procuring goods and/or services, work units must apply good corporate governance. To implement principle of transparency, procurement of goods and services must be as follows:

- Ensuring that requirements, authority and processes of procurement are in line with prevailing internal and external policies.
- The Company's procurement policy comprises the mechanism of Procurement of Goods And/Or Services Related To Information Technology and Provisions of Procurement of Logistics and Building Goods/Services.
- Logistics and building goods/services procurement procedure is preceded by an analysis, comprising preparation of documents, price quotation, price review and analysis, announcement and issuance of cooperation agreement.
- Procedure of procurement of goods/services related to technology comprises, among others, trial and end-user computing, implementation of multi-principal/multi-vendor/multi-brand, etc.
- Core policies of procurement of goods/services can be downloaded on the Company's website under Corporate Governance - Policies/Reports.
- Company have notice professional and credibility of vendors.

During 2018, the Company was held the procurement and/or appointment process of supplier/contractor/vendor in line with Company provisions related to Procurement of Goods/Services/Information Technology and others regulations.

Enforcement of the Code of Ethics and Sanctions for Breach of Code of Ethics

1. The policy and Code of Ethics are binding in nature and must be understood and implemented in all earnestness by all the Company employees to support the fulfillment of Good Corporate Governance principles.
2. In the event of a breach or non-compliance with provisions in the Company's policy and Code of Ethics, the offender is liable to sanctions according to the severity of the wrongdoing. Any decision on this matter shall be made by the Company in proportion to the type and severity of the offense and based on a comprehensive evaluation of the individual who has committed the act of misconduct.

Types of Sanctions for Breaches

Breaches of the code of ethics are subject to sanctions in accordance with the severity of the violation. Sanctions are stipulated in the Collective Labor Agreement, including principal sanctions and additional sanctions. Principal sanctions can be in the form of Verbal Warning, Written Reprimand, Written Warning, demotion or termination. Additional sanctions can be in the form of job transfer, delay of promotion, delay of salary increase, revocation of facilities attached to the offender's office, dismissal and/or other sanctions in line with prevailing laws.

Amount of Resolved Cases of Breach of Code of Ethics in 2018

In 2018, 71 (seventy one) cases of breach of code of ethics were resolved. The recapitulation is as follows :

Year	Type of Sanction	Total	Status
2018	Written Warning I	47	Solved
	Written Warning II	14	
	Written Warning III	10	

CORPORATE CULTURE

Corporate Culture consists of Corporate Vision, Mission and Values. Vision and Mission are foundation, direction and guidance for all the Company employees in carrying out the Company's duties. Meanwhile, the Company Values give moral guidance for all the Company employees in carrying out the Company's vision and mission.

The Company's Vision, Mission and Values are as follows :

Company Vision

To be the Bank of choice and a major pillar of the Indonesian economy.

Company Mission

- To build center of excellence in payment settlements and financial solution for businesses and individuals.
- To understand diverse customers needs and provide the right financial service to optimize customer satisfaction.
- To enhance our corporate franchise and stakeholders value.

Company Values

1. **Customer Focus**
   Paying attention to, understanding and providing services to fulfill customers' specific expectations and/or needs.
2. **Integrity**
   Persistence in upholding honesty, openness and consistency in carrying out roles/duties in various situations and conditions to build customers' trust.
3. **Team Work**
   Interaction and synergy based on understanding on the self and others to reach organizational goals.
4. **Continuous Pursuit of Excellence**
   Consistent efforts to be the best in order to give added values for customers.

Understanding on the Company Mission, namely:

1. Building an institution of excellence in providing payment settlement and financial solutions for individual and business customers, in the sense that the Company builds an institution of excellence in all forms of payments, including all payment activities in banking.
2. Understanding customers' diverse needs and providing accurate financial services for the sake of customers' optimal satisfaction, in the sense that the Company understands customers' needs comprehensively in accordance with customers' needs.
3. Improving the Company's franchise and stakeholder values, in the broad sense that includes the totality of the Company's values, including tangible and intangible values. Value for stakeholders reflects the Company's flexibility in accommodating the interests of various parties.

Socialization of Vision, Mission and Values

Socialization program of Vision, Mission and Values include:

1. Socialization sessions involving all work units and Company employees, such as COP, team sharing sessions and weekly briefing.
2. Coordination Meeting/Quality Meeting involving all of the Company's Regional Offices.
3. Career development programs (Management Development Program/MDP and Manager Development Program/P2M), special forums such the Account Officer (AO) Forum and special groups such as Project Management Office (PMO).
4. Videos on the Company's internal website portal.
5. E- learning.
6. Info BCA magazine (monthly internal magazine).
7. Screen saver and mouse pad for employees' PC.
8. Internal training.
9. Internal Culture Video Clip.
10. Company Handbook.
11. Comic books distributed to all employees.
12. Games.
13. Other media.

Introduction of Corporate Culture for New Employees

Introduction of Corporate Culture is done through an induction program for all new employees. Introduction of Corporate Culture consists of introduction of the Company Vision, Mission and Values. Games are among the most effective learning methods to introduce the company's vision, mission and values to new employees from Generation Y.

The Company's current Vision and Mission has been evaluated by the management in 2014. Current Vision and Mission are still in line with the Company's strategic direction.

SHARE OPTION

In 2018, the Company did not launch any Share Option program.

SHARES BUY BACK

In 2018, the Company did not launch any shares buy back.

OTHER CORPORATE ACTIONS

Other than the above, the Company conducted other corporate actions in 2018, namely as follows :

1. **Disclosure of Recovery Plan 2018**
   - In accordance with the Financial Services Authority Regulation No. 14/POJK.03/2017 concerning Recovery Plan for Systemic Banks, the Company as one of the systemic banks must compile and submit recovery plan to the Financial Services Authority.

- The Company's Annual General Meeting of Shareholders was approved the Company's Recovery Plan as recorded in the supervision of the Financial Services Authority based on a letter from the Financial Services Authority No. S-17/PB.3/2018 dated March 14, 2018, on PT Bank Central Asia Tbk's Recovery Plan Year 2018.
- The Recovery Plan is prepared to respond to financial stress experienced by carrying out one or several recovery options so that bank can restore its financial condition and business viability.
- A general overview of the actions the Company will do to resolve financial problems during crises is compiled as a list of Recovery Options based on 4 (four) major aspects, namely recovery options for financing, liquidity, rentability and quality of assets.
- The plan will be reviewed periodically and will be adjusted to the applicable rules and regulations.

2. Issuance of Subordinated Bonds

In 2018, the Company issued Subordinated Bonds under a sustainable public offer scheme. The name of the Subordinated Bonds is "BCA's Sustainable Subordinated Bonds I of Phase I of Year 2018". The Company has gained Financial Services Authority approval through Letter No. S-55/PB-33/2018 dated April 12, 2018 on the Approval of Issuance of Sustainable Subordinated Bonds I of Phase I of Year 2018, wherein the Financial Services Authority in principle has no objection on said obligation issuance plan and has recorded the plan in Financial Services Authority supervision administration.

The Company has published the issuance of the subordinated bonds on :

Date	Publication Media	Note
May 4, 2018	• Investor Daily • Company Website	Delivery of Brief Prospectus in the sustainable public offer I of Phase I of Year 2018
June 28, 2018	• Investor Daily • Company Website	Delivery of additional information and/or revision of Brief Prospectus in the sustainable public offer I of Phase I of Year 2018
July 5, 2018	• Investor Daily • Company Website	Delivery of additional information and/or revision of Brief Prospectus in the sustainable public offer I of Phase I of Year 2018

Brief prospectus and additional information can be downloaded from the Company's website under Investor News

The Company has 2 (two) series of Subordinated Bonds, namely Subordinated Bonds Series A and Series B, each of which is offered 100% (one hundred percent) of the Subordinated Bond Principal.

Subordinated Obligations are issued scriptless except for the Bonds Jumbo Certificate issued by the Company on behalf of Indonesia Central Securities Depository ("KSEI"). This Subordinated Bond gives people the choice to choose the Subordinated Bonds Series as they wish, namely as follows:

- Series A : The amount of Series-A Subordinated Bonds being offered will be at maximum Rp435,000,000,000.00 (four hundred and thirty five billion Rupiah) with a fixed interest rate of 7.75% (seven point seven five percent) per annum. The tenor for Series-A Subordinated Bond is 7 (seven) years starting from the Date of Emission. The Subordinated Bond is paid in full (bullet payment) on its date of maturity.
- Series B : The amount of Series-B Subordinated Bonds being offered will be at maximum Rp65,000,000,000.00 (sixty five billion rupiah) with a fixed interest rate of 8.00% (eight percent) per annum. The tenor for Series-B Subordinated Bond is 12 (twelve) years starting from the Date of Emission. The Subordinated

Bond is paid in full (bullet payment) at its date of maturity.

Interests of the Subordinated Bond is paid every quarter (once every 3 months) since the Date of Emission, without the option to accelerate the payment of the Subordinated Bond Interest.

The first Subordinated Bond Interest was paid on October 5, 2018, while the final Subordinated Bond Interest and the maturity date of the Subordinated Bond will be paid on July 5, 2025, for Series-A Subordinated Bond and on July 5, 2030, for Series-B Subordinated Bond.

PROVISION OF FUNDS TO RELATED PARTY AND LARGE EXPOSURE

Related party and large exposure disclosures are prepared in reference to the Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 concerning the Implementation of Good Governance for Commercial Banks under Report of Corporate Governance Implementation.

Provision of Funds to Board of Directors and Board of Commissioners Policy

The Company has policies in regards to the provision of funds to the Board of Directors and Board of Commissioners, regulated in:

- Credit Provision Manual for SME, Corporate and Consumer;
- Credit Approval to Related Parties Mechanism Policy; and
- Basic Bank Lending Policy PT Bank Central Asia Tbk issued on January 23, 2018;

(hereinafter referred to as, "Provision of Funds to the Board of Directors and Board of Commissioners Policy).

The Provision of Funds to the Board of Directors and Board of Commissioners Policy regulates that the provision of funds to the Board of Directors and Board of Commissioners is given at arm's length basis and with market interest rates, thus in its implementation must comply with:

- Provision of funds to related parties may not conflict the general lending regulation and procedure and must generate reasonable profit to the Company.
- The credit terms to related parties policy, particularly in regards to the credit interest rated and the form or type of loan will be in accordance with the Company's general credit regulation.

Provision of Funds to Related Parties Policy

Provision of funds to related parties and large exposures are always conducted with reference of prudential principles, through review and mechanism according to the Company's policy and with compliance to Bank Indonesia regulations and other prevailing rules and regulations, including the Legal Lending Limit (LLL). In addition, the provision of funds to related parties must be approved by the Board of Commissioners in an independent manner.

Throughout 2018, the Company provides funds to related parties, large exposure and to the Board of Directors and Board of Commissioners according to the regulation.

Provision of Funds to Related Parties and to Individuals and Large Exposure in the Company during 2018:

Provision of Funds	Total	
	Debtor/Group	Nominal (Rp Million)
To Related Parties	204	11,155,600
To Main Debtors: a. Individual	50	124,251,730
b. Group	30	162,922,004

Detail of Related Parties transaction can be viewed in Financial Report Section 47 page 683 in this Annual Report.

STRATEGIC PLAN

The Board of Directors and Board of Commissioners build effective communication in aligning the Company's strategic plan in banking. The Board of Directors led the company in maintaining business sustainability by bringing forward the strategic goals. The Board of Directors had a process of reviewing, supervising and monitoring the implementation of the company's strategic plan according to the internal policy and the regulations. During 2018, review has been held through Joint Meeting of BOC & BOD related to Corporate Strategic Plan involving related working unit.

The banking industry continues to experience dynamic changes as the development of the economy, business environment, digital technology, and the uprising of financial technology (fintech) start-ups. The consumer's behavior and preference for banking products and services are also changing. Thus, the Company constantly reviews business strategies for the short, medium and long term as outlined in the Company's Strategic Plan in the form of Bank Business Plan (RBB) and Annual Work Plan and Budget (RKAT). The Company prepares the Company's Strategic Plan with due observance to Financial Services Authority Regulation No. 5/POJK.03/2016 dated January 26, 2016 concerning Bank Business Plan and Financial Services Authority Circular Letter No. 25/SEOJK.03/2016 dated July 14, 2016 concerning Business Plan of Commercial Banks.

As part of the direction and strategic steps for the Company to achieve its vision and mission, the Company designs and develops business-oriented initiatives to meet its customers' evolving needs.

The Company's Strategic Plan in 2019

In 2018, the Indonesian economy successfully overcame several challenges and caused by the global economic conditions, and GDP grew 5.2%. Stepping into 2019, we believe in the resilience of Indonesia's macroeconomic conditions and the banking sector to face dynamic changes on the global stage. The realization of infrastructure projects initiated by the Government and the large contribution of domestic consumption will support better economic growth. We are optimistic that the Indonesian economy has great prospects and long-term potential.

Supported by economic growth, the Indonesian banking sector will continue to grow in 2019. The sector has a strong foundation with a healthy capital adequacy ratio of 23.0%. The non-performing loans ratio is at a tolerable 2.4%. Proactively the regulator helped maintain the liquidity conditions of the banking sector.

The banking sector certainly needs to be aware of liquidity risk and must pay attention to the risk of decreasing credit quality. The pace of credit growth was higher than the increase in third party funds in 2018, thus tightening the sector's loan to deposit ratio.

Rapid technological developments will continue to encourage banks to improve the efficiency of the banking transaction process and innovate digital products and services. The banking sector also needs to be wary of the rapid growth of fintech companies that start to disrupt the banking sector. The growth of fintech companies has also created new opportunities for collaboration with banks.

Indonesian banking assets are expected to grow in line with domestic economic growth. We believe the Indonesian banking sector has great potential going forward. BCA will consistently invest in developing its transaction banking network and capabilities, exploring untapped opportunities for lending in various segments. The business development of the subsidiaries will also strengthen BCA group's performance and relationships with customers. The following are BCA's strategic steps for 2019 in the areas of payment settlement services, lending, other banking solutions and subsidiary business development.

I. **Payment Settlement Services**

   Enhancement of payment settlement services is one of BCA's top priorities and supports solid CASA funds collection. Product and service development along with investment in multi-channel network infrastructure are directed at increasing customer experience and oriented towards improving the convenience, security and reliability of the transaction banking system.

BCA will continue to assess developing customer needs and capture opportunities to increase the number of customers in various segments. With the use of the latest technological developments, BCA continues to develop products and services and ensures that the transaction banking system's capacity and capabilities will grow over time. Mobile and internet banking services will always be improved in accordance with trends in smartphone and internet usage. Collaboration with fintech and e-commerce businesses will continue to expand the franchise and the BCA transaction banking ecosystem.

In line with the development of transaction services across various e-channels, the role of branch offices will be more focused on building relationships with customers. Investments in the expansion of the branch office network will be focused on cash offices and BCA Express, non-permanent branches equipped with digital devices. Gradually, BCA will continue to increase automation in aspects of branch services and operations. Employees at branch offices will be more equipped with the ability to interact and build relationships with customers, so they can provide better and more comprehensive banking services.

II. Prudent Lending

Solid capital, healthy liquidity and a large transaction banking customer base provide significant opportunities for BCA to increase its loan portfolio for both the business and individual segments. The Bank will continue to improve credit infrastructure, while maintaining prudence. BCA maintains a diversified loan portfolio to minimize concentration risk. BCA will also monitor movement in market interest rates and adjust credit pricing accordingly.

In 2019, it is estimated that credit for the business segment will continue growing at a faster rate than consumer credit, given the sensitivity of the consumer segment to interest rate trends. In the corporate segment, BCA prioritizes lending to leading corporations with a good track record. Providing credit to corporate debtors will support the Bank's efforts in financing throughout the business chain and create opportunities for the provision of more comprehensive banking products and services. In the commercial and SME segments, BCA will strengthen the functions of commercial business centers and SME centers to explore business opportunities and enhance the credit process. Special credit products and schemes continue to be developed to cater to loan demand.

Demand for consumer loans is also expected to grow slower than business loans in line with the higher cycle of interest rates. One of the challenges faced in efforts to increase consumer lending is the large portion of repayments settled each year. To stimulate demand for consumer loans, BCA will continue to offer attractive products and organize special events. BCA will increase mortgage-base lending activities, enhance synergy with subsidiaries in offering vehicle loans and conduct credit card promotions according to customer segmentation.

To support the lending process, BCA always equips account officers and relationship officers with knowledge of credit products, the ability to build relationships with customers and to understand customer businesses. The use of technology will also play a role in simplifying credit processing.

III. Comprehensive Banking Solutions and Business Development of Subsidiaries

The developing variety of customer needs has encouraged BCA to continue providing comprehensive financial products and services, such as foreign exchange, trade finance, cash management and a range of products and services from the subsidiaries. BCA believes these efforts will strengthen retention and relationships with customers. Through its subsidiaries, BCA caters to customer needs for vehicle financing, remittance transactions, Sharia banking, securities and insurance.

In line with the Bank's commitment to grow together with its subsidiaries, BCA will continue to support the capital of subsidiaries according to their respective business developments. It is hoped that the subsidiaries will increase their contribution to the overall performance of BCA in the future.

TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS UNDISCLOSED IN OTHER REPORTS

The Company already adopts policies and procedures concerning the procedures for transparency of financial and non-financial condition in accordance with prevailing regulations. Information on the Company's financial condition is disclosed explicitly and transparently in several reports, including the following:

Transparency of Financial Condition

1. **Annual Report**
   a. Financial Highlights, including Overview of Shares, Board of Commissioners reports, Board of Directors reports, company profile, management analysis and discussion on business and financial performance, good corporate governance and corporate social responsibility.
   b. Annual Financial Statements audited by a Public Accountant and Public Accountant Firm registered with Financial Services Authority. The Annual Financial Statements cover a period of 1 (one) fiscal year and is compared to the previous fiscal year, and the start of the earliest comparative year.
   c. Accountability statement of the Board of Commissioners and Board of Directors verifying the content of the Annual Report. The statement is delivered in writing and bears the signature of all members of the Board of Commissioners and Board of Directors.
   d. In accordance with Financial Services Authority Regulation No. 32/POJK.03/2016 dated August 8, 2016 concerning Amendment to Financial Services Authority Regulation No. 6/POJK.03/2015 of Transparency and Publication of Bank Reports and Financial Services Authority Regulation No. 29/POJK.04/2016 on the Annual Report of Issuer or Public Company, the Company has submitted its Annual Report to Financial Services Authority and to shareholders.
   e. The Annual Reports (financial and non-financial) and the Company's Financial Statements have been published on the Company's website - www.bca.co.id with summaries of Financial Statements published in widely circulated newspapers in Indonesia.

2. **Quarterly Published Financial Reports**
   a. The Company has published its Quarterly Published Financial Statements pursuant to prevailing Financial Services Authority Regulation in newspapers and the Company's website.
   b. The financial reports in newspapers represent the Consolidated Financial Statements of Company and its subsidiaries which is published in 2 (two) newspapers and Financial Statements of Company as the holding entity is published in 1 (one) newspaper. The newspaper shall be daily national newspapers in Bahasa with wide circulation at the location where Company Head Office is domiciled. The published quarterly financial report is signed by President Director and 1 (one) Board of Directors member of Company.
   c. The published quarterly financial reports in the corporate website, both the financial statements and other reports, are maintained for at least the last 5 (five) fiscal years.

3. **Monthly Published Financial Reports**
   The Company has published the Monthly Financial Report in accordance with the applicable Financial Services Authority Regulations on the Company website.

Transparency of Non-Financial Condition

The Company discloses information on its products in an explicit, accurate and updated manner. Such information can be easily accessed by customers, among others in leaflets, brochures or other written materials in every the Company branch office in locations that customers can have easy access to, and/or in the form of electronic information made available through hotline service/call center or website.

In addition, the Company provides and communicates to customers on its customer complaints and dispute settlement mechanism in compliance with Bank Indonesia/Financial Services Authority policy on customer complaints and banking mediation.

In relation to the foregoing matters, the Company has performed the following measures:

1. Transparently publicized its financial and non-financial condition to stakeholders, among others through its periodic Financial Reports, routine reporting of Legal Lending Limit to Bank Indonesia, Quarterly Financial Reports, Governance Implementation Report, Analyst Meetings, Press Conferences, Public Expose and Road Shows and as featured in Company's official website according to existing policies.
2. Prepared and presented reports according to the procedure, type and scope set forth in the Bank Indonesia policy on the transparency of banks' financial condition.
3. Published information on Company products in compliance with Bank Indonesia/Financial Services Authority policy on the transparency of information on banking products and us and protection of customers' personal data.
4. Provided customers with a customer complaint and dispute settlement mechanism according to Bank Indonesia/Financial Services Authority policy on customer complaints and banking mediation, among others through the Company website - www.bca.co.id.
5. Submitted the Annual Report to Bank Indonesia, regulator and other institutions as required or deemed necessary.
6. Disclosed information on the ownership structure in the Annual Report and the Company's website.
7. Submitted internal reporting that has been completely, accurately, and in a timely way prepared and supported by an adequate Management Information System.
8. Provided reliable management information systems supported by competent human resources and an adequate IT security system capable of providing complete, accurate and timely information to the Board of Directors for the purpose of supporting the Company's business decision-making process. In addition, access to information uses user-IDs and passwords.

SUSTAINABILITY GOVERNANCE

The Company is committed to carrying out sustainability governance in line with Financial Services Authority Regulation No.51/POJK.03/2017 on Implementation of sustainable finances For financial services agencies, issuers and public companies. As a form of compliance to the regulation, the Company has sent its Sustainable Finance Action Plan (RAKB) Year 2019-2023 on November 30, 2018, to the OJK.

Guarantor

In order to support Sustainable finance, a Sustainable Finance Team has been established as a guarantor in carrying out the RAKB. The RAKB is compiled under the cooperation of several parties, including the business unit, the credit risk analysis unit, the risk management unit, the corporate secretariat and the compliance unit.

Competency Development for Financial Sustainability Guarantor

Competency Development is carried out to support the duties of the Sustainable Finance guarantor team. In order to develop the competency of the work unit that follows up the Financial Services Authority Regulation's implementation, in 2018 the Company carried out competency development both internally and for Subsidiaries in the Company's Financial Conglomerate as follows :

No	Participant	Program	Organizer	Location	Date
1	Teams from related Divisions (Business Unit, Credit Risk Analysis, Risk Management, Compliance Work Unit, Corporate Secretariat Division)	Implementation of Financial Services Authority Regulation No.51/POJK.03/2017 on Implementation of Sustainable Finances For Financial Services Agencies, Issuers and Public Companies	BCA in cooperation with WWF	Jakarta, Indonesia	June 4, 2018
2	Subsidiaries (PT BCA Finance, PT Central Santosa Finance, PT Asuransi Jiwa BCA, PT Asuransi Umum BCA, PT BCA Syariah, PT BCA Sekuritas, PT Central Capital Ventura, BCA Finance Limited)				

Follow Up of RAKB

To ensure RAKB implementation, the Company compiles a monitoring and evaluation system to assess the comprehensive progress comprising:

- Employees, officials and/or work unit in charge of monitoring and evaluation.
- Timelining to measure RAKB's progress in the form of monitoring quarterly/semesterly/annually realization through the Sustainable Business Activity Funding Distribution Report, the Internal Capacity Improvement Report, and the risk management and governance evaluation report, etc.
- Follow up of RAKB.
- Risk mitigation in the case of the RAKB not carried out properly or unable to achieve the intended goals.

DISTRIBUTION OF FUND FOR SOCIAL ACTIVITIES

The Company actively contributes towards the improvement of people's welfare and environmental condition through its Corporate Social Responsibility activities under the "Bakti BCA" program.

The Company's social activity program is focused into 3 (three) major pillars, namely:

A. BCA Smart Solutions, comprising:

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

B. BCA Synergy Solution, comprising:

1. Bakti BCA on Culture.
2. Bakti BCA on Health.
3. Bakti BCA on Environment.
4. Bakti BCA on Sports.
5. Bakti BCA Empathy in the form of donation for disaster victims, and sports program.

C. Business Excellence Solution,

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

Apart from these programs, the Company also participates in giving donations to other social agencies.

Further information on the Company's social activities and the total fund donated at the Company's social activities throughout 2018 is available on Chapter VI Corporate Social Responsibility of this 2018 Company Annual Report.

DONATION FOR POLITICAL ACTIVITIES

Throughout 2018 and in previous years, the Company has never given any donation for political activities.

IMPLEMENTATION OF INTEGRATED GOVERNANCE

Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Governance for Financial Conglomerate (hereinafter referred to as "POJK No. 18/POJK.03/2014") and Circular Letter of Financial Services Authority No.15/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of Integrated Governance for Financial Conglomerate (hereinafter referred to as "SEOJK No. 15/SEOJK.03/2015") constitutes the reference for Limited Liability in implementing the integrated governance for Financial Conglomerate Limited Liability.

Limited Liability has implemented the integrated governance by using the principles:

1. Transparency (transparency), a transparency in explaining about material and relevant information and a transparency in implementing the decision-making process.
2. Accountability (accountability), is the clarity of function and implementation of responsibility of organ in Financial Conglomeration for the management works effectively.
3. Responsibility (responsibility), is the conformity of the management of Main Entity and Financial Service Sector (LJK) with the laws and regulation and good management principles.
4. Independency (independency) or professional (professional), is a professional Financial Conglomerate management without influence or pressure from any party.
5. Fairness (fairness), is justice and equality in fulfilling the rights of stakeholders that occur based on the agreement and prevailing laws and regulations.

Referring to Article 2 and Article 3 POJK No. 18/POJK.03/2014, a Financial Conglomerate is obliged to implement Integrated Governance comprehensively and effectively and has a structure consisting of Main Entity and Subsidiary Company and/or Sister Company including its subsidiary companies. Financial Conglomerate includes type of Financial Service Sector such as: bank, insurance and reinsurance company, listed company and/or financing company.

Based on the Letter of Decision of the Limited Liability Commissioner Board No. 037/SK/KOM/2015 concerning the Formation of Integrated Governance in Financial Conglomerate Committee on 26 February 2015, the Limited Liability has formed an Integrated Governance Committee with the job and responsibility as mentioned in the Limited Liability Group Integrated Governance Committee Structure and referred to Article 7 POJK No. 18/POJK.03/2014, Limited Liability, acting as the Main Entity is obliged to implement the Integrated Governance.

Concerning the implementation of Integrated Governance, Limited Liability has reported to the Financial Services Authority through Letter of the Board of Directors No. 055/DIR/2015 concerning the Submission of Report about Main Entity and Financial Services Sector (LJK) that become Member of Limited Liability Financial Conglomerate.

Implementation of Integrated Governance as mentioned above includes:

a. Conditions of Board of Directors of Main Entity and Board of Commissioners of Main Entity.
b. Job and Responsibility of Board of Directors of Main Entity and Board of Commissioners of Main Entity.
c. Job and Responsibility of Integrated Governance Committee.
d. Job and Responsibility of Integrated Compliance Work Unit.
e. Job and Responsibility of Integrated Internal Audit Work Unit.
f. Implementation of Integrated Risk Management.
g. The making and implementation of Integrated Governance Guideline.

Conditions of Board of Commissioners and Board of Directors of Main Entity.

1. **Conditions of Candidate for Member of Board of Commissioners of Main Entity**
   a. Have knowledge about Main Entity and knowledge about Subsidiary Company in Financial Conglomerate. "Knowledge" means among others the understanding about main business activity and main risk from Subsidiary Company in Financial Conglomerate.
   b. Meet the prerequisites as mentioned in Financial Services Authority regulation regulating the Board of Directors and Board of Commissioners of Emiten or Public Company, namely:
      1) Having a good character, moral and integrity;
      2) Capable of doing legal measures;
      3) Within 5 (five) years prior to the promotion and during the tenure:
         a) has never been claimed bankruptcy;
         b) never become member of Board of Directors and/or member of Board of Commissioners that is pleaded guilty to cause a company claiming for bankruptcy;
         c) never been sentenced for criminal conduct that causes state financial loss and/or that relates to the financial sector; and
         d) never become member of Board of Directors and/or Board of Commissioners that during the tenure:
            - has once fail to organize Annual General Meeting of Shareholders (RUPS);
            - its accountability report as member of Board of Directors and/or member of Board of Commissioners has once not accepted by the Annual General Meeting of Shareholders (RUPS) or has once failed to submit its accountability as member of Board of Directors and/or member of Board of Commissioners to the RUPS; and
            - has once caused the company that obtains license, agreement, or registration from OJK, not fill its obligation in submitting the annual report and/or financial report to OJK.
      4) Having a commitment to respect laws and regulations;
      5) Having knowledge and/or expertise in the field needed by the Company.
   c. Meeting the requirements of integrity, competency, and financial reputation as mentioned in Financial Services Authority Regulation and/or Bank Indonesia, namely:
      1) Integrity requirement is proven with:
         a) capable of doing legal conducts; the meaning of capable of doing legal conducts refers to Indonesian Civil Code.
         b) having a good character and moral, at least showing the stance of respecting the prevailing provisions, and never been sentenced for criminal conduct in a certain period of time prior to be nominated;
         c) having a commitment to respect laws and regulations and supporting policy of OJK;
         d) having a commitment to the development of good Financial Service Sector (LJK);
         e) not included in the party restricted to become member of Board of Directors/ member of Board of Commissioners or among others candidate is not listed in the No-Pass List (DTL);
         f) having a commitment to not do and/ or repeat the act and/or conduct as regulated in Article 27 and Article 28, for candidate for member of Board of Directors that has once a predicate Not Pass in fit and proper test and has gone through the sanction period as mentioned in Article 35 verse (1), Article 40 verse (4) figure a and Article 40 verse (5) of Bank Indonesia Regulation concerning Fit and Proper Test.

2) Requirement of competency is proven with:
   a) Adequate banking knowledge that is relevant to the position; and
   b) Experience in banking and/or financial field.
3) Requirement of financial reputation is proven with:
   a) Having no Non-Performing Loan and/or Non-Performing financing; and
   b) Never been claimed bankruptcy; and/or never become member of Board of Directors or member of Commissioners pleaded guilty to cause a limited liability claimed bankruptcy, for the last 5 (five) years prior to be nominated.

2. Requirement of Member of Board of Directors of Main Entity.

a. Have knowledge about Main Entity and knowledge about Subsidiary Company in Financial Conglomerate. "Knowledge" means among others the understanding about main business activity and main risk from Subsidiary Company in Financial Conglomerate.

b. Meet the prerequisites as mentioned in Financial Services Authority regulation regulating the Board of Directors and Board of Commissioners of Emiten or Public Company, namely:
   1) Having a good character, moral and integrity;
   2) Capable of doing legal conducts;
   3) Within 5 (five) years prior to the promotion and during the tenure:
      a) has never been claimed bankruptcy;
      b) never become member of Board of Directors and/or member of Board of Commissioners that is pleaded guilty to cause a company claiming for bankruptcy;
      c) never been sentenced for criminal conduct that causes state financial loss and/or that relates to the financial sector; and
      d) never become member of Board of Directors and/or Board of Commissioners that during the tenure:
         - ever once fail to hold Annual RUPS;
         - its accountability report as member of Board of Directors and/or member of Board of Commissioners has once not accepted by the RUPS or has once failed to submit its accountability as member of Board of Directors and/or member of Board of Commissioners to the GMS; and
         - has once caused the company that obtains license, agreement, or registration from Financial Services Authority, not fill its obligation in submitting the annual report and/or financial report to Financial Services Authority.
   4) Having a commitment to respect laws and regulations;
   5) Having knowledge and/or expertise in the field needed by the Company.

c. Meeting the requirements of integrity, competency, and financial reputation as mentioned in Financial Services Authority Regulation and/or Bank Indonesia, namely:
   1) Integrity requirement is proven with:
      a) capable of doing legal conducts; the meaning of capable of doing legal conducts refers to Indonesian Civil Code.
      b) having a good character and moral, at least showing the stance of respecting the prevailing provisions, and never been sentenced for criminal conduct in a certain period of time prior to be nominated;
      c) having a commitment to respect laws and regulations and supporting policy of Financial Services Authority;
      d) having a commitment to the development of good Financial Service Sector (LJK);
      e) not included in the party restricted to become member of Board of Directors/ member of Board of Commissioners or among others candidate is not listed in the No-Pass List (DTL);

f) having a commitment to not do and/or repeat the act and/or conduct as regulated in Article 27 and Article 28, for candidate for member of Board of Directors that has once a predicate Not Pass in fit and proper test and has gone through the sanction period as mentioned in Article 35 verse (1), Article 40 verse (4) figure a and Article 40 verse (5) of Bank Indonesia Regulation concerning Fit and Proper Test.

2) Requirement of competency is proven with:
   a) Adequate knowledge in banking that is relevant to the position, knowledge about Bank regulation and operational including the understanding about risk management;
   b) Knowledge about job and responsibility of Main Entity as well as an understanding about main business activity and main risk of LJK in financial conglomerate;
   c) Knowledge and expertise in banking and/or financial field;
   d) Ability to do the strategic management in the effort to develop a performing Bank.
3) Requirement of financial reputation is proven with:
   a) Having no Non-Performing Loan and/or Non-Performing financing; and
   b) Never been claimed bankruptcy; and/or never become member of Board of Directors or member of Board of Commissioners pleaded guilty to cause a limited liability claimed bankruptcy, for the last 5 (five) years prior to be nominated.

Job and Responsibility of Board of Commissioners and Board of Directors of Main Entity

1. Job and Responsibility of Board of Commissioners of Main Entity
   a. Monitoring the implementation of Integrated Governance;
   b. In the effort to monitor the implementation of Integrated Governance as mentioned above, at least:
      1) Monitor the implementation of governance in each Subsidiary Company in order to be conformed with the Integrated Governance Guidance;
      2) Monitor the implementation of job and responsibility of Board of Directors of Main Entity, and provide guideline or advice to the Board of Directors of Main Entity over the implementation of Integrated Governance Guidance; and
      3) Evaluate the Integrated Governance Guidance and give guideline for improvement.
   c. Hold a meeting at least 1 (once) every semester. Meeting can be held through video conference.
   d. Record the result of the meeting in minutes of meeting which is documented well, and record the dissenting opinion occurring in the meeting clearly in the minutes of meeting complete with the reason of the dissenting opinion.
   e. Form an Integrated Governance Committee.
2. Job and responsibility of Board of Directors of Main Entity
   a. Ensure the implementation of Integrated Governance in Financial Conglomerate.
   b. In the effort to ensure the implementation of Integrated Governance as mentioned above, at least:
      1) Making the Integrated Governance Guidance;
      2) Direct, monitor and evaluate the implementation of Integrated Governance Guidance; and
      3) Follow up the directive or advise from Board of Commissioners of Main Entity in the effort to improve the Integrated Governance Guidance.

c. Ensure that the audit findings and recommendations from Integrated Internal Audit Work Unit, external auditor, result of OJK's monitoring and/or result of other authority's monitoring have been followed up by the Subsidiary Company.

Job and Responsibility of Integrated Governance Committee

Integrated Governance Committee has a job and responsibility to at least:

a. Evaluate the implementation of Integrated Governance at least through the adequacy evaluation of internal control and implementation of compliance function in an integrated manner.
b. Give recommendation to the Board of Commissioners of Main Entity to improve the Integrated Governance Guidance.
c. Hold a meeting at least 1 (once) per semester, and it can be done by using a video conference.
d. Record the result of the meeting in minutes of meeting which is documented well, and record the dissenting opinion occurring in the meeting clearly in the minutes of meeting complete with the reason of the dissenting opinion.

Job and responsibility of Integrated Compliance Work Unit

Integrated Compliance Working Unit has a job and responsibility, among others:

a. Monitor and evaluate the implementation of compliance function in each Subsidiary Company.
b. Develop a necessary method and process in the effort to implement the integrated compliance risk management.
c. Evaluate and make the profile of integrated compliance risk management.
d. Make and submit the job and responsibility report of integrated compliance to the Compliance Director of Main Entity. Furthermore, the Compliance Director of Main Entity makes and submits the job and responsibility report of integrated compliance to the Board of Directors and Board of Commissioners of Main Entity.

Job and Responsibility of Integrated Internal Audit Work Unit

Integrated Compliance Working Unit has a job and responsibility, among others:

a. Evaluate the adequacy and effectivity of risk management process, internal control and governance of Subsidiary Company, and give improvement recommendation.
b. Monitor and evaluate the implementation of Internal Audit in each Subsidiary Company.
c. Monitor and evaluate the adequacy of the improvement follow-up of the audit result of Subsidiary Company and report it to the Board of Directors, Board of Commissioners, and Audit Committee of Main Entity.
d. Submit the integrated Internal Audit report to the Director appointed to conduct the monitoring function towards Subsidiary Company, Board of Commissioners of Main Entity and Director who supervises the compliance function of the Main Entity.
e. Give support to the Subsidiary Company in developing the function of Internal Audit.

Implementation of Integrated Risk Management

Integrated Risk Management is a series of methodology and procedure used to identify, measure, monitor, and control the risk occurring from all business activities of Subsidiary Company incorporated in a Financial Conglomerate in an integrated manner.

Financial Conglomerate is obliged to implementation of Integrated Risk Management comprehensively and effectively, according to the characteristic and complexity of Financial Conglomerate business, based on the provision of Financial Services Authority concerning the Implementation of Integrated Risk Management for Financial Conglomerate.

Implementation of Integrated Governance

The making of framework of Integrated Governance refers to the Financial Services Authority Regulation No. 18/POJK.03/2014 and provision of governance applied to each LJK (Subsidiary Company) in Financial Conglomerate. In the effort to implement the company governance in an integrated manner with all LJK (Subsidiary Company), the Limited Liability has conducted the following measures:

1. Make the Integrated Governance Guidance.
2. Form an Integrated Governance Committee.
3. Adjust the organizational structure:
   a. Compliance Work Unit covering integrated compliance;
   b. Internal Audit Work Unit covering integrated Internal Audit;
   c. Risk Management Work Unit covering integrated risk management.
4. Disseminate information about the Integrated Governance Guidance and implement Integrated Governance to members of Integrated Governance Committee, work units relating to the implementation of Integrated Governance and all LJK (Subsidiary Company) in Financial Conglomerate.

Integrated Governance Guidance is made by the Board of Directors of the Limited Liability and has been approved by the Board of Commissioners of the Limited Liability.

Integrated Governance Guidance covers at least:

a. Integrated Governance Framework for Limited Liability (Main Entity).
b. Governance Framework for LJK (Subsidiary Company) in Financial Conglomerate.

The making of framework of Integrated Governance refers to the Financial Services Authority Regulation No. 18/POJK.03/2014 and provision of governance applied to each LJK (Subsidiary Company) in Financial Conglomerate.

Board of Directors of Limited Liability (Main Entity) has submitted the Integrated Governance Guidance to the Board of Directors of the Subsidiary Company in Financial Conglomerate, to be used as the guideline for the LJK (Subsidiary Company) in Financial Conglomerate in making the Governance Guidance and in implementing governance in each LJK (Subsidiary Company).

Integrated Governance Framework for Main Entity consists of:

a. Conditions of Board of Directors of Main Entity and Board of Commissioners of Main Entity;
b. Job and Responsibility of Board of Directors of Main Entity and Board of Commissioners of Main Entity;
c. Job and Responsibility of Integrated Governance Committee;
d. Job and responsibility of Integrated Compliance Work Unit;
e. Job and Responsibility of Integrated Internal Audit Work Unit; and
f. Implementation of Integrated Risk Management.

Integrated Governance Framework for LJK (Subsidiary Company) in Financial Conglomerate contains:

a. Conditions of candidate for member of Board of Directors and of candidate for member of Board of Commissioners;
b. Conditions of candidate for member of Syariah Monitoring Board;
c. Structure of Board of Directors and Board of Commissioners;
d. Structure of Syariah Monitoring Board;
e. Independency of Board of Commissioners act;
f. Implementation of management function of Subsidiary Company by Board of Directors;
g. Implementation of monitoring function of Subsidiary Company by Board of Commissioners;
h. Implementation of monitoring function by Syariah Monitoring Board;
i. Implementation of compliance function, internal audit function, and external audit function;
j. Implementation of risk management function;
k. Remuneration policy; and
l. Management of conflict of interest.

Evaluation of the Implementation of Integrated Governance

According to the provision of POJK No. 18/POJK.03/2014 Article 44 and 45 in Chapter VII concerning the Reporting and according to the Circular Letter of Financial Services Authority Number 15/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of Integrated Governance for Financial Conglomerate, as the Main Entity, Limited Liability is obliged to make evaluation report on the implementation of Integrated Governance regularly (made every semester) and evaluation report on the implementation of Integrated Governance which should be submitted to OJK.

In 2018, Limited Liability as the Main Entity has done the Evaluation of Implementation of Integrated Governance for Semester 1 and Semester II. The Evaluation covers 3 (three) aspects of Integrated Governance including Structure, Process and Result of Integrated Governance.

Evaluation of the Implementation of Integrated Governance covers at least 7 (seven) evaluating factors for the implementation of Integrated Governance, namely:

1. Implementation of job and responsibility of Board of Directors of Main Entity;
2. Implementation of job and responsibility of Board of Commissioners of Main Entity;
3. Job and Responsibility of Integrated Governance Committee;
4. Job and responsibility of Integrated Compliance Work Unit;
5. Job and responsibility of Integrated Internal Audit Work Unit;
6. Implementation of Integrated Risk Management;
7. The making and implementation of Integrated Governance Guideline

Result of evaluation of the Implementation of Integrated Governance in Semester I and Semester II year 2018 is **"Rank 1" ("Very Good")**.

Annual Report of the Implementation of Integrated Governance

The making of Annual Report of the Implementation of Integrated Governance of Financial Conglomerate PT Bank Central Asia Tbk ("Limited Liability") year 2018 is guided by:

1. Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Governance for Financial Conglomerate;
2. Circular Letter of Financial Services Authority No. 15/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of Integrated Governance for Financial Conglomerate;
3. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 7 December 2016 concerning the Implementation of Governance for Commercial Bank; and
4. Circular Letter of Financial Services Authority No. 13/SEOJK.03/2017 dated 17 March 2017 concerning the Implementation of Governance for Commercial Bank.

Annual Report of the Implementation of Integrated Governance for the Company Financial Conglomerate year 2018 consists of:

1. Self-Assessment Report concerning the Implementation of Integrated Governance throughout fiscal year 2018;
2. Structure of Financial Conglomerate;
3. Structure of share ownership within the Financial Conglomerate describing parties who become the shareholders of the Financial Service Sector (LJK) in Financial Conglomerate and ultimate shareholders;
4. Management structure of the Company as the Main Entity and LJK (Subsidiary Company) in Financial Conglomerate;
5. Policy of Inter-Group Transaction containing the policy to identify, manage, and mitigate Inter-Group Transaction;
6. Report of Implementation of the Company Governance, consisting of:
   a. Transparency of the Implementation of Governance as mentioned in item IX of Circular Letter of Financial Services Authority No. 13/SEOJK.03/2017 dated 17 March 2017; and
   b. Self-Assessment Report of the Implementation of Governance year 2017 as mentioned in Attachment IV of Circular Letter of Financial Services Authority No. 13/SEOJK.03/2017 dated 17 March 2017.

In addition to the information mentioned above, the Annual Report on the Implementation of the Integrated Governance also discloses the scope of the Good Corporate Governance Implementation Report as stipulated in the regulations applicable to commercial banks.

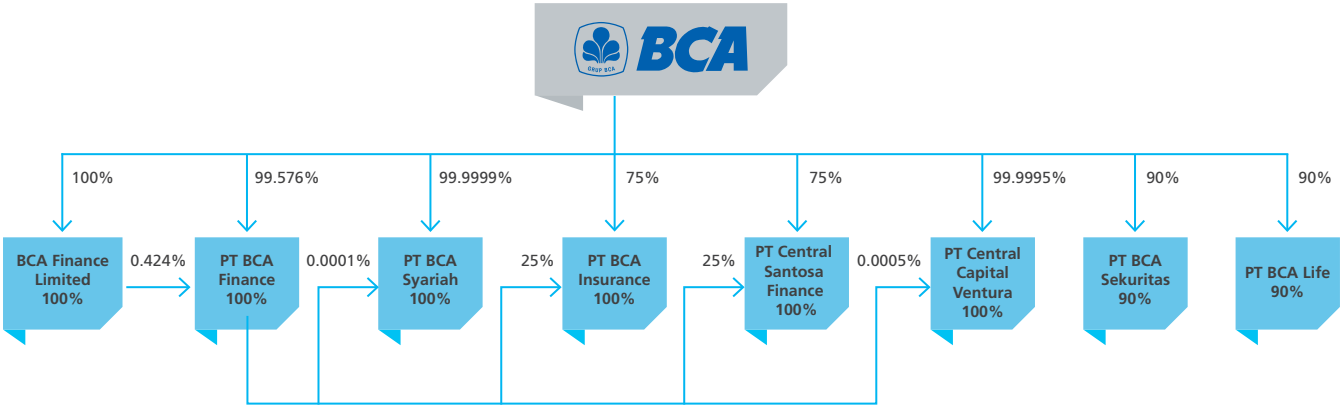
1. Self-Assessment Report of the Implementation of Integrated Governance

Main Entity : **PT Bank Central Asia Tbk**

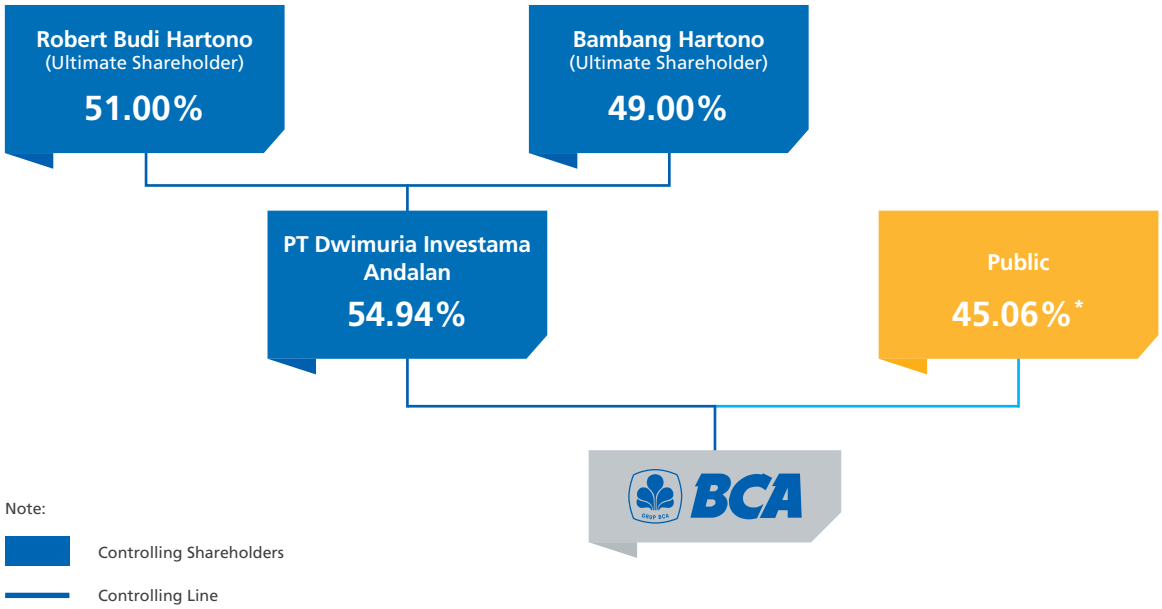
Report Position : 31 December 2018

Result of Self-Assessment Implementation of Integrated Governance	
Rank	**Definition of Rank**
1	Financial Conglomerate has implemented the Integrated Governance very well. This is reflected in the adequate compliance over the implementation of Integrated Governance principle. If there is a weakness in the implementation of Integrated Governance, in general the weakness is deemed insignificant and can be improved by the Main Entity and/or Financial Service Sector (Subsidiary Company) in Financial Conglomerate.
Analysis	
Based on the Self-Assessment analysis towards Integrated Governance structure, Integrated Governance process, and Integrated Governance result in each assessment factor to evaluate the implementation of Integrated Governance, it can be concluded that: 1. Integrated Governance Structure based on the result of assessment is complete. 2. Integrated Governance process, based on the result of assessment is effective supported by a complete structure. 3. Integrated Governance result, based on the result of assessment, has a very good quality resulted from the Integrated Governance process aspect which is effective and supported by a full structure.	

2. Structure of Limited Liability Financial Conglomerate

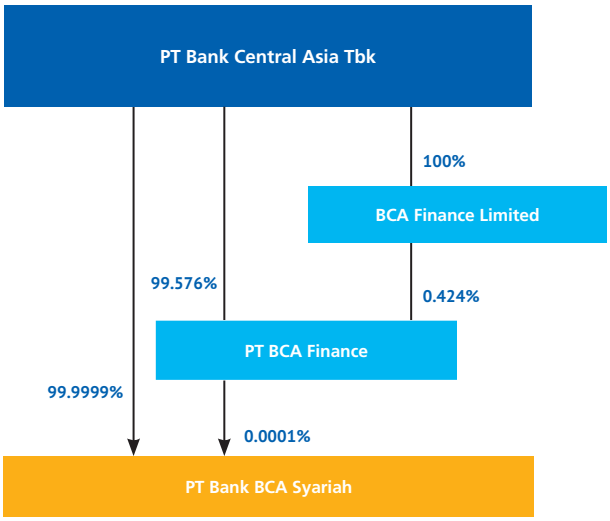


3. **Structure of the Share Ownership in Financial Conglomerate Describing Parties Who Become the Shareholders of LJK (Subsidiary Company) in Financial Conglomerate and the Ultimate Shareholders.**

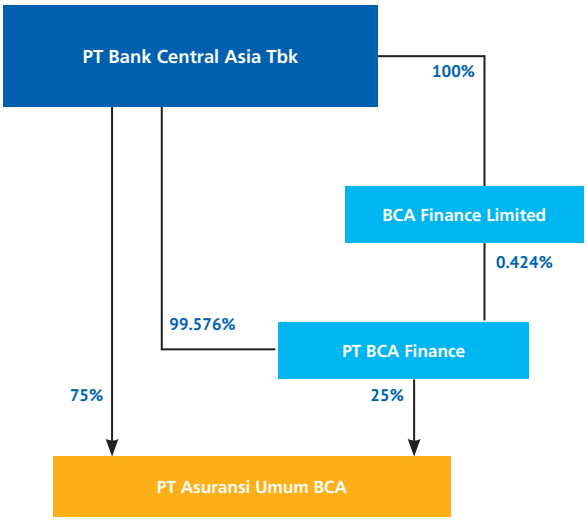


* Of the portion of shares belonging to public shareholders, 2.49% is owned by affiliated parties of PT Dwimuria Investama Andalan, 1.76% is owned by Anthoni Salim and 0.19% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.

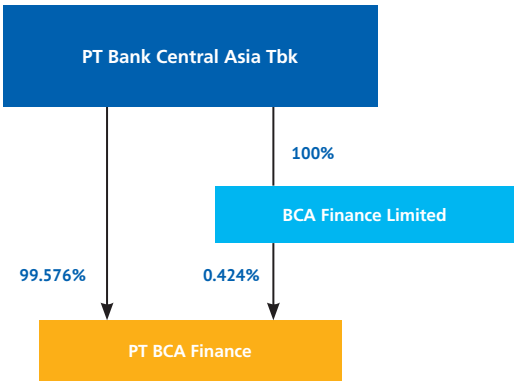
- **Structure of Share Ownership of PT Bank BCA Syariah**



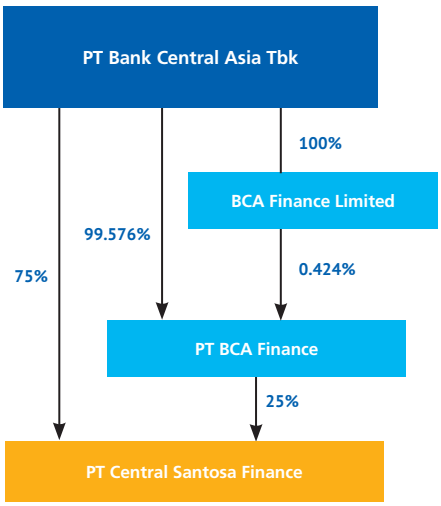
- **Structure of Share Ownership of PT Asuransi Umum BCA**



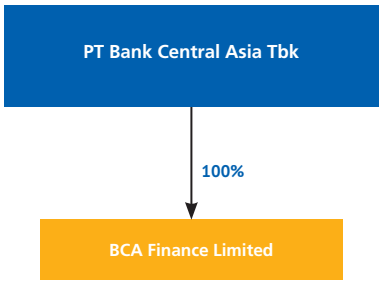
- **Structure of Share Ownership of PT BCA Finance**



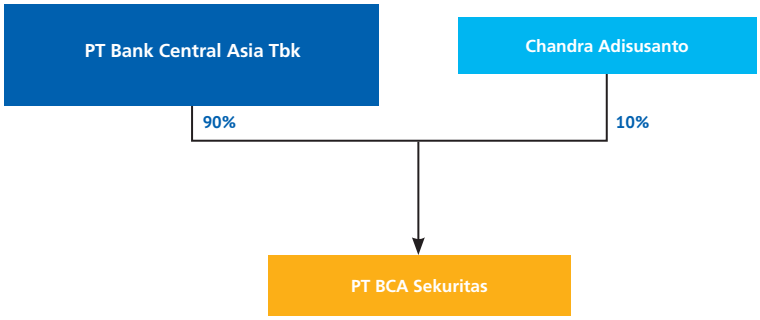
- **Structure of Share Ownership of PT Central Santosa Finance**



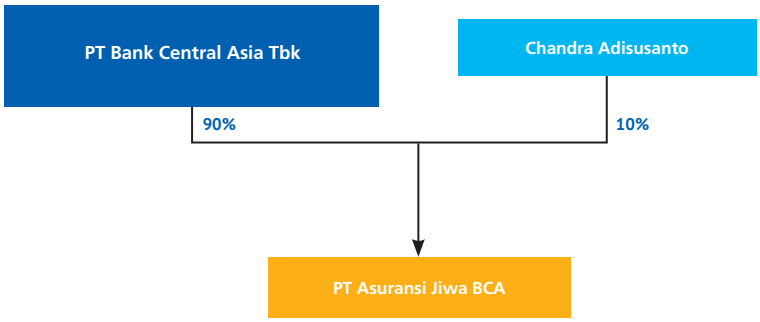
- **Structure of Share Ownership of BCA Finance Limited**



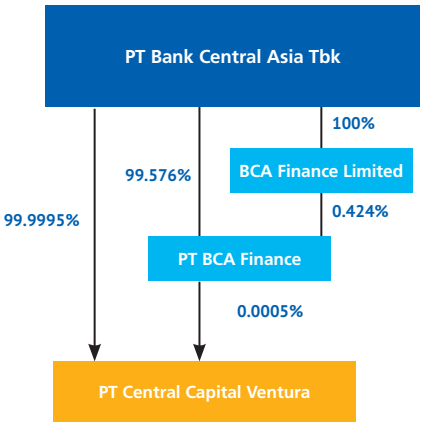
- **Structure of Share Ownership of PT BCA Sekuritas**



- **Structure of Share Ownership of PT Asuransi Jiwa BCA**



- **Structure of Share Ownership of PT Central Capital Ventura**



4. Management Structure of PT Bank Central Asia Tbk as the Main Entity and LJK (Subsidiary Company) in Financial Conglomerate

MANAGEMENT STRUCTURE OF PT BANK CENTRAL ASIA Tbk

Board of Commissioners

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

Board of Directors

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

MANAGEMENT STRUCTURE OF PT BANK BCA SYARIAH

Board of Commissioners

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

Board of Directors

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

Syariah Supervisor

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

MANAGEMENT STRUCTURE OF PT BCA FINANCE

Board of Commissioners

Position	Name
President Commissioner	Jacobus Sindu Adisuwono
Independent Commissioner	Adhi Gunawan Budirahardjo
Independent Commissioner	Sulistiyowati

Board of Directors

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

MANAGEMENT STRUCTURE OF PT CENTRAL SANTOSA FINANCE

Board of Commissioners

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

Board of Directors

Position	Name
President Director	Herwandi Kuswanto
Director	Senjaya Komala
Director	Adhi Purnama
Director	Parmanto Adhi Tjahjono
Director	Suiman Agung

MANAGEMENT STRUCTURE OF PT ASURANSI UMUM BCA

Board of Commissioners

Position	Name
President Commissioner	Petrus Santoso Karim
Commissioner	Liston Nainggolan
Independent Commissioner	Gustiono Kustianto
Independent Commissioner	Edison Idrus

Board of Directors

Position	Name
President Director	Hariyanto
Technical Director	Hendro H. Wenan
Director	Antonius
Director	Sri Angraini

MANAGEMENT STRUCTURE OF PT BCA SEKURITAS

Board of Commissioners

Position	Name
President Commissioner	Dharwin Yuwono
Independent Commissioner	Hendra Iskandar Lubis

Board of Directors

Position	Name
President Director	Mardi Henko Sutanto
Director	Imelda Arismunandar

MANAGEMENT STRUCTURE OF PT ASURANSI JIWA BCA

Board of Commissioners

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

Board of Directors

Position	Name
President Director	Rio Cakrawala Winardi
Director	Yannes Chandra
Director	Honggo Djojo

MANAGEMENT STRUCTURE OF BCA FINANCE LIMITED

Board of Directors

Position	Name
Director	Andy Kwok Sau Lai
Director	Edmund Tondobala
Director	Rudy Harjono

MANAGEMENT STRUCTURE OF PT CENTRAL CAPITAL VENTURA

Board of Commissioners

Position	Name
President Commissioner	Arif Singgih Halim Wijaya

Board of Directors

Position	Name
President Director	Armand Widjaja
Director	Michelle Suteja

5. **Policy of Inter-Group Transaction Containing the Policy to Identify, Manage, and Mitigate Inter-Group Transaction**

Relationship between ownership and/or control in various financial service sector will influence the sustainability of the respective financial service business caused by the risk exposure that occurs directly and indirectly from the business activity of the subsidiary company incorporated in one Financial Conglomerate.

As the Main Entity of the Company Financial Conglomerate, the Company is obliged to manage the inter-group transaction risk and monitor the inter-group transaction in an integrated manner.

The Making of Policy of Inter-Group Transaction Risk Management in Limited Liability is guided by:

a. Financial Services Authority Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerate.
b. Circular Letter of Financial Services Authority No. 14/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerate.
c. Board of Directors Decision Letter No. 178/SK/DIR/2015 concerning the Issuance of Basic Policy of Integrated Risk Management of Financial Conglomerate BCA.

Definition of Inter-Group Transaction Risk

Inter-group transaction risk is the risk occurring due to the dependency of an entity, directly and indirectly, to another entity in one Financial Conglomerate in the effort to comply the obligation of written and non-written agreement followed with the displacement of fund and/or not followed by the displacement of fund.

Objective of inter-group transaction risk management

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

a. Manage and supervise the inter-group transaction of Financial Conglomerate based on the Principle of Prudence.
b. Ensure that the risk management process can minimize the potential negative impact caused by the dependency of a Financial Service Sector (LJK) directly or indirectly towards other LJK in one Financial Conglomerate.

Inter-group transaction type

Inter-group transaction risk can occur from:

a. Cross ownership between LJK in Financial Conglomerate.
b. Centralization of short-term liquidity management.
c. Collateral, loan, and commitment given by or obtained by an LJK from another LJK in the Financial Conglomerate.
d. Exposure to the ultimate shareholders, including the loan exposure and off-balance sheet such as collateral and commitment.
e. Purchase or selling of asset to another LJK in one Financial Conglomerate.
f. Risk transfer through reinsurance.
g. Transaction to shift the third-party risk exposure between LJK in one Financial Conglomerate.

Scope of inter-group transaction risk management policy

Implementation of inter-group risk management in Financial Conglomerate includes:

a. Supervision of Board of Commissioners and Board of Directors.
b. Adequacy of policy, procedure, and implementation of inter-group transaction risk limit.
c. Adequacy of identification process, measurement, monitoring, and risk control and information system of inter-group transaction risk management.
d. Overarching internal control towards the implementation of inter-group transaction risk management.

6. **Supervision of Board of Commissioners and Board of Directors**

Supervision by Board of Commissioners and Board of Directors is necessary to ensure the effectiveness of the inter-group transaction risk management and the conformity with the prevailing provisions.

Authority and responsibility of Board of Commissioners

Authority and responsibility of Board of Commissioners in implementing inter-group transaction risk management, are:

a. Approve the inter-group transaction risk management.
b. Evaluate the accountability of the Board of Directors and give guideline to improve for the implementation of inter-group transaction risk management policy.

Authority and responsibility of Board of Directors

Authority and responsibility of the Board of Directors in inter-group transaction risk management, are:

a. Understand the inter-group transaction risk embedded in Financial Conglomerate.
b. Make and determine the inter-group transaction risk management policy.
c. Responsible to the implementation of inter-group transaction risk management.
d. Ensure that every entity in Financial Conglomerate implement inter-group transaction risk management.
e. Monitor the inter-group transaction risk regularly.
f. Develop the risk culture as part of the implementation of inter-group transaction risk management.
g. Ensure that the implementation of inter-group transaction risk management is free from any conflict of interest between Financial Conglomerate and individual LJK.

7. **Adequacy of policy, procedure, and implementation of intergroup transaction risk limit**

Policy, procedure and determination of inter-group transaction risk limit refers to the policy, procedure and determination of limit as mentioned in the Basic Policy of Integrated Risk Management.

Risk appetite and risk tolerance

Level of risk appetite and risk tolerance of inter-group transaction is explained as follows:

a. Level of risk appetite or inter-group transaction is the risk that is taken in the effort to achieve the target in an integrated manner. The risk taken is reflected in the business strategy and target.
b. Risk tolerance is the maximum level of risk that is taken.
c. Risk appetite and risk tolerance must be in-line with the business strategy, risk profile, and plan of capital of Financial Conglomerate.

Policy and Procedure

Some matters must be taken into account in the policy and procedure relating to the inter-group transaction rick, among others:

a. Financial Conglomerate Policy must respect the prevailing regulator provision concerning inter-group transaction.
b. Financial Conglomerate must ensure the compliance of arm's length principle relating to inter-group transaction.
c. Inter-group transaction risk management must contain at least:
   1) Accountability and clear level of authority delegation in implementing inter-group transaction risk management.
   2) Implementation of reviewing towards the procedure regularly.
   3) Documentation of procedure in an adequate manner, including written documentation, complete documentation enabling the implementation of audit trail.

Limit of Inter-Group Transaction Risk

Financial Conglomerate must ensure that the determination of inter-group transaction limit is already according to the prevailing regulator's provision.

8. **Adequacy of Identification Process, Measurement, Monitoring, and Risk control and Information System of Inter-group Transaction Risk Management**

In implementing inter-group transaction risk management, as the Main Entity, Limited Liability is obliged to do the identification process, measurement, monitoring, and risk control towards all risk factors that are significant in nature in an integrated manner, and supported by adequate information system of inter-group transaction risk management.

Identification of inter-group transaction risk

Identification of inter-group transaction risk is done through:

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

Measurement of inter-group transaction risk

Measurement of inter-group transaction risk is aimed to obtain the rank of level of inter-group transaction risk of Financial Conglomerate. Besides that, as the Main Entity, the Company is obliged to make the profile of the inter-group transaction risk in an integrated manner with members of Financial Conglomerate.

The following is the measurement that must be done to obtain the profile of integrated inter-group transaction risk:

Measurement	Description	Result of Measurement
Risk Inherent	In determining the level of inherent risk, Main Entity must conduct a comprehensive analysis by using all relevant quantitative and qualitative indicators. It covers 3 (three) aspects, namely: 1. Composition of inter-group transaction in Financial Conglomerate. 2. Documentation and arm's length. 3. Other information.	1. Low 2. Low to Moderate 3. Moderate 4. Moderate to High 5. High
Quality Implementation Management Risk	Measurement of the implementation of quality to implement integrated risk management. It covers 4 (four) aspects, namely: 1. Supervision of Board of Commissioners and Board of Directors. 2. Adequacy of policy, procedure, and implementation of inter-group transaction risk limit. 3. Adequacy of identification process, measurement, monitoring, and risk control and information system of inter-group transaction risk management. 4. Overarching internal control towards the implementation of inter-group transaction risk management.	1. Strong 2. Satisfactory 3. Fair 4. Marginal 5. Unsatisfactory

Rank of risk level

Rank of risk level is a combination between the result of inherent risk measurement and the risk management implementation quality measurement.

The mapping of rank of level of inter-group transaction risk can be seen in the following matrix:

Result of Assessment Rank of Level Integrated Risk		Rank of Risk Management Implementation Quality (KPMR)				
		Strong	Satisfactory	Fair	Marginal	Unsatisfactory
Rank Risk Inherent in Integrated Manner	Low	Low	Low	Low to Moderate	Moderate	Moderate
	Low to moderate	Low	Low to Moderate	Low to Moderate	Moderate	Moderate to High
	Moderate	Low to Moderate	Low to Moderate	Moderate	Moderate to High	Moderate to High
	Moderate to high	Low to Moderate	Moderate	Moderate to High	Moderate to High	High
	High	Moderate	Moderate	Moderate to High	High	High

Monitoring the inter-group transaction risk

Monitoring of inter-group transaction risk is done by focusing on:

a. Composition of inherent risk parameters of inter-group transaction in the report of integrated risk profile.
b. Completeness of documentation of inter-group transaction.
c. Inter-group arm's length.
d. Other information relating to inter-group transaction.

Control of inter-group transaction risk

Control of inter-group transaction risk is done by ensuring:

a. Inter-group arm's length in Financial Conglomerate.
b. Availability of documentation for every inter-group transaction.
c. Every inter-group transaction must meet the prevailing legal/regulator provision.

Information System of inter-group transaction risk management

Information System of inter-group transaction risk management includes the report of inter-group that part of integrated risk profile report.

9. Overarching Internal Control Towards the Implementation of Inter-group Transaction Risk

Internal control system for inter-group transaction risk refers to the internal control as mentioned in the Basic Policy of Integrated Risk Management.

Effective inter-group transaction risk management implementing process must be equipped with an overarching internal control system. Effective internal control implementing system is expected to be able to maintain the asset of Financial Conglomerate, to guarantee the availability of trustworthy reporting, to improve the compliance towards provision and laws and regulations and to reduce the loss, misuse and violation of principles of prudence.

Implementation of internal control system is as follows:

a. The Company is obliged to carry out the internal control system of inter-group transaction risk effectively by referring to the determined policy and procedure.
b. Internal control system is made to ensure:
   1) The respecting of policy or internal provision as well as laws and regulations.
   2) Overall effectiveness of risk culture in the Financial Conglomerate organization to identify weaknesses and misuse earlier and to re-asses the fairness of policy and procedure in Financial Conglomerate in a sustainable manner.
c. Reviewing of the measurement of inter-group transaction risk, which cover at least:
   1) Conformity of policy, organizational structure, resources allocation, design of inter-group transaction risk management, information system, and reporting of risk according to the business needs of Financial Conglomerate as well as the development of regulation and best practice relating to inter-group transaction risk management.
   2) Complete and adequate documentation about scope, operational procedure, audit findings, and response of the management of Financial Conglomerate based on the result of audit.

FULFILLMENT INDEX OF GOVERNANCE RECOMMENDATIONS

- Reference of Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 : Governance Guidelines for Public Company.
- Reference of Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 : Governance Implementation for Public Banks.
- Reference of Financial Services Authority Circular Letter Nomor 30/SEOJK.04/2016: Annual Report of Public Company.
- ASEAN Corporate Governance Scorecard.

Financial Services Authority Circular Letter No.32 / SEOJK.04 / 2015 concerning Guidelines for Public Company Governance

Point	Reference	Fulfillment
A	Public company relationship with shareholders in guaranteeing the rights of shareholders	Page 293 - 297.
B	Function and role of the board of commissioners	
C	Function and role of the board of directors	
D	Stakeholder participation	
E	Information disclosure	

Financial Services Authority Circular Letter No. 13 / SEOJK.03 / 2017 concerning Implementation of Governance for Commercial Banks

The Governance Implementation Report consists of at least:

Point	Reference	Fulfillment
A	Governance Implementation Transparency;	
	a. Implementation of Duties of the Board of Commissioners and Directors, among others:	
	(1) the number, composition, criteria, and independence of members of the Board of Directors and members of the Board of Commissioners;	Page 326 - 328 and Page 341 - 343.
	(2) the duties and responsibilities of the Board of Directors and the Board of Commissioners; and	Page 324 - 340.
	(3) Board of Commissioners recommendations.	Page 30 - 37.
	b. Completeness and implementation of the duties of the committees, consisting of	• Committees under the Board of Commissioners: Page 382 - 399. • Executive Committees Under The Board of Directors: Page 399 - 421.
	(1) the structure, membership, expertise and independence of committee members;	
	(2) committee duties and responsibilities;	
	(3) frequency of committee meetings; and	
	(4) work program of the committee and its realization.	
	c. Application of compliance, internal audit and external audit functions	
	(1) Compliance function	Page 434.
	(2) Internal Audit function	Page 428.
	(3) External Audit function	Page 433.
	d. Implementation of risk management including internal control systems (1) Active supervision of the Board of Directors and Board of Commissioners; (2) Adequacy of risk management policies and procedures and risk limit determination; (3) Adequacy of the process of identifying, measuring, monitoring and controlling risk and the risk management information system; and (4) A comprehensive internal control system.	Page 437.
	e. Provision of funds to related parties and large exposure.	Page 479.
	f. The Bank's Strategic Plan	Page 480.

Point	Reference	Fulfillment
	g. Transparency of the Bank's financial and non-financial conditions that have not been revealed in other reports.	Page 482 - 483.
	h. Other information related to Bank Governance includes, among other things, owner intervention, internal disputes or problems that arise as a result of remuneration policies at the Bank.	N/A
	Share ownership of members of the Board of Directors and members of the Board of Commissioners that reach 5% (five percent) or more of paid-in capital,	Page 332 & 352.
	Financial relationships and family relationships of members of the Board of Directors and members of the Board of Commissioners with other members of the Board of Directors, other members of the Board of Commissioners, and / or the controlling shareholders of the Bank	Page 366 - 367.
	Frequency of Board of Commissioners Meetings	Page 358.
	Amount of Internal Fraud	Page 451.
	Legal Issues	Page 455.
	Transactions Containing Conflict of Interest	Page 454.
	Buy Back of Shares and / or Bank Bonds	Page 477.
	Provision of Funds for Social Activities and / or Political Activities During the Reporting Period	Page 484 - 485.
B	Self-assessment report on the implementation of governance according to the assessment period Bank Soundness in the last 1 (one) year	Page 492.
C	The action plan and its implementation along with the time of completion and constraints or obstacles to completion (if any).	Page 286.

OJK Circular Letter No.30/SEOJK.04/2016 concerning the Annual Report of Public Companies
Disclosure of GCG implementation includes at least:

No.	Reference	Fulfillment
1.	Board of Directors, include:	
	a) Directors' duties and responsibilities	Page 340.
	b) Statement that the Board of Directors has guidelines or charter;	Page 339.
	c) Procedure, basis for determining, structure and amount of remuneration for each member of the Board of Directors and the relationship between remuneration and the performance of the issuer or Public Company;	Page 373 & 375.
	d) Policy and implementation of the frequency of meetings, including joint meetings of the Board of Commissioners, attendance of members of the Board of Directors in meetings;	Page 357 & 365.
	e) Information regarding the decisions of the previous 1 (one) GMS, including; (1) GMS decisions that are realized in the financial year; and (2) Reasons in the case of a decision that has not been realized.	Page 318.
	f) Information regarding the resolution of the GMS in the financial year; (1) GMS decisions that are realized in the financial year; and (2) Reasons in the case of a decision that has not been realized.	Page 322.
	g) Assessment of the performance of the committee that supports the implementation of the duties of the Board of Directors;	Page 354.

No.	Reference	Fulfillment
2.	Board of Commissioners, include	
	a) Duties and responsibilities of the Board of Commissioners and Directors;	Page 324.
	b) Statement that the Board of Commissioners has a Board of Commissioners guideline or charter;	Page 323.
	c) Procedure, the basis for the determination, structure and amount of remuneration for each member of the Board of Commissioners;	Page 371.
	d) Policy and implementation regarding the frequency of Board of Commissioners meetings, including joint meetings of the Board of Directors, the attendance of members of the Board of Commissioners in meetings;	Page 357 - 365.
	e) Issuer or Public Company policy regarding the evaluation of the performance of members of the Board of Directors and members of the Board of Commissioners and the implementation at least includes: (1) Procedures for implementing performance appraisal; (2) Criteria used; (3) The party conducting the assessment.	Page 369.
	f) Assessment of the performance of the committee that supports the implementation of the duties of the Board of Commissioners; and	Page 335.
	g) In the event that the Board of Commissioners does not form a Nomination and Remuneration Committee, the information contained at least concerning: (1) Reasons for not establishing a committee; (2) Procedures for nomination and remuneration carried out in the financial year	N/A
3	Audit Committee, consist of :	Page 70-71 & 382 - 388.
	a) Name and position in committee membership	
	b) Age;	
	c) Nationality;	
	d) Educational Background;	
	e) Position/Work History;	
	f) Member period and term of office;	
	g) Independency Statement;	
	h) Policy and implementation on frequency of meetings and attendance lever of members;	
	i) Education and/or trainings (if any);	
	j) Implementation of Audit committee activities in the financial year	

No.	Reference	Fulfillment
4	Other committees in order to support the functions and duties of the Board of Directors and / or the Board of Commissioners consist of:	Page 388 & 399.
	a) Name and position in committee membership	
	b) Age;	
	c) Nationality;	
	d) Educational Background;	
	e) Position/Work History;	
	f) Member period and term of office;;	
	g) Job description;	
	h) Charter ownership statement	
	i) Indenpendency statement;	
	j) Policy and implementation regarding the frequency of meetings and the level of attendance of members;	
	k) Education and/or trainings (if any);	
	l) A brief description of the implementation of activities in the financial year.	
5	Corporate secretary, include among others:	Page 421.
	a) Data Corporate secretary profile (name, position, age, nationality, education history, occupational history / work experience);	
	b) Legal basis of appointment;	
	c) Education and / or training;	
	d) A brief description of the implementation of tasks in the financial year	
6	Internal Audit Unit, including among others:	Page 428.
	a) Name of Head of Internal Audit Unit;	
	b) Position/Work history;	
	c) Qualifications/certification as an internal audit profession (if any);	
	d) Education and / or training;	
	e) Structure and position of the internal audit unit;	
	f) Description of duties and responsibilities;	
	g) Statement of guideline / charter ownership;	
	h) A brief description of the implementation of tasks in the financial year.	
7	A description of the internal control system applied by the Company, at least concerning:	Page 443.
	a) Financial and operational controls;	
	b) Review of the effectiveness of the internal control system.	
8	The Risk Management System implemented by the Company, at least concerning:	Page 437.
	a) General description of the Company's risk management system;	
	b) Types of risks and methods of management; and	
	c) Review of the effectiveness of the risk management system.	
9	Important cases faced by Issuers or Public Companies, subsidiaries, members of the Board of Directors and members of the Board of Commissioners (if any), including include:	Page 455.
	a) Principal case/lawsuit;	
	b Status of settlement of case/lawsuit; and	
	c) The effect on the condition of the Issuer or Public Company;	

No.	Reference	Fulfillment
10	Information about administrative sanctions imposed on Issuers or Public Companies, members of the Board of Commissioners and Directors, by the Capital Market authorities and other authorities in the financial year (if any)	Page 455 - 457.
11	information regarding the code of conduct of the Issuer or Public Company includes: a) points of ethics code; b) forms of socialization of the code of ethics and enforcement efforts; and c) statement that the code of conduct applies to members of the Board of Directors, members of the Board of Commissioners, and employees of Issuers or Public Companies.	Page 474 - 476.
12	information about corporate culture or company values (if any)	Page 476 - 477.
13	a description of the share ownership program by employees and / or management carried out by the Issuer or Public Company (if any), including among others: a) number of shares and / or options; b) implementation period; c) eligible employees and / or management requirements; and d) implementation price.	Page 377.
14	Description of the whistleblowing system in Issuers or Public Company (if any), including: a) how to submit reports of violations; b) protection for reporters; c) complaint handling; d) the party managing the complaint; and e) the results of handling complaints, at least include: (1) number of complaints entered and processed in the financial year; and (2) follow up of complaints;	Page 449 - 451.
15	The application of the Public Company Governance Guidelines for Issuers that issue Equity-Type Securities or Public Companies, includes: a) statement regarding recommendations that have been carried out; and / or b) explanation of recommendations that have not been implemented, accompanied by reasons and alternative implementation (if any).	Page 293 - 297.

ASEAN Corporate Governance Scorecard

The principles of corporate governance from OECD are as follows:

Part	Principles and Recommendations	Page
A	**Rights of Shareholders**	
A.1	Basic Shareholder Rights	
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days.	315 & 321
A.2	Right to participate in decisions concerning fundamental corporate changes	
	Do shareholders have the right to participate in:	
A.2.1	Amendments to the company's constitution?	306
A.2.2	The authorization of additional shares?	306
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	306

Part	Principles and Recommendations	Page
A.3	Right to participate effectively in and vote in general shareholder meeting and should be informed of the rules, including voting procedures that govern general shareholder meetings	
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances,benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	313 - 314
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/ commissioners?	306
A.3.3	Does the company allows shareholders to elect directors/commissioners individually?	306
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	309
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	309
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	309
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	306 - 307
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	306 - 307
A.3.9	Does the company allow voting in absentia?	308 - 309
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	309
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Corporate Social Responsibility

Corporate Social Responsibility

> "The Bank's implementation of Corporate Social Responsibility always relates to the BCA mission. All CSR activities will be aligned with the aim of increasing franchise value to stakeholders."

BCA carries out its corporate social responsibility (CSR) not only to fulfil regulations but also as a manifestation of the Bank's corporate responsibility to its stakeholders. BCA CSR activities refer at all times to the BCA mission. All CSR activities are aligned with the aim of increasing franchise value to stakeholders.

Since 2016, Bakti BCA's programs are managed and developed by the BCA CSR working unit with the division. This working unit is responsible for developing, executing, and coordinating the implementation of BCA's CSR. Furthermore, with the special division, CSR development can be more focused and targeted, and

highlight its function as among the pillars of sustainable finance implemented by BCA.

SUSTAINABILITY PROGRAMS

FINANCIAL AND ENVIRONMENTAL SUSTAINABILITY

Bank Indonesia (BI) has issued provisions and regulations to encourage Indonesia's national banks to contribute to the realisation of sustainable finance. Under the concept of sustainable finance, banks must prioritise harmony between economic, social and environmental interests. The role of the banking sector can be carried out through project financing policies that are supportive of the protection and improvement of environmental conditions.

BCA strives to play a role in environmental conservation. One way the Bank commits to this is through managing its operations in a more environmentally friendly manner. This includes implementing energy saving practices, which are expected to contribute significantly to the overall effort.

In addition, BCA actively cooperates with institutions that are competent in handling environmental issues.

Sustainable Finance and Use of Environmentally Friendly Materials and Energy

BCA conducts a wide range of activities to fulfil its sustainable financial policies and contribute to environmental preservation, including the following:

a. **Sustainable Finance**
   The Government, through the Financial Services Authority (OJK) has implemented Sustainable Finance for financial service institutions (LJK), issuers and public companies. In support of this government policy, BCA was involved in the pilot project "First Movers on Sustainable Banking" along with seven other national banks. This initiative will increase the durability and competitiveness of LJKs and facilitate them to grow sustainably. Furthermore, the pilot project was aimed towards realising a low carbon economy as one way of overcoming the effects of climate change.

Referring to this framework, BCA is committed to implementing the principles of sustainable finance in its daily operations. One example of this is the Bank's focus on lending for environmentally sound businesses activities. BCA has funded eco-friendly products, renewable energy, energy efficiency, sustainable management of natural resources and sustainable land use, as well as sustainable management of water and wastewater. In addition, BCA also finances activities for small and medium enterprises (MSMEs) related to an inclusive economy.

In 2018, BCA's loan portfolio that finances environmentally business activities in the corporate and commercial segments amounted to Rp24.62 trillion. This figure increased 9.4% from the previous year's Rp22.5 trillion. In the small and medium enterprise (MSME) segment, lending associated with an inclusive economy reached Rp71.1 trillion. This figure increased by 27.6% from Rp55.7 trillion the previous year. Lending is conducted with a number of considerations, including credit worthiness, which takes into account sustainable management of environmental, social and economic factors.

The financing portfolio for environment-friendly business activities already possessed special certification in the category of Natural Resources Management and Sustainable Land Management. Palm oil plantations and mills possess the ISPO (Indonesia Sustainable Palm Oil) and/or the RSPO (Roundtable on Sustainanle Palm Oil) certification, while companies in forest/timber management possess the FSC (Forest Stewardship Council) certification.

Internally, sustainable banking initiatives are implemented through several initiatives. For example, the Bank conducts annual training related to sustainable finance for employees. In 2018, this training was attended by 156 participants. Sustainable

BCA builds its office buildings based on the energy saving and environment-friendly principles.

BCA supports the easy access to knowledge movement with Blims e-book library.

financial principles are also integrated within the organisation's internal policies. Management also continually evaluates and maps existing portfolios to the criteria for sustainable financing in accordance with the direction of OJK.

b. Smart Building

In line with commitments in the environmental field, BCA applies Building Energy Management System (BEMS) to several of the Bank's office buildings. In order to be more energy efficient and environmentally friendly, BEMS manages energy use efficiently, effectively and rationally without reducing work comfort, aesthetics, health, safety, or user productivity.

BCA Landmark Pluit is the first building to implement the Smart Building concept, an environmentally friendly building design with special features for the efficient management and monitoring of building operations.

Wisma BCA Pondok Indah (WPI) and Wisma Asia II (WSA II) both had chillers that had reached ten years of service and were optimised with the installation of VSD pumps in January 2018. With this addition, the chiller pump works like an inverter pump, an upgrade that reduced electricity consumption in 2017–2018 by 5% for WPI, equivalent to Rp214.56 million, and 6% for WSA II, equivalent to Rp549.16 million.

The Bank also implements waste sorting in its buildings' waste treatment systems. There are two categories of waste water, namely black water and grey water. Black water must be disposed of in a septic tank, while the grey water is discharged through municipal sewers, such as used bath water or washing water. Grey water can be processed into plant water and reused for sanitary toilets. Grey water processing has been implemented in Wisma BCA Pondok Indah and KCU Bintaro Building. BCA building managers have also applied the STP (Sewage Treatment Plant) standard, whereby waste water must be processed first before being discharged into city/surrounding channels with measured water content and according to the Waste Water Disposal Permit (IPAL) standard.

c. Environmental Awareness

BCA continuously prioritises efficiency in line with the principles of environmental preservation. In 2018, BCA received a Certificate as a Constituent of Sustainable Investment (SRI) KEHATI Index from the KEHATI Foundation for the environmental care movement.

Some environmentally friendly policies at Head Office and the Branch Offices include:

- Cost-efficient transportation, whether for corporate travel, training of document deliveries. Transport is replaced where possible by use of the latest technology, such as:

- Teleconference and video conference for meetings;
- e-learning for BCA employees to learn online;
- Car pooling, a vehicle sharing program for employees;
- Digital document transmission/access through e-mail, the myBCA intranet portal, application tracking system;

- An e-book library, launched under the name of Blims, from which employees can borrow e-books and e-magazines without the need to visit the BCA library;
- Reducing paper use through the paperless banking initiative, including the following:
  - Setting printer defaults to double-sided printing;
  - E-filing for digital document storage;
  - Digitisation of selected operations. Currently, such operations are carried out through Enterprise Back office Integration (EBI) applications, car pooling management system, Manager and Employee Self Service (MESS) and e-approval (digital signature for payment memos);
  - Development of technology-based BCA internal communication facilities to further reduce paper use, including the following:
    - Socialisation of materials to employees transferred digitally, accessible via MyBCA intranet service;
    - BCA's internal magazine, published as an e-magazine that can be downloaded on computers and mobile phones.
- Environmentally friendly policies in the development of banking solutions. BCA invites customers to take care of the environment by implementing an e-statement system for credit card bills, receipt-free cash withdrawals at ATMs, digital banking solutions (m-BCA, Klik BCA, and Sakuku), regulated air conditioning temperatures, reduced back office lighting during lunch time and outside working hours, water saving campaigns, and so on.

  BCA head office operations comply with policies in efficient use of electricity, including through the application of Printer Pooling Management (PPM), which replaces printers, photocopiers, scanners, and fax machines into a single multifunction device. In addition to saving electricity, this program has streamlined paper use by up to 9%.

Since 2011, BCA began to retrofit lighting with LEDs. The switch to LED is an ongoing process conducted along with building utility maintenance activities or during the development of new buildings.

In 2018, BCA Landmark Pluit installed a smart lighting system that is integrated with motion sensors and light sensors, so that the lights will automatically turn on when someone is working and the light level will be adjusted in accordance with the intensity of the sun.

In the construction of its buildings, BCA began to pay attention to Passive Design and Active Design. Passive design is a design that takes advantage directly from natural sources without relying on mechanical and electrical equipment for health and comfort in space. It is hoped that this will play a role in reducing the electricity burden through the building design.

Active Design uses Building Automation System tools to control electronic devices in building operations based on IP (Internet Protocol) and HLI (High Level Interface).

d. Employee Engagement

The success of the Bank's environmentally friendly programs relies heavily on employee engagement. In addition to launching the Green Office program, BCA actively socialises the program through internal communication facilities, such as the MyBCA portal, Semua Beres Facebook Group (a closed group for BCA employees), COP (Community of Practice), communication management, television displays, and InfoBCA Magazine.

In addition to the written publications distributed through these channels, socialisation is also done through short videos. Employees are even invited to make and submit their own videos to socialise energy-efficiency programs.

It is hoped that through the Green Office program, BCA can contribute to the broader objective of an energy-saving a lifestyle for BCA employees and the people of Indonesia.

e. **Earth Hour**
Since 2012, BCA has consistently supported the annual Earth Hour convention. Global activities initiated by the World Wide Fund for Nature (WWF). Earth Hour is intended to raise awareness of the dangers of climate change and is characterised by a one-hour blackout on the last Saturday of March each year.

As per BCA's commitment, on March 25, 2018, BCA again participated in Earth Hour, extinguishing the illumination of the BCA logo and all outdoor lighting for one hour, between 20:30 and 21:30 WIB. Blackouts were conducted at Menara BCA, KCU and KCP buildings, and BCA billboards.

f. **Achieving Environmentally Friendly Policies at BCA**
- **Paperless and Paper Use Programs**
  Since altering printer defaults, BCA has managed to reduce the use of photocopy paper by 9% over the past three years.

- **Electricity Usage**
  BCA implements a range of electricity-saving policies. In 2018, total electricity consumption across several BCA Headquarters (Menara BCA, Wisma Asia II, Wisma Pondok Indah and Landmark Pluit) amounted to 17,114,118 kWh.

- **Efficient transportation costs for official travel and training**
  One of the Bank's efforts to save transportation costs is its provision of e-learning and video conferencing (VCON) as a substitute for meetings, coordination activities and training that must be attended directly.

  As of December 2018, there have been 1,190,644 hours of e-learning participated in by 170,092 employees. VCON reached 30,262 sessions in 2018, an average of 2,522 sessions per month.

- **Waste Sorting**
  BCA actively educates its employees in the principles of waste sorting as a part of the Green Office program. This is expected to establish a habit that spills over into the everyday lives of employees.

LABOUR, HEALTH AND WORK SAFETY PRACTICES

BCA HR plays an important role in the performance and achievements of the company. Therefore, BCA always pays special attention to human resource management.

BCA is committed to the continuous development of human resources in order to improve competence, career prospects and welfare of employees. This is expected to increase the comfort and pride of BCA employees. BCA also strives to provide protection for all employees in the work environment.

Some of the Bank's policies related to employee protection include:

a. **Transparency of the Company's strategic policies in the field of staffing.** BCA has improved communication around staffing policies for employees, such as recruitment, promotions and remuneration systems.

b. **Information disclosure for employees.** BCA is committed to openness for its employees. To that end, BCA developed a variety of internal communication facilities, such as official correspondence (circulars), e-mail broadcasts, internal BCA magazines (print and digital versions of InfoBCA), COP (Community of Practice), myBCA internal portal, myVideo, Semua Beres Facebook group, and various other means. To get information related to employment or industrial relations, employees can also contact Halo SDM through an internal telephone network.

c. **Collective Labour Agreement (PKB).** As a manifestation of the company's commitment to develop conducive and productive industrial relations, BCA issued a Collective Labour Agreement. The PKB was formulated by the management's negotiation team and a union is updated every two years. In 2018, negotiations were held to review the BCA PKB. These negotiations resulted in the Collective Labour Agreement (PKB) Booklet, which will be launched in January 2019 and will be valid for the period 2019 to 2021.

d. **Conducive work atmosphere** in an effort to support the achievements of individuals, work units and the Company. BCA believes that the best performance can be achieved by creating a conducive work environment. This concept has been incorporated in to the fundamentals of BCA and is reflected in the corporate culture. A conducive work environment is predicated on an awareness of healthy competition through transparent and fair appraisals for individuals, as well as periodic evaluation of work units.

e. **A clear and planned direction for professional development and career opportunities.** BCA conducts annual reviews of career path and progression. An individual's career path must be adjusted to the quality of their performance and their achievement of both individual targets and work unit targets.

f. **Equal opportunities.** BCA provides equal employment opportunities for all employees regardless of ethnicity, religion, race, class or sex. The Company's policy regarding the placement of employees always emphasises the quality and competence of the employees concerned.

g. **Opportunities to actualise skills, competencies, talents and interests.** Every employee is given the opportunity to actualise his or her expertise and competence in order to achieve work targets. BCA also provides opportunities for employees to develop talents and interests outside the professional context—for example, in the field of sports or art. Employees can join in activities organised by the BCA Sports and Arts Coordination Agency, including AsiaBike (bicycle sports), AsiaLens (photography), AsiaWangi (puppet arts), AsiaHike (hiking), and others.

h. **Compensation and benefit program.** BCA provides competitive compensation and benefit programs.

BCA Porseni is a forum where employees can exercise their interests and develop their talents.

HR achievements are supported by an atmosphere of togetherness and conducive work climate.

Implementation Report

a. Gender Equality and Job Opportunities

Every employee has the same job opportunities based on their quality and competence of employees and conformity to the needs of the company.

Number of BCA Employees based on Sex

	2018	2017
Male	9,873	10,180
Female	15,068	15,259
Total	**24,941**	**25,439**

b. Work Environment and Safety

BCA is considerate towards workplace safety in the office environment, developing and structuring its workplaces with reference to several concepts:

- completeness and quality of facilities and work environment,
- cleanliness of the work environment,
- harmony in the layout of the workspace,
- careful placement of work facilities, and
- completeness and quality of security facilities.

In order to maintain employee safety, BCA conducts regular evacuation drills at head office, regional offices and branch offices, thus ensuring that employees are well prepared to face fires or earthquakes.

c. Employee Turnover

By comparison to the national banking industry, BCA has a relatively low turnover rate. This proves that the working atmosphere at BCA is fairly conducive with a high sense of belonging and togetherness. As of December 2018, the number of permanent employee terminations is 918, with a turnover rate of 3.74%.

d. Occupational Accident Rate

As in 2017, no work accidents occurred in the BCA environment throughout 2018. This is the result and proof of BCA's commitment to ensuring the safety and security of employees in the work environment.

e. Education and/or Training

In accordance with its commitment to employee development, BCA has developed a wide range of training programs. During 2018, BCA organised both in-class training and e-learning programs. In-class training programs were conducted with a total of 2,005 classes, while e-learning provides 199 training topics. In 2018, 1,166 employees completed the BCA career development program.

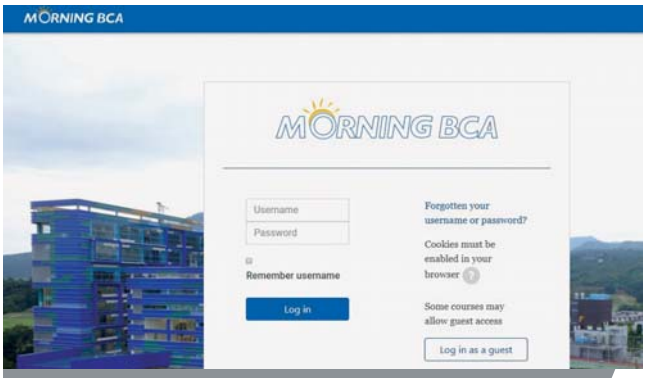
f. Remuneration

BCA gives great attention to the health and welfare of employees. BCA always manages employee compensation and benefits competitively within the banking industry.

One manifestations of the company's commitment to improving employee welfare is the salary increases and bonuses that BCA provided in 2018 for employee and company performance.

In order to enhance the sense of ownership, BCA provided extra bonuses to employees in the form of BCA shares. Shares were given based on employee performance during the period 1 January to

BCA won an award for its implementation of social security through Paritrana Award.



BCA develops HR competencies, including by making use of the Morning BCA e-learning facility.

31 December 2018 and were distributed on 25 April 2018 to 22,843 permanent employees. The total shares provided were 11,395,172 shares with an average purchase price of Rp23,158.38/share. In line with the objectives of the program, the shares given were locked-up for 3 years. Thus BCA employees are expected to be committed to improving personal and corporate performance.

To ensure the health of employees and families, BCA makes a variety of health facilities available for employees. Some of these health facilities, including inpatient care, outpatient care, childbirth, making glasses, dental care, laboratory tests, medical check-ups, and pap smears. This policy is expected to contribute positively to the lives of employees.

BCA also participates in the Government's healthcare program, including by facilitating the participation of employees and their families in the BPJS Health insurance scheme. In addition, BCA provides lactation rooms in several offices. This facility is expected to support and facilitate BCA employees in observing an exclusive breastfeeding approach for their children.

In addition, in 2018, BCA actively organised a health seminar for employees, entitled "Be Physically Active and Nutritious". The seminar has been held a total of 13 times both in and outside of the Jabodetabek area.

g. Employee Complaints

The Bank is committed to always maintaining communication with employees. To this end, BCA has developed several facilities, one of which is Halo SDM (tel. 66900), a telephone service that employees can call to get information about employment or industrial relations. This facility can be accessed through BCA's internal telephone network. The company guarantees confidentiality of all employee data processed through the Halo SDM service.

h. Anti Corruption Policies and Procedures

In continuation from the previous year, in order to develop employee insight into anti-corruption, in 2018 BCA again required employees to take part in training related to Anti Fraud Awareness.

In 2018, BCA also held Anti-Money Laundering and Terrorist Funding Prevention (APU PPT) training. The training was been attended by 4,663 employees through classroom training and 2,420 employees through e-learning.

SOCIAL AND COMMUNITY DEVELOPMENT

Use of Local Workers

BCA provides employment opportunities for the community to meet the needs of HR (human resources). Recruitment is carried out by considering competence, needs, and suitability. To make it easier for the public to obtain information about job opportunities and submit job applications, BCA provides career tools www.bca.co.id and LinkedIn accounts PT Bank Central Asia Tbk. Applicants who fulfil the requirements will follow a further selection process in accordance with the provisions of BCA.

Local Community Empowerment

The company has developed various community empowerment programs under Bakti BCA. These programs are carried out through three pillars, namely BCA Smart Solutions, BCA Synergy Solutions, and BCA Excellence Business Solutions.

- **BCA SMART SOLUTIONS**

  Education is one of the main means to develop quality human resources, while also contributing to the progress and development of Indonesia as a nation. BCA continuously develops social programs to contribute to the development of education for Indonesia's young generation. These programs have been developed through Smart Solutions under Bakti BCA. In the long term, it is hoped that they will contribute to the quality and competitiveness of Indonesia's human resources, especially the younger generation.

Some Smart Solution programs developed by BCA include the following:

1. Non-degree Accounting Program
2. Non-degree Informatics Engineering Program
3. Bakti BCA Internship Program
4. Bakti BCA School Assistance
5. Bakti BCA Scholarship
6. Educational Partnership
7. Financial Literacy Education

1. Non-degree Accounting Program (PPA Non-degree)

PPA has been continuously developed since 1996. This program is aligned with BCA's main business in the banking sector. Participants are high school graduates, vocational high school students or equivalent who have good academic achievement, but have financial constraints preventing them from continuing their education to a higher level. Information about this program is disseminated to selected schools and through the BCA website.

Participants come from various regions of Indonesia. Participants of PPA will receive a 30-month accounting knowledge briefing as well as soft skills material, including leadership, teamwork, character building, grooming, and financial planning. The PPA assessment uses a knockout system with a relatively strict graduation standard. Learning activities include classroom learning and practical work in the BCA work environment.

At present, teaching the PPA are teaching staff who are experienced professional practitioners and lecturers, as well as internal instructors from BCA who have proven competencies in their fields.

PPA participants are encouraged to develop their potential. Participants also have the opportunity to take part in national competitions, such as competitions amongst college students.

In line with the original goal to help students who are experiencing financial difficulties, participants are not charged to join the PPA, from the time of registration and selection through to completion of study. In fact, BCA provides adequate learning facilities, including pocket money and textbooks, to ensure there are no barriers for participants. There is no official bond, but PPA graduates still have the opportunity to work at BCA in accordance with the needs and requirements of the company. As of 2018, 1,362 participants have chosen to work at BCA after completing the program. In 2018, there were 376 PPA students with 134 of the original number successfully completing the program.

PPA participants in the past 3 years:

	2018	2017	2016
PPA Participants	376	378	378

PPA Alumni in the past 3 years:

	2018	2017	2016
PPA Alumni	134	129	122

2. Non-degree Informatics Engineering Program (PPTI Non-degree)

PPTI was first developed in 2013 and is aimed at high school, vocational high school graduates or equivalent who are interested in improving their IT capabilities. The education program lasts 30 months. In order to maintain the quality of graduates, BCA implements a knockout system with a relatively high graduation standard.

While participating in PPTI, participants receive material on informatics engineering with the standards equivalent to an Informatics Engineering degree.

In addition, participants are also provided with soft skills materials, such as leadership, cooperation, financial planning and others. In addition to the learning process in the classroom, participants have the opportunity to intern in the BCA Headquarters work unit.

Participation is free of charge. BCA provides participants with a range of facilities, including pocket money, textbooks and laptops. PPTI participants are not subject to any official commitments, but graduates have the opportunity to join BCA as employees, according to the needs and requirements of the company.

In 2018, PPTI received 106 participant, 7 people more than in 2017. 33 participants successfully completed the program, all of whom chose to join as BCA employees.

PPTI Participants in the past 3 years:

	2018	2017	2016
PPTI Participants	106	99	89

PPTI Alumni in the past 3 years:

	2018	2017	2016
PPTI Alumni	33	28	29

3. **Bakti BCA Internship Program**

In an effort to participate in improving the quality of Indonesia's human resources, especially the younger generation, BCA developed the BCA Bakti Internship program. The program was first developed in 2002. The program is intended for high school graduates to undergraduates. Prospective participants must first pass a selection process to be eligible for the program.

During the program, participants will receive debriefing and training in the field of banking operations. Some of the debriefing materials include counting and sorting money, assessing the authenticity of Rupiah cash, skills required by tellers/CSO, knowledge of BCA products, simulations of mini banking and bank secrecy, and so forth.

Each participant will have the opportunity to gain experience as a CSO (Customer Service Officer) or teller. It is expected that the experience gained through this program will be beneficial for participants if later they enter the workforce.

The number of participants of the BCA Bakti Internship program during 2018 reached 4,190 people, an increase from 3,766 people in 2017.

Bakti BCA Internship Program participants

	2018	2017	2016
participants	4,190	3,766	3,721

4. **Bakti BCA School Assistance**

BCA supports government programs to improve the quality, access and development of educational infrastructure through the Bakti BCA School Assistance program. BCA first began developing the pilot project in Gunung Kidul in 2000.

Bakti BCA School Assistance activities cover training for teaching assistants, as well as assistance for student activities and infrastructure development. Examples include support in the development of computer laboratories, LCD projectors and servers, as well as library books. BCA also facilitates training for teachers, tailored to the needs of the teachers and their institutions. BCA regularly evaluates the program to plan and develop the next program.

In developing training programs, BCA works with institutions that have proven competencies in their fields. One program that has been conducted in collaboration with third parties is knowledge and skills training for teaching staff. One of the topics covered in the training relates to efforts to achieve a creative and effective learning atmosphere in the classroom.

BCA supports its mentored schools in several regions, one of which is Gunung Kidul.

The beneficiaries of BCA Bakti scholarships are also equipoed with trainings on leadership.

BCA hopes that this program will contribute to the development of schools across the country so that children need not travel to find quality schools far from their homes. On average, BCA Bakti schools assistance achieve good accreditation.

To date, there are 17 Bakti BCA schools assistance (9 elementary schools, 5 junior high schools, and 3 high schools), in Lampung, Banten and Yogyakarta. In 2018, BCA Bakti schools assistance reached 8,671 people.

During the 2018 period, BCA facilitated several activities for teachers and students, including teacher training on 21st century learning and developing a culture of inquiry. This program is expected to improve students' competencies in facing the challenges of modernisation in the 21st century. This training is also aligned with the 2013 curriculum.

BCA also organises student capacity building covering knowledge of banking financial products. BCA also provides financial education in junior and senior high schools.

5. **Bakti BCA Scholarship**

   The Bakti BCA Scholarship was first developed in 1999. The program is intended for Undergraduate students who have outstanding achievements but are relatively financially constrained. BCA works with universities to implement the Bakti BCA Scholarship. In addition to scholarship funding, Bakti BCA Scholarship recipients also receive the soft skills needed when studying at the college level or entering the professional world. The program includes mentoring, training, and sharing sessions.

   The Sahabat BCA Facebook Group has been set up as a means of communication between scholarship recipients. It is hoped that these facilities will expand networks, besides being useful for developing insights on self-development management and banking products.

   During 2018, BCA facilitated the provision of soft skills to Bakti BCA scholarship recipients, including leadership training at Sam Ratulangi University, Sepuluh Nopember Institute of Technology, Airlangga University, Bandung Institute of Technology, Padjadjaran University, Diponegoro University, Hasanuddin University, University of Indonesia, Cendrawasih University, Gadjah Mada University, Mulawarman University, Sriwijaya University, Brawijaya University, Udayana University, Bogor Agricultural Institute and University of North Sumatra. Previously, Bakti BCA Scholarship recipients also had the opportunity to receive mentoring from BCA management.

   In 2018, BCA collaborated with 16 state universities, including the University of Indonesia (Jakarta), Bogor Agricultural Institute (Bogor), Bandung Institute of Technology & Padjadjaran University (Bandung), Diponegoro University (Semarang),

Gadjah Mada University (Yogyakarta), Institute of Technology Sepuluh November (Surabaya), Airlangga University (Surabaya), Brawijaya University (Malang), Udayana University (Bali), North Sumatra University (Medan), Samratulangi University (Manado), Sriwijaya University (Palembang), Hasanuddin University (Makassar), Mulawarman University (Samarinda) and Cendrawasih University (Jayapura). 629 students received Bakti BCA scholarships in 2018.

BCA also collaborates with several other institutions in channeling scholarships. In 2018, BCA partnered with Sanata Dharma University for students from Eastern Indonesia, Karya Salemba Empat Foundation (KSE), Beasiswa Skripsi dan Tugas Akhir (BEST) for University of Indonesia students, and Institut Koperasi Indonesia (Ikopin).

6. **Partnership with Educational Institutions**

   BCA works with institutions or universities with a view to improving the quality of education and learning in Indonesia. Programs of this nature are carried out continuously. Programs held during 2018 include the following:

   - In collaboration with the University of Indonesia, BCA supported various activities, such as the Bedah Kampus event, seminars, and delegating University of Indonesia students to various overseas activities;
   - In collaboration with the Bogor Agricultural Institute, BCA supported the delegation of students to participate in overseas activities;
   - In collaboration with the Technology Institute Bandung, BCA also supports the Real Work Lecture program and Study Excursion, as well as soft skills training for student organisations, regarding the characteristics of the current generation and the generation gap, learning evolution, teaching the innovative generation, and building excellent service;
   - In collaboration with Diponegoro University, Semarang, BCA provided Bloomberg facilities at the Faculty of Economics and Business (FEB);
   - BCA collaboration with Gadjah Mada University included the following:
     - Since 2015, BCA has been a sponsor in the development of a banking laboratory at the Faculty of Economics & Business (FEB) of Gadjah Mada University, improvement of the Gadjah Mada University library building, and provision of room facilities for the Gadjah Mada University music education program;
     - Support of vocational programs, including the development of mini banking at the Faculty of Economics and Business (FEB) and fintech academy at Gadjah Mada University;
   - BCA actively participated in the Integrative Holistic Early Childhood Program (PAUD HI), coordinated by the United Nations Children's Fund (UNICEF). BCA involvement in this program demonstrates its support for government programs. Together with UNICEF, BCA also submitted donations for learning support books, teacher handbooks, and educational teaching aids for PAUD in Sorong and Raja Ampat in West Papua.

The Management of BCA gives public lectures at several universities in Indonesia.

Various programs are run to support the inclusive financial literacy program.

- BCA directors and top management were also active as speakers at public lectures at several universities, including the Harapan Bangsa Institute of Technology, Padjadjaran University, and Bunda Mulia University.

7. **Financial Literacy Education**

BCA actively supports financial literacy programs in an effort to improve Indonesia's Financial literacy index and inclusion index of the Indonesian people.

During 2018, BCA has implemented several financial literacy programs, including:

- **Financial Literacy Education Car (SiMOLEK) initiated by the Financial Services Authority (OJK).** BCA supported the OJK SiMOLEK program in Samarinda, Tasikmalaya, Bandar Lampung, Medan, Bandung, Denpasar, Semarang, and Jakarta. Educational participants came from various circles, such as traders, MSME entrepreneurs, private employees, government employees, as well as lecturers and students. SME owners are taught how to effectively manage their business finances and keep their business and personal finances separate. The purpose of this activity is to increase the literacy and financial inclusion index in areas where the infrastructure is relatively elementary.

- **Financial Literacy Education for Indonesian Migrant Workers (PMI).** BCA also cooperated with the OJK, the Hong Kong Consulate General, the National Agency for Placement and Protection of Indonesian Workers (BNP2TKI) and other financial service institutions to conduct education regarding financial management and financial products/services to Indonesian migrant workers. Entrepreneurship training was also carried out as a part of this program. In 2018, this activity was attended by 3,800 participants.

- **Financial Literacy Education to Students**. Financial education is most beneficial when it is implemented early. For this reason, BCA organises regular financial literacy education programs for elementary school students that incorporate training, savings simulations and "edutainment" all focused on developing foundational financial literacy.

  In 2018, education was provided to several students of elementary schools, including Bakti BCA schools Assistance. Activities were carried out at Taktakan 1 Elementary School and Taktakan 2 Elementary School in Serang, Banten; SDN 7 Gadingrejo, Lampung; Ponjong 1 Elementary School, Ponjong 2 Elementary School, Banyubening Elementary School, Candibaru 2 Elementary School, Semanu 3 Elementary School, and Kwangen Elementary School in Yogyakarta; and at SD YPK Klawana, SDN Inpres 26, and SDN 12 Kabupaten Sorong. Children participating learn basic finance, such as managing pocket money. Children can also learn to save through SimPel/SimPel IB products.

  The program included a mini edutainment expo introducing financial banking products as well as information about wayang culture in Serang, Lampung and Yogyakarta. This activity was attended by 3,000 junior and senior high school students.

- **Financial Literacy Education to Families of Indonesian Migrant Workers (Saba Desa).** BCA delivers financial management programs, including knowledge of financial products/services and socialisation of the Fire Cash BCA program families of migrant workers and related communities. These programs were delivered in Lapangan Ambulu, Jember in East Java; Lapangan Cinangsi Sidareja, Cilacap in Central Java; Juntinyuat Village Hall, Indramayu in West Java; Lapangan Jatirokeh Songgom, Brebes in Central Java; and at Lapangan Campurdarat, Tulungagung in East Java. Each Saba Desa activity was attended by around 800 to 1,200 visitors.

BCA encourages the younger generation to better understand financial management.

BCA also actively promotes culture as one of the shaping factor of the Nations's character.

- **Financial Literacy and BCA LAKU Products Education.**
  BCA conducts for financial management and saving for housewives, SME entrepreneurs, agriculture workers and employees to advance financial literacy programs. The participants were taught the differences between consumptive and productive debt. In 2018, activities were carried out in the West Java region (Kuningan, Ciamis, Cirebon, Majalengka, and Tasikmalaya), Central Java (Demak, Kudus, Jepara, Grobogan, and Wonogiri) and DI Yogyakarta (Gunung Kidul) and were attended by 91,425 people.

- **BCA SYNERGY SOLUTION**

BCA Synergy Solution is one of the pillars of Bakti BCA in its efforts to support the development of the nations, including in the forms of culture, health, empathy, sport and environment awareness in Indonesia. In the implementation of this program, BCA works in synergy with a variety of credible and competent institutions.

1. **Bakti BCA for Culture**
   Since 2012, BCA has actively promoted the Indonesian tradition of Wayang puppetry, a cultural icon listed by UNESCO. BCA promotes Wayang through various programs, especially aimed towards young people with a view to keeping the tradition alive amongst a generation who have less direct contact with the practice.

Below are some examples of this program:

- **Wayang for Students**
  Wayang for students is an ongoing program delivered to young people in selected cities continuing a number of programs started in previous years.

  In May 2018, BCA held a focus group discussion under the heading, "Wayang for Students", which was participated in by wayang artists and enthusiasts, students and teachers with a view to exploring views on the best platforms and strategies to familiarise young people with the art of wayang.

  Throughout 2018, as many as 4,028 junior and senior high school students joined the Wayang for Students program in four locations, Bandung (1,504 participants), Semarang (780), Jakarta (744) and Yogyakarta (1,000).

  In November, BCA continued its collaboration with Asia Wangi to introduce wayang to elementary school students through "Wayang Day", which included a wayang colouring competition and wayang performances and was attended by elementary school students at the BCA KCU in Bogor. At the same time, BCA delivered financial literacy education, teaching young children about saving.

Throughout 2018, BCA supported free cataract surgeries to 574 patients.

BCA donated one unit of operational car to UTD PMI Jakarta.

- **Cultural Education**
  In February 2018, in the context of the 61st Birthday of BCA, BCA Regional Office II along with the BCA Wayang Enthusiasts Community (Asia Wangi) held the Arts and Culture Display at KCU Semarang. A Wayang Kulit performance was presented by master puppeteer Ki Mantep Soedharsono based on the story of Saptaarga Binangun. The Asia Wangi group also performed the Sambrama Laksmi dance, which symbolises the four pillars of BCA.

  BCA collaborated with Asia Wangi to distribute books about Wayang to schools and universities in selected regions of Indonesia through the Wayang Books for Indonesia Movement in July 2018. Aside from distributing books, BCA also held seminars and performances of Wayang Topeng Malang with presenters with experience in the field of art and culture. It is hoped that through this event, BCA will promote interest in and access to understanding of wayang for students and members of the young generation.

2. **Bakti BCA for Health**
   In an effort to contribute to national health, BCA works with a number of institutions to facilitate health services, especially for citizens in need. In 2018, some of the activities conducted were as follows:

- **Cataract Surgery**
  Since 2001, BCA has worked with Cataract Blindness Prevention Unit of the Indonesian Ophthalmologist Association (SPBK Perdami) to provide cataract surgeries for underprivileged members of the public without the pressure of cost.

  In 2018, 574 patients received cataract surgeries under this program, conducted in 6 locations: RSAU dr M. Hassan Toto Lanud Atang Sendjaja Bogor (72 patients); RS Mata Prima Vision (47); RS Colombia Medan (70); Pulau Enggano Bengkulu (36); RSUD Tais Bengkulu (80); RSUD Morotai Maluku (127). Aside from these, in continuation from the program's implementation in 2017, BCA collaborated with the Kick Andy Foundation to provide cataract surgeries at RS Elim Rante Pao South Sulawesi (109 patients) and RSUD Siwa South Sulawesi (33).

  In 2018, BCA also donated two microscopes to SPBK Perdami Pengurus Pusat and one more to Perdami DKI Jakarta. The total value of the donation to SPBK Perdami was Rp1.315 billion. Prior to this, in 2017, BCA donated a Phacoemulsification Cataract Machine Intuitive AMO along with three sets of equipment to support cataract operations worth Rp659.5 million to Perdami DKI Jakarta.

Through this program, BCA intends to support the Government's program to reduce the number of people suffering with cataracts and to support the Right to Sight program initiated by the World Health Organisation (WHO).

- **Healthcare Services**
  BCA works with Bakti Medika Clinic and Duri Utara Medical Practice to facilitate quality, affordable healthcare services. Through this program, it is hoped that underprivileged members of the public will have improved access to quality healthcare. One service provided through this program is family planning consultations.

  In 2018, as many as 15,570 patients received healthcare services under this program. Duri Utara Medical Practice received 11,383 patients and Bakti Medika Clinic 4,187. Aside from this, BCA supported the provision of free medicine and free glasses in selected regions, including the following:
  - Duri Utara Medical Practice and Bakti Medika Clinic
  - Gemah Sumilir Tourism Village Pekalongan
  - Wayang Wukirsari Tourism Village
  - Wirawisata Goa Pindul
  - Pentingsari Tourism Village
  - Tamansari Tourism Village

- **Bakti BCA Blood Donation**
  Bakti BCA Blood Donation was first held in November 1990. BCA works with Red Cross Indonesia to conduct the program four times a year in Jakarta and elsewhere at regional offices and branch offices. In 2018, 2,631 blood donations were collected. BCA also donated four Blood Scale and Mixer sets.

  In 2017, BCA was awarded by MURI Records as Top Private National Bank Conducting Blood Donation. Along with this, BCA donated one operational vehicle to UTD PMI Jakarta, which was officially handed over on 3rd November 2017 and is hoped to support UTD PMI Jakarta in meeting the need for blood supplies in and around DKI Jakarta.

- **Health Education**
  In addition to supporting and facilitating healthcare services, BCA organised health education aimed at Indonesia's youth. In 2018, health education was provided for 700 students at SDN 1, SDN 2, SDN 4, SDN 5 and MI Sunan Giri in Tamansari Village. Through this activity, BCA hopes to help raise public awareness and broaden insight into preventative healthcare.

BCA collaborated with BOSF to encourage orangutan conservation programs.

BCA and WWF collaborated to plant mangroves in the NEWtrees program.

BCA channeled assistance through WWF and UNICEF to support environmental development.

BCA also supported post-disaster rehabilitations in Palu.

- **Other**
  BCA continued to give donations and sponsorships to various healthcare institutions, including the Care for Alzheimer's Campaign (Yayasan Alzheimer/ALZI), End Tuberculosis, and others.

3. **Bakti BCA for Environment**
   - **Release of Orangutan**
     Contributing to the conservation of fauna in Indonesia, BCA donated funds to the Borneo Orangutan Survival Foundation (BOSF). In 2018, BCA and BSOF released six orangutans from the Orangutan Rehabilitation Centre in Samboja Lestari (ORC Samboja Lestari) into Kehje Sewen Forest in East Kutai. Orangutan (pongo abelii, pongo tapanuliensis, dan pongo pygmaeus) are protected wild animals that play an important role in the forest's ecosystem, primarily as an umbrella species. Presently, there are an estimated 57,000 orangutan in Kalimantan, a number that is under threat from deforestation, illegal logging, forest fires, hunting and trade in wild animals. This is the foundation of ORC Samboja Lestari's motivation to protect, rehabilitate and reintroduce orangutan, supported by efforts to conserve their natural habitat.

     In addition to reintroduction, BCA with BOSF conducted "Orangutan Goes to School" delivering education on the importance of conservation of the orangutan and its habitat at 10 schools in Samboja. A public awareness and publicity program was also conducted, including a special Flazz card design and a video campaign on the Menara BCA big screen for International Orangutan Day.

     In 2018, BCA donated Rp319.6 million to BOSF. In August 2017, BCA donated Rp200 million and supported a rehabilitation program reintroducing orangutan from ORC Nyaru Menteng to Bukit Baka Bukit Raya National Park in Central Kalimantan.

     BCA has been supporting BOSF in its rehabilitation efforts since 2012.

   - **Environmental Conservation**
     In 2018, BCA conducted various environmental conservation programs, including support for WWF Indonesia's NEWtrees initiative.

     BCA participated in replanting mangroves at Ujung Kulon National Park. Along with WWF Indonesia, BCA encouraged the people in the region to take an active role in nurseries, care for and monitoring the growth of mangroves, which is hoped not only to have a positive impact on the environment but also to generate a sense of ownership amongst the public. BCA contributed a total of Rp504 million to this effort.

BCA's mangrove planting efforts are a continuation of previous plantations in various locations, such as the Ecotourism Mangrove Coast in Indah Kapuk, Jakarta; Blanakan Subang, Tanggamus Lampung; Kali Opak Yogyakarta; Teluk Lamong Surabaya; Lam Ujong Aceh Besar; Bengkayang West Kalimantan; Muara Gembong, West Java; Wringin Putih Banyuwangi; and also Pejarakan Bali. With a total of 18 thousand mangrove tree seedlings already planted, an estimated 36.84 tons/ha of CO_2 will be absorbed within 10 years of planting, which will improve various habitats in coastal regions. As of 2018, BCA and WWF have planted 7,500 mangrove seedlings.

Aside from this, in 2018, BCA again supported the Banyuwangi Sea Turtle Foundation (BSTF) in its sea turtle conservation efforts. This program includes the release of hatchlings under the Save & Preserve Me program, which has seen as many as 100 turtle nests saved. The program also includes education on turtle conservation aimed at students, fishermen, and communities around Banyuwangi. This education was delivered to around 150 junior high school students, around 150 elementary school students, and some 125 fishermen and local people.

BCA collaborated with the Crab Ball Mangrove Indonesia Foundation to organise mangrove conservation and community empowerment activities relating to Crab-ball crab cultivation in Langensari Village, Blanakan, Subang, West Java. BCA supported the initiative with the purchase of 1,000 Crab-ball crab cultivation devices along with crabs and feed. In addition, BCA facilitated operational activities, training and intensive assistance for one three-month harvest period. A portion of the proceeds from the sale of the Crab-ball devices will be set aside for the conservation of mangroves. Funds are used for the purchase of mangrove seeds and planting and maintaining mangroves in the village's mangrove area.

- **Green Office**
  BCA has implemented a Green Office program in head office and branch offices in support of environmental protection. More details about this program can be found on page 518 of this report.

- **Empathy Program**
  In 2018, BCA provided support for the Asmat region amounting to Rp250 million to aid with handling measles outbreaks and malnutrition. BCA donated Rp175 million in aid, in addition to the social action of BCA employees valued at Rp311 million, for the people of the Lombok disaster. This aid not provided for the basic needs of the people but also contributed to the construction of the Aula Sahabat Lombok for people to carry out daily activities. For people of the Palu disaster, BCA collaborated with BCA Syariah to deliver aid worth more than Rp1 billion, as well as the social actions of BCA employees worth more than Rp300 million.

  In addition, BCA was active in the provision of aid and support to communities in various other areas affected by natural disasters. In 2018, donations were given to Pidie Aceh, Gunung Kidul, Sinabung, and to people of the Sunda Strait tsunami disaster. BCA also donated to support the construction of two wells in Gunung Kidul, bringing clean water and especially supporting the needs of the region during the dry season.

  BCA collaborated with UNICEF in providing assistance for Integrated Holistic Early Childhood Development (PAUD HI) in Sorong Regency and in Raja Ampat, West Papua totalling Rp850 million in aid for the 2017–2018 period and the same for 2018–2019. To date, 878 students have benefited from this program. In addition to funding, as many as 75 PAUD teachers and health cadres also received training and competency and capacity building workshops.

Excellent Business Solutions places emphasis on community empowerment.

BCA provided support in the form of infrastructure as well as various skill trainings for the community.

- **BCA EXCELLENCE BUSINESS SOLUTIONS**

  BCA Excellence Business Solutions is a BCA program focused on community empowerment through economic activities. Since 2013, the pillars of BCA Excellence Business Solutions have been implemented through partnerships with several communities. In particular, this program aims to open business opportunities and create jobs for local communities. The program is hoped to encouraging and empower communities to grow and achieve progress independently. In the long term, this is expected to contribute to the improvement of Indonesia's national economy.

  Programs implemented in collaboration with local communities to date include the following:

  1. **Goa Pindul Tourism Village**

     BCA collaborated with the Wirawisata Gelaran II Community in supporting the development of the Goa Pindul tourism village in Bejiharjo Village, Karangmojo District, Gunung Kidul, Yogyakarta. Wirawisata Gelaran II Community is a community initiated by the youth community in Bejiharjo village. The partnership aims to develop Goa Pindul as a tourist destination for its cave, which visitors can traverse by the river that runs through it at 350 meters long and 5 meters wide. The development of tourist villages is expected to empower local communities, generating jobs and expanding business fields in the region.

     Support for the Bejiharjo village youth corps was provided according to the competencies and advantages of BCA, which included:

     - A variety of HR capacity building training in the form of tourism management soft skills training, such as Golden Heart Leadership Training and Creative Selling Skills Training;
     - Assistance in developing tourism facilities in the form of renovation of supporting facilities and infrastructure, such as repairing waterways, renovating toilets, prayer rooms, and tidying roads to tourist attractions.

  2. **Pentingsari Tourism Village**

     Pentingsari Tourism Village has been one of the BCA fostered villages since 2014. The Pentingsari Tourism Village (Dewi Peri) is located on the slopes of Mount Merapi, Cangkringan District, Sleman Regency, Yogyakarta. The tourism potential of Dewi Peri comes from its natural environment, culture, and agriculture. One of the tourist attractions offered is a homestay experience, which is the opportunity to experience rural life directly by living with residents.

     Support provided by BCA includes human resource management and the development of facilities and infrastructure. After building the village secretariat office, standardising homestay facilities, repairing and building a joglo to accommodate guests, in 2018 BCA helped renovate toilets for disabled people and built a welcome gate.

     BCA provides training to develop human resources. In 2018, BCA facilitated several workshops, including creative selling skills, leadership for all village administrators, communication and

leadership related to management regeneration, as well as standardisation of homestay refreshments for all homestay owners. In the long run, these training programs are expected to improve the quality of service and income of the villagers.

3. **Wukirsari Tourism Village**
   Wukirsari Village is located in Imogiri District, Yogyakarta. This area is known for its leather craft, in the form of shadow puppets and other leather crafts. Wukirsari Village has become an art learning destination for both local and international tourists.

   BCA has provided support for Wukirsari Tourism Village since 2015. Aside from making and marketing puppets and other leather products, Wukirsari also provides cultural education services in order to preserve traditional puppets for the younger generation. For this reason, in 2018, Wukirsari Tourism Village collaborated with the BCA program "Wayang for Students" to develop a training and demonstration program for students of several schools.

   In support of the advancement of MSMEs, BCA facilitated several training programs, including creative selling skills for the village marketing team, as well as Golden Heart Leadership as a briefing for the core management. BCA also engaged Wukirsari MSMEs in several exhibitions, such as Pekan Raya Jakarta and Indonesia Knowledge Forum (IKF) in Jakarta.

   BCA supported the renovation of a Wayang performance studio, as a means of preserving puppet culture in Indonesia, and continued to develop the studio in 2018.

4. **Gemah Sumilir Tourism Village**
   Gemah Sumilir Tourism Village has tourism potential as one of the batik centres of Indonesia, that offers batik education and research facilities. This village is located in Kajen, Pekalongan Regency, Central Java.

   Since 2016, BCA has provided support to Gemah Sumilir by facilitating the development of soft skills in tourism village management and through donations for the development of facilities and infrastructure, amongst other programs.

   The training held by BCA in 2018 included training in building professional services, leadership and creative selling skills in order to develop Pekalongan Batik MSMEs. BCA also provided opportunities for MSME members of the Gemah Sumilir Cooperative to market batik products in exhibitions such as PRJ, Indonesia Knowledge Forum & Expo, and various other exhibitions in several cities.

5. **Dusun Kopi Sirap Village, Gunung Kelir**
   Kelir is a name of mountain in Semarang Regency of Central Java and is home to tens of hectares of coffee plantations and village farmers. In Dusun Sirap, Jambu District, there is a coffee shop called Sirap Village Coffee Shop, which was established by the children of the coffee farmers.

   Kopi Sirap-Gunung Kelir Village offers coffee culinary tours in harmony with the village's nature with the theme "Fun with Coffee in Beautiful Sirap Coffee Village". Tourists can learn about the cultivation, processing and presentation of coffee. In addition, there are various types of coffee available, each with its own characteristics and flavour profile, that can be enjoyed by visitors amidst the natural beauty.

   In 2018, BCA provided guidance and assistance, including in the form of high quality service refreshment, creative selling skills training, standardisation of services and branding, and support for coffee house infrastructure and equipment. BCA also provided tourist village package curation from Pentingsari Village.

BCA provided assistance to develop the tourism potential of Tamansari Village.

In 2018, BCA extended the scope of its assistance in East Belitung.

6. **Tamansari Tourism Village**

   Tamansari Tourism Village is located on the slopes of Mount Ijen, Licin District, Banyuwangi Regency. As a tourist destination, Tamansari Village emphasises rural living, such as farming; coffee, cloves, and chocolate cultivation; and sulphur mining. In addition, this village is also famous for its rich flora and fauna as well as the local culture in the form of Gandrung Dance. BCA has provided support for this village since 2015.

   In 2018, BCA provided leadership training, creative selling skills training, batik training, and support facilities and infrastructure, including the construction of a permanent staircase to Sendang Seruni and additional toilets for visitors to Sendang Seruni and Sendang Seruni Gate.

7. **Pucak Tinggan Tourism Village, Badung, Bali**

   Pucak Tinggan Tourism Village (Dewi Cakti) is located in Pelaga Village, Petang District, Badung Regency, Bali. Pucak Tinggan is known as a religious destination for Hindus, especially Kharisma Pira Pucak Mangu. In addition to Pucak Mangu Temple, Tinggan has its own natural and cultural charm. Ongoing training in service excellence for administrators of Pucak Tinggan Tourism Village has been conducted by BCA since 2016. Travelers can learn about the nature, the environment, processing of agricultural and plantation products, and local arts. Tourists can also enjoy trekking around the Pucak Tinggan area.

   As of 2018, BCA has provided training in Building Excellent Service Standards and Golden Heart Leadership. BCA facilitated service trials as a means for administrators to get reviews and evaluations from their visitors.

   In order to improve tourism service facilities, BCA provided support in the form of information boards, signposts for each tourist location, direction signs, construction of toilets in the trekking area and landscaping.

8. **Gunong Lumut**

   The Gunong Lumut protected forest has great potential in terms of floral diversity throughout its 42,000 hectares, with its highest peak standing 1,210 metres above sea level. 70 meters below the peak, tourists can find various types of moss growing on the ground, rocks and trees. In addition, visitors can also find various types of orchids.

   Gunong Lumut became a BCA assisted village in 2018. As the first step, BCA provided training to the management, including:

   - Service Excellence and Service Standards Training: it is expected that the management will develop their knowledge about the tourism industry and their communication and service skills.

- Golden Heart Leadership Training: leaders and prospective leaders better understand leadership functions and roles, effective team leading and inspirational behaviour.

In an effort to standardise tourism services, BCA helped renovate the roof of the cottage.

9. Bukit Peramun

The name Bukit Peramun comes from the many local plants, which members of the local community often combine to make herbal medicines. This village is located at an altitude of 129 metres above sea level in the West Belitung region. The picturesque landscape, rich in flora and fauna, has been developed into numerous photo spots, including hobbit houses, love bridges, twin stones, and flying cars. Bukit Peramun is also known as a digital village, because of the success of the village administrator in applying the QR Code system to provide education on the types and benefits of the plants found around Bukit Peramun and a Virtual Guide in 2 languages, namely Indonesian and English.

BCA began providing support for Bukit Peramun in 2018. As a first step, BCA facilitated several trainings, including Service Excellence, Service Standards, Creative Selling Skills, and Golden Heart Leadership. In support of facilities and infrastructure development, BCA provided donations for the construction of prayer rooms, digital information systems, monuments/ inscriptions, and more.

10. Aik Rusa' Berehun, Terong

Aik Rusa' Berehun in Terong is known as a creative village for its success in turning abandoned mining areas into a tourist destination. In this village, visitors can enjoy typical Belitung food, called bedulang, water attractions, homestays, camping grounds, and see the sights of Bukit Tebalu, mangrove areas and vegetable plantations.

In 2018, Wisata Aik Rusa Berehun, Terong became a BCA assisted village. As a first step, BCA gave briefing to the administrators in the form of training, including Service Excellence and Service Standards, Creative Selling Skills and Golden Heart Leadership. To further maximise its potential, BCA donated to the construction of cooking demonstration kitchens, selfie spots, bridges and more.

11. Minangkabau Sijunjung Traditional Village

One of the tourist assets offered by the Minangkabau Sijunjung Traditional Village is the Rumah Gadang (Minang traditional house) which is still maintained by the villagers. Uniquely, the residents around the traditional houses come from various tribes. Visitors can experience first hand the Minangkabau culture, which is preserved by the villagers.

To date, BCA has provided support in the form of soft skills training for the village administrators in the form of Service Excellence and Quality Service Refreshment training. BCA provided support also with facilities and infrastructure, such as providing

Rumah Gadang is one of the tourist assets developed by the Minangkabau Sijunjung Traditional Village.

BCA helped empower the community with one of the approaches used is developing the village's residents.

cleaning equipment for 15 traditional houses. In addition, BCA also provided support for the development of promotional facilities such as tourist village video production and donations for for the Indonesian Kemenpora volleyball tournament held in traditional villages.

12. **Silokek Village**

    Silokek village has been designated a national geopark area. Exotic panoramas, geological heritage, and the diversity of flora and fauna are the wealth of this region. Stalactite and stalagmite caves are part of the natural beauty on offer in the region. In addition, there are waterfalls, white sand beaches, and historical relics of the Japanese occupation in the form of steam locomotives.

    BCA developed soft skills training programs for tourism village officials as well as tourism facilities and infrastructure support such as caving equipment, including helmets, headlights and boots, and cleaning equipment, such as wheeled waste bins. In addition, BCA also provided support for Silokek tourism video production and donated towards Sepak Takraw sports activities in preparation for the Indonesian Kemenpora trophy held in Pasir Putih, Silokek.

Other Donations

As a continuation of the the Bank's programs in the development of Indonesian arts and culture, BCA also actively supports several organisations that have dedication and integrity in developing the nation's culture, both in the form of donations and sponsorships. Organisations that collaborate with BCA include the Indonesian Pedalangan Association (Pepadi), Unima Indonesia, and the Indonesian Wayang Theater (Senawangi).

CSR Expenses	
BCA Smart Solution	41.151 billion
BCA Synergy Solution	50.622 billion
BCA Excellence Business Solution	2.924 billion
Philanthropy	10.864 billion
TOTAL	**105.561 billion**

RESPONSIBILITY TO CONSUMERS

Customer trust in BCA is important for the company. For BCA, protecting customers' interests is one of the keys to building customer trust. To that end, BCA always strives to maintain customer trust by practising prudence and promoting safety and comfort for customers.

The company's customer protection policy is stated in one of the Bank's values, namely Focus on Customers. For BCA, business management is not just about pursuing profitability but also about striving to provide the best banking solutions for customers, business partners and the broader community. The continuous development of banking solutions always begins with the needs of customers and is implemented with careful consideration to the protection and safety of customers.

Implementation

1. **Consumer Health and Safety**

   As an effort to uphold the safety of consumers in their transactions, BCA equips every branch office with safety facilities and procedures. BCA periodically checks the quality of these facilities and infrastructure.

2. **Service Goods Information**

   BCA actively and consistently develops educational programs related to BCA products and services in the hope that customers can better understand BCA banking solutions. In addition, customer education is a preventive measure for transaction fraud and various other forms of fraud.

   In order to ensure easy access to information, BCA provides customers with the Halo BCA contact centre, which can be contacted by telephone, on the website at www.bca.co.id, via e-mail at halobca@bca.co.id and via the @HaloBCA Twitter account as the primary social media account. BCA conducts active socialisation of the HaloBCA contact centre, including promotional materials and BCA collateral, such as passbooks and product starter packs.

BCA also actively develops educational facilities through social media accounts, including the following:

- HaloBCA Contact Center: 1500888
- Facebook Fan Page
  - www.facebook.com/BankBCA
  - www.facebook.com/XpresiBCA
  - www.facebook.com/GoodLifeBCA
  - www.facebook.com/BizGuideBCA
  - www.facebook.com/KartuKreditBCA
- Twitter:
  - @BankBCA
  - @XpresiBCA
  - @GoodLifeBCA
  - @BizGuideBCA
  - @HaloBCA
  - @KartuKreditBCA
- Instagram: @GoodLifeBCA
- Youtube: www.youtube.com/solusiBCA
- Line: @BankBCA (VIRA)
- Kaskus: Bank BCA
- Slideshare: www.slideshare.net/SolusiBCA
- LinkedIn: PT Bank Central Asia Tbk.

BCA also actively compiles and publishes educational materials for BCA banking solutions through the BCA News Rubric. In publishing and nurturing the BCA News Rubric, the company cooperates with various media. In 2018, BCA collaborated with Beritagar, Kompas.com, IDNTimes.com and Kumparan.com.

3. **Facilities, Amounts, and Countermeasures for Complaints Consumer**

   BCA highly appreciates customer suggestions, feedback and complaints as an important basis for developing BCA banking solutions and is, therefore, very open to customer input. To ensure convenience for customers, BCA provides a range of communication channels for customer complaints.

   - **Platform of Obtaining Information and Consumer Complaints**
     - Halo BCA 1500888 24-hour contact centre:
       Halo BCA is a means to facilitate BCA customers in obtaining important information regarding BCA banking solutions. Halo BCA is also one of the channels for customers to submit complaints;
     - E-mail: halobca@bca.co.id;
     - Twitter: @HaloBCA;
     - Halo BCA Chat on www.bca.co.id;
     - Video Calls at main branch offices in BSD, SCBD, Alam Sutera, Thamrin, Matraman, Darmo, and myBCA suites;
     - Video Banking at Bintaro Xchange, Central Park, Kota Kasablanka, Emporium Pluit, Ciputra World Surabaya, Grand City Surabaya, BCA Learning Institute Sentul, BCA KCP Hybrid Summarecon Mal Serpong, KCP Hybrid Gandaria City Jakarta, KCP Hybrid Thamrin, KK Hybrid Sekolah Vokasi UGM, and Miko Mall Kopo Bandung;
     - In person with frontline staff at BCA locations.

   - **Customer Complaint Numbers**
     - 24-hour Halo BCA call centre: 1500888
       Throughout 2018, Halo BCA received a total of 16,606,981 calls, comprising 1.501.140 or 9.06% customer complaints, 4.057.331 or 24.48% calls regarding requests for information regarding banking solutions, and 11.048.510 or 66.53% concerning requests and suggestions regarding BCA products.
     - E-mail: halobca@bca.co.id
       In 2018, Halo BCA received 487,525 e-mails from customers, 50% or 253.379 of which were requests for product and services information, and 20% or 123,192 were customer complaints, while 30% or 110,954 were requests or suggestions regarding BCA products;
     - Twitter: @HaloBCA
       In 2018, the Bank's official Twitter account had 188,676 followers. Throughout the year, BCA received a total of 260,671 mentions. 9.17% or 23.915 of these were complaints, while 65.16% or 212,743 were requests for product and services information and 9.21% or 24,013 were requests or suggestions regarding BCA products.

Customers can reach Halo BCA contact center 24 hours at 1500888.

BCA's commitment and customer loyalty have led to BCA garnering awards from independent institutions.

Aside from Twitter, customers can submit their feedback and suggestions to a variety of other official social media accounts, which are listed at www.bca.co.id/socialmedia and on page 539 of this report.

- Readers' Letters
  The BCA Corporate Secretariat also manages suggestions and customer complaint letters that are received in print and online. Furthermore, in managing readers' letters, the Corporate Secretariat coordinates with Halo BCA and related work units and branches to resolve the problems raised by customers. During the 2018, BCA received customer feedbacks through 61 readers' letters in several media.

- **Handling Customer Complaints**
  Customer feedback allows BCA to strengthen the quality of service provided. Customer complaints submitted through various communication media are received and responded to accurately by branches and service offices or related work units. BCA seeks to settle complaints in accordance with BCA service levels.

BCA has Guidelines for Monitoring Complaint Handling to improve customer service by handling complaints appropriately and quickly and increasing the sense of urgency of each work unit involved in handling complaints.

To facilitate monitoring and to support the speed and quality of work of each division, in addition to improving the quality of Halo BCA officers through debriefing and product knowledge updates, the Bank also consistently develops its infrastructure. Developments include the implementation of appropriate software and hardware, including Halo BCA 24-hour telephone service, BCA contact centre CRM, e-mail services, Interactive Voice Response (IVR), social media management applications, and live chat services on the official BCA website .

BCA has also set a level of service regarding the time take to respond to and solve problems, which varies depending on the type and complexity of the problem. The development of levels of service can be monitored directly through electronic screens in the Halo BCA front office.

4. **Improvements to Transaction Banking Services**

   BCA is committed to providing the best service to customers by continuing to develop its banking network. As of the end of 2018, BCA had 1,249 service offices, an addition of 14 offices since 2017. The development of the BCA office network was conducted so that BCA services could more widely reach various regions in Indonesia.

   In order to improve quality of service, BCA also constantly monitors and analyses the development of the ATM network and the synergy across the BCA network. This is done to ensure the highest quality of banking services and solutions for customers and the public. As of the end of 2018, BCA operates 17,778 ATMs, 120 more than the end of 2017.

   BCA has also developed a digital branch format, namely myBCA, which can be accessed seven days a week from 10:00 to 22:00 and is located in easy-to-access mall locations. As of the end of 2018, myBCA can be found in six leading malls in Jakarta and two malls in Surabaya.

   In addition, customers can also enjoy the convenience of banking transactions through hundreds of thousands of EDC machines and mobile and internet banking devices.

5. **Appreciation from the Public**

   BCA's ongoing commitment to providing the best service is reflected, amongst others, in the awards it has received from various independent national and international institutions. In 2018, BCA won various awards related to contact centre services, including 13 awards at the 2018 Contact Center Service Excellence Awards (CCSEA). At the APAC 2018 CCW Contact Center World Awards, BCA won 25 individual and corporate awards. BCA also received 47 awards at the 2018 Best Contact Center Indonesia Awards. BCA won 21 awards at the 2018 Contact Center World (CCW) Awards in the industry and individual categories. BCA also received eight awards at the 2018 Service Quality Awards.

   The various awards that BCA has received certainly motivation the Bank to continue to improve its services by managing customer complaints and providing the best banking solutions for customers. This is a form of BCA's appreciation for the trust that customers have granted BCA so far.

Statement of Members of the Board of Commissioners and the Board of Directors Regarding Responsibility for the 2018 Annual Report of PT Bank Central Asia Tbk

We, the undersigned, hereby declare that all information in the Annual Report of PT Bank Central Asia Tbk for the year 2018 has been presented in its entirety, and that we assume full responsibility for the accuracy of the contents of this Annual Report.

This statement is duly made in all integrity.

Jakarta, 12 March 2019

Members of the Board of Commissioners

Djohan Emir Setijoso
President Commissioner

Tonny Kusnadi
Commissioner

Cyrillus Harinowo
Independent Commissioner

Raden Pardede
Independent Commissioner

Sumantri Slamet
Independent Commissioner

Members of the Board of Directors

Jahja Setiaatmadja
President Director

Eugene Keith Galbraith
Deputy President Director

Armand Wahyudi Hartono
Deputy President Director

Suwignyo Budiman
Director

Subur Tan
Director

Henry Koenaifi
Director

Erwan Yuris Ang
Independent Director

Rudy Susanto
Director

Lianawaty Suwono
Director

Santoso
Director

Inawaty Handojo
Director

Vera Eve Lim
Director

Consolidated Financial Statements
The Year Ended 31 December 2018 and 2017

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

DIRECTOR'S STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED
31 DECEMBER 2018

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 Subsidiaries;

2. The consolidated financial statements of the Bank and Subsidiaries has 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 Subsidiaries; and

   b. The consolidated financial statements of the Bank and 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 Subsidiaries' internal control system.

This statement has been made truthfully.

Jakarta, 11 February 2019

For and on behalf of the Board of Directors

METERAI TEMPEL
4B618AFF527424900
6000
ENAM RIBU RUPIAH

Jahja Setiaatmadja	Vera Eve Lim
President Director	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 "Bank") and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2018, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and consolidated 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 2018, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA
11 February 2019

Lucy Luciana Suhenda, S.E.,Ak.,CPA
License of Public Accountant No. AP.0229

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Nomor Izin Usaha: KEP-241/KM.1/2015.

00037/2.1025/AU.1/07/0229-2/1/II/2019

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 1/1**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2018	31 December 2017
ASSETS			
Cash	2b,2g,4,37,40, 43	21,691,443	16,754,289
Current accounts with Bank Indonesia	2b,2g,2i,5,37, 40,43	43,548,309	43,472,752
Current accounts with other banks	2b,2g,2i,6,37, 40,43	8,497,938	9,093,572
Placements with Bank Indonesia and other banks	2b,2g,2j,7,37, 40,43	31,682,811	18,969,682
Financial assets held for trading	2g,2k,8,37,40, 43	5,841,824	6,015,302
Acceptance receivables - net of allowance for impairment losses of Rp 335,850 as of 31 December 2018 (31 December 2017: Rp 416,642)	2g,2l,9,37,40, 43	11,582,285	9,899,426
Bills receivable - net of allowance for impairment losses of Rp 5,674 as of 31 December 2018 (31 December 2017: Rp 4,822)	2g,10,37,40,43	8,600,709	6,614,355
Securities purchased under agreements to resell - net of allowance for impairment losses of nil as of 31 December 2018 (31 December 2017: Rp 2,859)	2g,2n,11,37,43	9,212,684	9,258,767
Loans receivable - net of allowance for impairment losses of Rp 13,568,986 as of 31 December 2018 (31 December 2017: Rp 13,243,869)	2g,2m,12,37,40, 43,		
Related parties	2ak,47	3,213,328	3,568,627
Third parties		521,317,134	450,696,329
Consumer financing receivables - net of allowance for impairment losses of Rp 364,028 as of 31 December 2018 (31 December 2017: Rp 377,520)	2g,2o,13,37,43	7,613,709	8,506,983
Investment in finance leases - net of allowance for impairment losses of Rp 3,619 as of 31 December 2018 (31 December 2017: Rp 1,943)	2g,2p,37,43	174,212	181,427
Assets related to sharia transactions - net of allowance for impairment losses of Rp 75,732 as of 31 December 2018 (31 December 2017: Rp 64,773)	2q	4,824,013	4,126,329
Investment securities - net of allowance for impairment losses of Rp 91,458 as of 31 December 20178 (31 December 2017: Rp 520,301)	2g,2r,14,37,40, 43	109,080,663	131,091,163
Prepaid expenses			
Related parties	2ak,15,47,	224,409	237,807
Third parties	51	1,149,582	1,048,287
Prepaid tax	20a,51	6,663	38
Fixed assets - net of accumulated depreciation of Rp 10,115,889 as of 31 December 2018 (31 December 2017: Rp 9,080,471)	2h,2s,16	19,336,901	16,868,949
Intangible assets - net of accumulated amortisation of Rp 1,103,604 as of 31 December 2018 (31 December 2017: Rp 689,518)	2e, 2u,17,51	679,331	869,138
Deferred tax assets - net	2ai,20h	3,147,666	3,219,241
Other assets - net of allowance for impairment losses of Rp 10,401 as of 31 December 2018 (31 December 2017: Rp 9,966)	2h,2t,2ak,		
Related parties	18,40,43,47,51	8,036	7,581
Third parties		13,354,294	9,819,627
TOTAL ASSETS		**824,787,944**	**750,319,671**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 1/2**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2018	31 December 2017
LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY			
LIABILITIES			
Deposits from customers	2g,2v,19,37,40, 43		
Related parties	2ak,47	2,489,190	3,290,867
Third parties		627,322,827	577,824,575
Sharia deposits	2w	621,315	478,698
Deposits from other banks	2g,2v,19,37,40, 43	6,494,491	5,758,414
Financial liabilities held for trading	2g,2k,8,37,40, 43	188,934	53,843
Acceptance payables	2g,2l,9,37,40, 43	5,843,486	5,800,477
Securities sold under agreements to repurchase	2g,2n,14,37,40, 43	48,111	96,225
Debt securities issued	2g,2y,21,37,43	239,735	610,499
Tax payable	2ai,20b,51	1,165,336	551,130
Borrowings	2g,22,37,40,43	2,093,475	3,040,602
Accrued expenses and other liabilities	2g,2ab,23,40,43, 51	15,025,822	10,928,649
Post-employment benefits obligation	2ah,38	6,406,057	6,506,283
Subordinated bonds	2g,2z,24,37,43	500,000	-
TOTAL LIABILITIES		668,438,779	614,940,262
TEMPORARY *SYIRKAH* DEPOSITS	2x	4,595,738	3,977,715
EQUITY			
Equity attributable to equity holders of the 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,25	1,540,938	1,540,938
Additional paid-in capital	1c,2e,2ad,26	5,548,977	5,548,977
Revaluation surplus of fixed assets	2s,16	8,751,748	6,587,497
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	380,422	352,100
Unrealised (losses) gains on available-for-sale financial assets - net	2g,2r,7,14	(132,647)	1,274,336
Retained earnings			
Appropriated	36	1,697,052	1,463,952
Unappropriated	2ah	133,871,809	114,534,370
Other equity components	2e	1,385	1,385
Total equity attributable to equity holders of the parent entity		151,659,684	131,303,555
Non-controlling interest	1d,2e,46	93,743	98,139
TOTAL EQUITY		151,753,427	131,401,694
TOTAL LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY		**824,787,944**	**750,319,671**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 2/1**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2018	2017
OPERATING INCOME AND EXPENSES			
Interest and sharia income	2ae,2ak,28,47		
Interest income		56,181,959	53,270,785
Sharia income		584,841	497,154
Total interest and sharia income		56,766,800	53,767,939
Interest and sharia expense	2ae,2ak,29,47		
Interest expense		(11,218,960)	(11,702,213)
Sharia expense		(257,295)	(239,252)
Total interest and sharia expense		(11,476,255)	(11,941,465)
NET INTEREST AND SHARIA INCOME		45,290,545	41,826,474
OTHER OPERATING INCOME			
Fee and commission income - net	2af,30	11,996,340	10,385,838
Net trading income	2ag,31	2,807,349	1,803,541
Others		2,939,986	2,965,830
Total other operating income		17,743,675	15,155,209
Impairment losses on assets	2g,32	(2,676,602)	(2,632,619)
OTHER OPERATING EXPENSES			
Personnel expenses	2ah,2ak,33,38,47	(12,143,106)	(11,335,155)
General and administrative expenses	2ak,16,34,47	(13,026,592)	(12,305,650)
Others		(2,481,856)	(1,549,516)
Total other operating expenses		(27,651,554)	(25,190,321)
INCOME BEFORE TAX		32,706,064	29,158,743
INCOME TAX EXPENSE	2ai,20c	(6,854,404)	(5,837,593)
NET INCOME		25,851,660	23,321,150
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	2ah,38	409,898	(850,232)
Income tax	2ai	(284,061)	212,936
		125,837	(637,296)
Revaluation surplus of fixed assets	2s,16	2,164,251	(4,330)
		2,290,088	(641,626)
Items that will be reclassified to profit or loss:			
Unrealised (losses) gains on available-for-sale financial assets	2j,2r,7,14	(1,864,674)	1,874,674
Income tax	2ai	456,639	(467,401)
Unrealised (losses) gains on available-for-sale financial assets - net of tax		(1,408,035)	1,407,273
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	28,322	(1,823)
Others		-	(9,233)
		(1,379,713)	1,396,217
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		910,375	754,591
TOTAL COMPREHENSIVE INCOME (Carried forward)		26,762,035	24,075,741

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2018	2017
TOTAL COMPREHENSIVE INCOME (Brought forward)		26,762,035	24,075,741
NET INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		25,855,154	23,309,994
Non-controlling interest	2e,46	(3,494)	11,156
		25,851,660	23,321,150
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of parent entity		26,766,431	24,063,606
Non-controlling interest	2e,46	(4,396)	12,135
		26,762,035	24,075,741
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount of Rupiah)	2ac,35	1,049	945

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES

Schedule 3/1

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

		2018										
		Attributable to equity holders of the 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 (losses) gains on available-for-sale financial assets - net	Retained earnings		Other equity components	Total equity attributable to equity holders of the parent entity	Non-controlling interest	Total equity
							Appropriated	Unappropriated				
Balance, 31 December 2017		1,540,938	5,548,977	6,587,497	352,100	1,274,336	1,463,952	114,534,370	1,385	131,303,555	98,139	131,401,694
Net income for the year		-	-	-	-	-	-	25,855,154	-	25,855,154	(3,494)	25,851,660
Revaluation surplus of fixed assets	2s,16	-	-	2,164,251	-	-	-	-	-	2,164,251	-	2,164,251
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	-	-	-	28,322	-	-	-	-	28,322	-	28,322
Unrealised (losses) gains on available-for-sale financial assets - net	2j,2r,7,14	-	-	-	-	(1,406,983)	-	-	-	(1,406,983)	(1,052)	(1,408,035)
Remeasurements of defined benefit liability - net	38	-	-	-	-	-	-	125,687	-	125,687	150	125,837
Other equity components		-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	2,164,251	28,322	(1,406,983)	-	25,980,841	-	26,766,431	(4,396)	26,762,035
General reserve	36	-	-	-	-	-	233,100	(233,100)	-	-	-	-
Cash dividends	36	-	-	-	-	-	-	(6,410,302)	-	(6,410,302)	-	(6,410,302)
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**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

		2017										
		Attributable to equity holders of the 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 (losses) gains on available-for-sale financial assets - net	Retained earnings		Other equity components	Total equity attributable to equity holders of the parent entity	Non-controlling interest	Total equity
							Appropriated	Unappropriated				
Balance, 31 December 2016		1,540,938	5,564,552	6,591,827	353,923	(131,961)	1,257,895	97,245,285	10,618	112,433,077	281,982	112,715,059
Net income for the year		-	-	-	-	-	-	23,309,994	-	23,309,994	11,156	23,321,150
Revaluation surplus of fixed assets	2s,16	-	-	(4,330)	-	-	-	-	-	(4,330)	-	(4,330)
Foreign exchange differences arising from translation of financial statements in foreign currency	2f	-	-	-	(1,823)	-	-	-	-	(1,823)	-	(1,823)
Unrealised gains (losses) on available-for-sale financial assets - net	2j,2r,7,14	-	-	-	-	1,406,297	-	-	-	1,406,297	976	1,407,273
Remeasurements of defined benefit liability - net	38	-	-	-	-	-	-	(637,299)	-	(637,299)	3	(637,296)
Other equity components		-	-	-	-	-	-	-	(9,233)	(9,233)	-	(9,233)
Total comprehensive income for the year		-	-	(4,330)	(1,823)	1,406,297	-	22,672,695	(9,233)	24,063,606	12,135	24,075,741
Difference on transaction amount from business combination of entity under common control	2e,26	-	(15,575)	-	-	-	-	-	-	(15,575)	-	(15,575)
General reserve	36	-	-	-	-	-	206,057	(206,057)	-	-	-	-
Cash dividends	36	-	-	-	-	-	-	(5,177,553)	-	(5,177,553)	-	(5,177,553)
Increase in non-controlling interest due to additional share capital payment	1d,41	-	-	-	-	-	-	-	-	-	30,000	30,000
Changes in non-controlling interest due to acquisition of Subsidiaries	2e,41	-	-	-	-	-	-	-	-	-	(225,978)	(225,978)
Balance, 31 December 2017		**1,540,938**	**5,548,977**	**6,587,497**	**352,100**	**1,274,336**	**1,463,952**	**114,534,370**	**1,385**	**131,303,555**	**98,139**	**131,401,694**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 4/1**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts of interest and sharia income, fees and commissions		67,188,173	62,896,141
Other operating income		3,105,023	2,554,654
Payments of interest and sharia expenses, fees and commissions		(11,364,783)	(11,900,029)
Payments of post-employment benefits	38	(675,161)	(1,488,730)
Gain from foreign exchange transactions - net		(402,658)	200,959
Other operating expenses		(24,574,455)	(22,390,235)
Payment of tantiem to Board of Commissioners and Board of Directors	36	(354,950)	(308,114)
Other increases/decreases affecting cash:			
Placements with Bank Indonesia and other banks - mature more than 3 (three) months from the date of acquisition		2,975,091	(549,529)
Financial assets held for trading		1,449,674	(522,860)
Acceptance receivables		(1,602,067)	(2,970,148)
Bills receivable		(1,760,866)	(2,759,868)
Securities purchased under agreements to resell		48,942	(6,712,029)
Loans receivable		(71,291,269)	(52,854,462)
Consumer financing receivables		606,838	(635,341)
Investments in finance leases - net		5,446	(19,526)
Assets related to sharia transactions		(824,972)	(817,728)
Other assets		(3,205,118)	(2,500,050)
Deposits from customers		46,025,884	50,981,817
Sharia deposits		142,617	113,943
Deposits from other banks		647,637	857,472
Acceptance payables		43,009	1,613,329
Accruals and other liabilities		4,126,653	2,136,940
Temporary *syirkah* deposits		618,023	510,708
Net cash provided by operating activities before income tax		10,926,711	15,437,314
Payment of income tax		(6,014,149)	(5,778,687)
Net cash provided by operating activities		**4,912,562**	**9,658,627**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment securities		(80,019,462)	(90,070,128)
Proceeds from sales of investment securities		115,679	35,500
Proceeds from investment securities that matured during the year		102,856,627	70,914,740
Cash dividends received from investment in shares		11,640	1,025
Acquisition of fixed assets		(2,347,223)	(1,736,651)
Proceeds from sale of fixed assets		10,393	505,430
Acquisition of Subsidiaries from non-controlling		-	(269,936)
Net cash provided by (used in) investing activities		**20,627,654**	**(20,620,020)**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 4/2**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from subordinated bonds		500,000	-
Payment of debt securities issued		(370,764)	(1,721,672)
Proceeds from borrowings		66,872,390	81,151,092
Payment of borrowings		(67,830,206)	(80,899,042)
Payment of cash dividends	36	(6,410,302)	(5,177,553)
Increase in securities sold under agreements to repurchase		1,460,662	1,702,049
Decrease in securities sold under agreements to repurchase		(1,519,429)	(1,740,572)
Additional capital injection to Subsidiaries	46	-	30,000
Net cash used in financing activities		**(7,297,649)**	**(6,655,698)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		18,242,567	(17,617,091)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		83,377,439	100,319,853
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		1,691,554	674,677
CASH AND CASH EQUIVALENTS, END OF YEAR		**103,311,560**	**83,377,439**
Cash and cash equivalents consist of:			
Cash	4	21,691,443	16,754,289
Current accounts with Bank Indonesia	5	43,548,309	43,472,752
Current accounts with other banks	6	8,497,938	9,093,572
Placements with Bank Indonesia and other banks - mature within 3 (three) months or less from the date of acquisition	7	29,573,870	14,056,826
Total cash and cash equivalents		**103,311,560**	**83,377,439**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2018 AND 2017
(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 all articles in the Bank's Articles of Association was made based on Notary Deed No. 125 of Dr. Irawan Soerodjo, S.H., Msi. dated 18 April 2018. This deed was approved by the Minister of Justice and Human Rights in its decision letter No. AHU-AH.01.03-0153848 dated 18 April 2018.

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 2018 and 2017, the number of branches and representative offices owned by the Bank was as follows:

	2018	2017
Domestic branches	1,002	992
Overseas representative offices	2	2
	1,004	994

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

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

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

Public Offering of the Bank's Shares

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.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

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.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/4**

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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 (see Note 26). 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 (see Note 26). As of 31 December 2013, the Bank did not have any treasury stocks.

The Company'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 2018 and 2017. 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 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.

On 31 December 2018, 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 (see Note 24).

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/5**

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1. GENERAL (continued)

d. The Subsidiaries

The Subsidiaries, directly owned by the Bank as of 31 December 2018 and 2017, were as follows:

Name of the Company	Year of Starting the Commercial Operation	Type of Business	Domicile	Percentage of Ownership		Total Assets	
				2018	2017	2018	2017
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%	8,126,576	8,438,891
BCA Finance Limited	1975	Money lending and remittance	Hong Kong	100%	100%	772,181	778,725
PT Bank BCA Syariah	1991	Sharia banking	Jakarta	100%	100%	7,064,008	5,961,175
PT BCA Sekuritas	1990	Securities brokerage dealer and underwriter for issuance of securities	Jakarta	90%	90%	626,169	724,741
PT Asuransi Umum BCA	1988	General or loss insurance	Jakarta	100%	100%	1,765,349	1,430,474
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%	1,404,536	1,801,510
PT Asuransi Jiwa BCA	2014	Life insurance	Jakarta	90%	90%	902,875	842,122
PT Central Capital Ventura	2017	Venture capital	Jakarta	100%	100%	205,022	204,524

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, 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.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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.

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 broker and underwriter 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.

On 25 August 2017, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT BCA Sekuritas No. 129, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., there was transfer of shares from PT Poly Kapitalindo to PT Bank Central Asia Tbk so that the ownership of PT Bank Central Asia Tbk on PT BCA Sekuritas became 90%.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/7**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL (continued)

d. The Subsidiaries (continued)

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, following the change in the composition of its shareholders to Dana Pensiun BCA at 75% (seventy five percent) ownership and PT BCA Finance (Bank's Subsidiary) at 25% (twenty five percent) ownership.

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 Central Santosa Finance

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.

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.

On 2 November 2017, based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT Asuransi Jiwa BCA No. 15, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., there was a transfer of PT Asuransi Jiwa BCA's issued shares by selling the entire shares owned by PT BCA Sekuritas and PT Asuransi Umum BCA (Subsidiaries) to the Bank amounting to 90%.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL (continued)

d. The Subsidiaries (continued)

PT Asuransi Jiwa BCA (continued)

The Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0188287 dated 2 November 2017.

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.

e. Board of Commissioners and Board of Directors

The compositions of the Bank's management as of 31 December 2018 and 2017 are as follows:

Board of Commissioners	**2018**	**2017**
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	**2018**	**2017**
President Director	: Jahja Setiaatmadja	Jahja Setiaatmadja
Deputy President Director	: Eugene Keith Galbraith	Eugene Keith Galbraith
Deputy President Director	: Armand Wahyudi Hartono	Armand Wahyudi Hartono
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	: Inawaty Handoyo	Inawaty Handoyo
Director	: Vera Eve Lim**)	-

*) Compliance Director
**) Effective since 20 April 2018

The composition of the Bank's management as of 31 December 2018 based on the Deed of Resolution No. 180 dated 26 April 2018, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/9**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL (continued)

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

The composition of the Bank's management as of 31 December 2017 based on the Deed of Resolution No. 216 dated 26 August 2016, of Notary Public Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

f. Audit Committee

The Bank's Audit Committee as of 31 December 2018 and 2017 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 2018 and 2017 is as follows:

Internal Audit Division Head : Ayna Dewi Setianingrum

The Corporate Secretary of the Bank as of 31 December 2018 and 2017 is as follows:

Corporate Secretary : Jan Hendra

h. Number of employees

As of 31 December 2018 and 2017, the Bank and Subsidiaries had 27,561 and 26,962 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 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 11 February 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, consistently applied in the preparation of the consolidated financial statements of the Bank and Subsidiaries ("the Group") as of 31 December 2018 and 2017, are 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 convention, except for fixed assets - land, financial assets classified as available-for-sale, and financial assets and liabilities (including derivative instruments) held 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 statement 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 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 those estimates.

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/11**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 Bank and Subsidiaries, 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 relevant new standards, amendments and interpretations which were effective on or after 1 January 2018 as follows:

- SFAS 69 “Agriculture”
- SFAS 111 “Accounting Wa’d”
- Amendment to SFAS 2 “Statements of Cash Flows about Disclosure Initiative”
- Amendment to SFAS 13 “Investment Property about Transfers of Investment Property”
- Amendment to SFAS 16 “Property, Plant and Equipment”
- Amendment to SFAS 46 “Income Tax about Deferred Tax Assets Recognition for Unrealised Loss”
- Amendment to SFAS 53 “Share-Based Payments about Classification and Measurement of Share-based Payment Transactions”
- Annual Improvements to SFAS 15 “Investments in Associates and Joint Ventures”
- Annual Improvements to SFAS 67 “Disclosures of Interests in Other Entities”

The implementation of the above new/revised standards do not have substantial changes to the accounting policies and have no material effect on the consolidated financial statements for the current or prior financial years.

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 Central Santosa Finance, PT Asuransi Jiwa BCA, and PT Central Capital Ventura) together “the Group”. Subsidiaries are all entities over which the Bank has control.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Basis of consolidation (continued)

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.

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, separate from the owner of the parent's equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amount 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 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 55 (Revised 2014) "Financial Instrument: Recognition and Measurement" in the 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.

Acquisition-related costs are expensed as incurred.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquiree's net assets.

Non-controlling interests are recognised on the date of business combination and subsequently adjusted to the proportion of the changes in equity of Subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Basis of consolidation (continued)

Non-controlling interests are presented in equity in the consolidated statement of financial position, separate 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:

a. Derecognises the assets and liabilities of the former Subsidiary from the consolidated statement of financial position.
b. 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 No. 55, “Financial Instruments: Recognition and Measurement”.
c. 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.

In accordance with transition requirement of SFAS No. 38 (Revised 2012), the difference in value arising from restructuring transaction of entities under common control based on SFAS No. 38 (Revised 2004), “Accounting for Restructuring of Entities under Common Control”, at the beginning of the implementation of this standard, was disclosed in equity as part of additional paid-in capital account and will never be recognised as realised profit or loss or reclassified into retained earnings in the future.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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").

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) Statement 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.

Summarised below are the major exchange rates as of 31 December 2018 and 2017, using Reuters middle rate at 16:00 WIB (full amount of Rupiah):

	Foreign currencies	2018	2017
1	United States Dollar (USD)	14,380.0	13,567.5
1	Australian Dollar (AUD)	10,162.4	10,594.2
1	Singapore Dollar (SGD)	10,554.9	10,154.6
1	Hong Kong Dollar (HKD)	1,836.3	1,736.2
1	Great Britain Poundsterling (GBP)	18,311.5	18,325.6
100	Japanese Yen (JPY)	13,062.0	12,052.0
1	Euro (EUR)	16,440.7	16,236.2

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities

g.1. Financial assets

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 Bank 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.

Financial instruments grouped into this category are recognised at their fair value at initial recognition; transaction costs are recognised directly in the statement of profit or loss. Gains and losses arising from changes in fair value and sale of financial instruments are recognised in the statement 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 in the trading group is recorded as “Interest income”.

(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 which are not designated at fair value through profit or loss or available-for-sale, 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 holder may not recover substantially all of its initial investment, other than because of deterioration of loans and receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.1. Financial assets (continued)

(b) Loans and receivables (continued)

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 statement 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 statement of profit or loss as “Allowance for impairment losses on financial assets”.

(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.

Held-to-maturity financial assets are initially recognised at fair value including transaction costs and subsequently measured at amortised cost, using the effective interest rate method less allowance for impairment losses.

Interest income on held-to-maturity investments is recorded in the statement of profit or loss and reported as “Interest income”. In the case of impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the financial statements as “Allowance for impairment losses as financial assets”.

(d) Financial assets available-for-sale

Available-for-sale financial assets are 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 statement of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.1. Financial assets (continued)

(d) Financial assets available-for-sale (continued)

Available-for-sale financial assets are initially recognised at fair value, plus transaction costs, and subsequently measured at fair value with gains and losses being recognised in statement of comprehensive income, except for impairment losses and foreign exchange gains or losses, until the financial assets is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income (expense) will be recognised as the profit or loss. Interest income is calculated using the effective interest rate method, and foreign currency gains or losses on monetary assets classified as available-for-sale are recognised in the statement of profit or loss.

(e) Recognition

The Group uses trade date accounting for regular way contracts when recording financial assets transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statements of financial position as “Pledged assets”, if the transferee has the right to sell or repledge them.

g.2. Financial liabilities

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.

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

This category comprises two subcategories: financial liabilities classified as held for trading and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition. At the initial and subsequent recognition, this is recorded at fair value.

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 statement 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”.

If the Group designs certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently. According to SFAS 55 (Revised 2014), the fair value option is applied on the debt securities consists of debt host and embedded derivatives that otherwise must be separated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.2. Financial liabilities (continued)

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

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".

(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. 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.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the difference is amortised and recognised in the profit or loss over the life of the instrument, but not longer than the valuation date supported by observable market data or when the transactions are closed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.3. Determination of fair value (continued)

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 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.4. 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.

g.5. Reclassification of financial assets

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.

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.

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31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial assets and liabilities (continued)

g.5. Reclassification of financial assets (continued)

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.

g.6. Classification of financial assets and liabilities

The Group classifies the financial instruments 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.

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	
		Loans receivable	
		Securities purchased under agreements to resell	
		Consumer financing receivables	
		Investment in finance leases	
		Other assets	Interest receivables
			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	
		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 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.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement 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 statement of financial position.

g.8. 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 the present value of any expected payment (when a payment under the guarantee has become probable) and the difference is charged to other operating expense in consolidated statement of profit or loss.

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

g.9. Allowance for impairment losses of financial assets

(a) Financial assets carried based at amortised cost

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.9. Allowance for impairment losses of financial assets (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 a 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 statement of profit or loss.

Subsequent recoveries of loans written off are credited to the allowance for impairment losses account.

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 specific and collective level. All individually significant financial assets are assessed for specific impairment.

All individually significant financial assets not to be specifically 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.9. Allowance for impairment losses of financial assets (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 amortization, 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.9. Allowance for impairment losses of financial assets (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 reversed, with the amount of reversal 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 measure using the original effective interest before the modification ot terms.

h. Allowance for impairment losses on non-financial assets

The carrying amounts of the Group non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, non-financial assets are allocated to the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets or cash generating unit ("CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the CGU.

An impairment loss is recognised if the carrying amount of a non-financial asset or CGU exceeds the recoverable amount.

Impairment losses recognised in the previous period are evaluated at each financial reporting date whether there are indications that losses have decreased or no longer existed. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment losses are reversed only to the extent of the carrying value of non-financial assets does not exceed the carrying value, net of depreciation or amortization, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 loans and receivables. Refer to Note 2g for accounting policy for loans and receivables.

j. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks are classified as loans and receivables, and available-for-sale. Refer to Note 2g for accounting policy for loans and receivables and available-for-sale.

k. Financial assets and liabilities held for trading

Financial assets and liabilities held for trading consist of securities traded in the money market such as Certificates of Bank Indonesia (“SBI”), Corporate Bond, bills receivable, derivative financial instruments, and securities traded on the stock exchanges.

Financial assets and liabilities held for trading are classified as financial assets and liabilities at fair value through profit or loss. Refer to Note 2g for the acccounting policy of financial assets and liabilities held for trading.

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 remeasured 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 held for trading.

l. Acceptance receivables and payables

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Loans receivable

Loans receivable are classified as loans and receivables. Refer to Note 2g for the accounting policy of loans and receivable.

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 prospectively and do not change the carrying value of receivables at the time of restructuring, unless the amount exceeds the present value of the total future cash receipts specified in the new terms. If the present value of the total future cash receipts specified in the new terms is lower than the recorded receivables balance prior to restructuring, the Group should reduce the loan balance to the amount equal to the present value of the total future cash receipts. The amount of the reduction is recognised as individual impairment losses in the current year consolidated profit or loss.

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 loans and receivables. Refer to Note 2g for the accounting policy of loans and receivables.

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 loans and receivables. Refer to Note 2g for the accounting policy of the loans and receivables.

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 receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Consumer financing receivables (continued)

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 accounts.

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 review of individual case.

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 statement 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 consumer 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 consolidated profit or loss when incurred.

p. Accounting for finance leases

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Accounting for finance leases (continued)

Finance leases are classified as loans and receivables. Refer to Note 2g for the accounting policy of loans and receivables.

q. Assets related to sharia transactions

Assets related to sharia transactions is financing by PT Bank BCA Syariah, a subsidiary, in the form of sharia and *Qardh* financing.

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

Assets from sharia transactions consist of *mudharabah* and *musyarakah* financing receivables, *ijarah* assets and receivables, and *murabahah* financing receivables.

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* financing 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Assets related to sharia transactions (continued)

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* financing receivables for which the identification and measurement of impairment losses follows SFAS No. 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, shares. Investment securities are classified as financial assets held-to-maturity and available-for-sale. Refer to Note 2g of the accounting policy for financial assets held-to-maturity and available-for-sale.

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

Investments in sukuk initially measured at cost and measured at fair value through other comprehensive income are recognised at acquisition cost, including the transaction costs.

- **Measured at cost**

  Subsequent to initial recognition, the difference between acquisition cost and nominal value is amortised using straight-line method during the period of sukuk and recognised in the consolidated profit or loss. If there is indication of impairment, the entity measures its recoverable amount. If the recoverable amount is less than the carrying amount, the Group recognises the impairment losses.

  Investment in sukuk is classified as measured at cost if:
  a. the investment is held within a business model whose objective is to collect contractual cash flows; and
  b. the contractual terms give rise on specified dates to payments of principal and/or the margin.

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

  Subsequent to initial recognition, the difference between acquisition cost and nominal value is amortised using straight-line method during the period of sukuk and recognised in the consolidated profit or loss. Gains or losses from fair value changes are recognised in other comprehensive income after considering the difference between acquisition cost and unamortised nominal value and accumulated gains or losses of fair value that previously have been recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses, until the investment in sukuk is derecognised or reclassified. When the investment in sukuk is derecognised, accumulated gains or losses that have been recognised in other comprehensive income are reclassified to the consolidated profit or loss as reclassification adjustments. If there is an indication of impairment, the impairment losses recognised in consolidated profit or loss are the amount after considering the balance in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Investment securities (continued)

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

- **Measured at fair value through other comprehensive income** (continued)

  Investment in sukuk is classified as measured at fair value through other comprehensive income if:
  a. the investment is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the sukuk; and
  b. the contractual terms give rise on specified dates to payments of principal and/or the margin.

s. Fixed assets

Fixed assets are initially recognised at cost. 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 Group 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. 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 statement of profit or loss. At each reporting period, the difference between depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset’s original cost is transferred from “revaluation surplus of fixed assets” to retained earnings”.

Costs relating to the acquisition of legal titles on the land rights are recognised as part of acquisition cost of land and not amortised, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Fixed assets (continued)

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 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 profit or loss. When revalued assets are sold, the amounts included in equity are transferred to retained earnings.

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 SFAS.

When the carrying amount of fixed assets 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 profit or loss.

t. Other assets

Other assets include accrued interest income and fees and commissions received, foreclosed assets, abandoned property, inter-office 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 fulfil their obligations to Bank and Subsidiaries. Foreclosed assets represent loan collateral that were taken over as part of loans settlement and presented in “Other Assets”.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Other assets (continued)

Expenses for maintaining repossessed assets and abandoned properties are recognised in the current year consolidated statement of profit or loss and other comprehensive income as incurred. Any permanent impairment loss that occurred will be charged to the current year consolidated statement 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 statement of profit or loss using a double-declining balance method over the estimated useful economic life of 4 (four) years.

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition. Goodwill is tested at each reporting date for impairment 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Deposits from customers and other banks (continued)

Deposits from other bank represent liabilities to other banks, both domestic and overseas banks, in the form of current and saving accounts, time deposits and inter-bank 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 and *Sertifikat Investasi Mudharabah Antarbank* (“SIMA”). *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 the liabilities of the Subsidiary. Sharia deposits are classified as financial liabilities measured at amortised cost.

x. Temporary *syirkah* deposits

Temporary *syirkah* deposit is an investment with *mudharabah mutlaqah* 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 and *mudharabah* time deposits. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Temporary *syirkah* deposits (continued)

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 and 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.

y. Debt securities issued

Debt securities issued by Subsidiary which consists of medium-term notes payable and 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 are 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ab. Accrued expenses and other liabilities

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

ac. Earning per share

Basic earnings per share is computed based on net income for the current year attributable to equity holders of the 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 2018 and 2017, 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.

ad. Treasury stocks

The Group uses cost method in recording the treasury stocks. Treasury stocks are recorded at reacquisition cost and presented as a deduction of equity in the consolidated statement of financial position.

When treasury stocks are sold, the Bank records the difference between reacquisition price and selling price of treasury stocks as additional paid-in capital from treasury stock transaction which is part of additional paid-in capital.

ae. Interest income and expenses & sharia income and expenses

Interest income and expenses

Interest income and expenses are recognised in the consolidated 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 (see 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 method; and
- interest on available-for-sale investment securities calculated using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Interest income and expenses (continued)

Interest income on all trading financial assets are considered to be incidental to the Bank's trading operations and are presented as part of net trading income.

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.

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 mutlaqah* and *mudharabah muqayyadah* principles.

af. 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 and expenses, including 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. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line method over the commitment period.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Net trading income

Net trading income comprises of net gains or losses related to financial assets and liabilities held for trading, and includes interest income and expenses from all financial instruments held for trading and all realised and unrealised fair value changes and foreign exchange differences.

ah. Obligation for post-employment benefits

ah.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 statement of financial position.

ah.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 statement 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 statement of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ah. Obligation for post-employment benefits (continued)

ah.2. Pension obligation (continued)

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 statement of changes in equity and in the consolidated statement of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement 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.

ah.3. Other post-employment obligations

Bank provide 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.

ah.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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ai. Current and deferred income tax

Income tax expense comprises of current and deferred taxes. Income tax expense is recognised in the statement 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 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 their 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.

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 personel 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 47.

3. USE OF ESTIMATES AND JUDGMENT

This disclosure supplements the commentary on financial risk management (see Note 42).

a. Key sources of estimation uncertainty

a.1. Allowance for impairment losses of financial assets

Financial assets accounted for at amortised cost are evaluated for impairment on the basis described in Note 2g.

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy, and estimated cash flows considered recoverable are independently approved by the credit risk unit.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of receivables with similar economic characteristics when there is an objective evidence to suggest that they contain impaired receivables, but the individual impaired items cannot yet be identified. In assessing the need for collective allowances, management considers factors such as credit quality, portfolio size, credit concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on historical experiences and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

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.

3. USE OF ESTIMATES AND JUDGMENT (continued)

b. Critical accounting judgments in applying the Group accounting policy

Critical accounting judgments made 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 37.

b.2. Financial asset and liability classification

The Group accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets and financial liabilities as “held for trading”, the Group has determined that they meet the description of trading assets as set out in Note 2g.
- In classifying financial assets as “held-to-maturity”, the Group has determined that the Group has both the positive intention and ability to hold those assets until their maturity date as required (see 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. CASH

	2018	2017
Rupiah	20,864,362	15,867,985
Foreign currencies	827,081	886,304
	21,691,443	16,754,289

The balance of cash in Rupiah includes cash in Automatic Teller Machines (“ATM”) amounting to Rp 10,419,800 and Rp 11,090,344 as of 31 December 2018 and 2017, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

5. CURRENT ACCOUNTS WITH BANK INDONESIA

	2018	2017
Rupiah	38,663,678	38,742,327
Foreign currencies	4,884,631	4,730,425
	43,548,309	43,472,752

Weighted average effective interest rates per annum of current accounts with Bank Indonesia denominated in Rupiah as of 31 December 2018 and 2017 were 0.68% and 1.60%, respectively.

The balance of current accounts with Bank Indonesia is maintained to fulfill the Minimum Statutory Reserve from Bank Indonesia.

As of 31 December 2018 and 2017, the Bank has complied with Bank Indonesia's regulation regarding the Minimum Statutory Reserve of Commercial Banks.

	2018	2017
Rupiah		
Primary Minimum Statutory Reserve	6.55%	7.04%
Macroprudential Intermediation Ratio (MIR)/ Loan to Funding Ratio (LFR) *) Minimum Statutory Reserve	-	0.49%
Macroprudential Liquidity Buffer (MLB)/ Secondary Minimum Statutory Reserve	11.88%	19.29%
Foreign currencies		
Primary Minimum Statutory Reserve	8.41%	8.49%

*) In accordance with Bank Indonesia's Regulation PBI No. 20/4/PBI/2018 dated 3 April 2018 LFR Minimum Statutory Reserve has been changed to MIR Minimum Statutory Reserve. As of 31 December 2018, MIR Minimum Statutory Reserve of the Bank was nil due to the Bank has fulfilled the minimum requirement.

In 2017, the Bank was required to fulfill Loan to Funding Ratio (LFR) Minimum Statutory Reserve because the Bank's LFR was below 80%.

Macroprudential Liquidity Buffer (MLB)/Secondary Minimum Statutory Reserve in the form of Certificates of Bank Indonesia, Certificates Deposits of Bank Indonesia, Government Bonds, Sharia Government Securities and excess funds are above the Minimum Statutory Reserve (excess reserve).

Information on the classification and fair value of current accounts with Bank Indonesia is disclosed in Note 37. Information on the maturity of current accounts with Bank Indonesia is disclosed in Note 43.

6. CURRENT ACCOUNTS WITH OTHER BANKS

	2018	2017
Rupiah	10,535	148,151
Foreign currencies	8,487,403	8,945,421
	8,497,938	9,093,572

6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

Details of current accounts with other banks by counterparty as of 31 December 2018 and 2017 were as follows:

	2018	2017
JPMorgan Chase Bank	3,596,278	3,411,896
Wells Fargo Bank, N.A.	978,948	607,654
United Overseas Bank Limited, Co.	698,008	240,509
DBS Bank	654,832	773,758
GBC International Bank	284,087	167,019
The Bank of New York Mellon Corporation	253,468	396,189
Bank of China	251,571	354,098
Sumitomo Mitsui Banking Corporation Limited	201,751	253,906
Standard Chartered Bank	197,707	557,195
Oversea-Chinese Banking Corporation Limited	196,919	414,351
PT Bank Mandiri (Persero) Tbk	150,547	380,195
Westpac Banking Corporation	132,434	87,764
ING Bank	121,090	153,101
Barclays Bank PLC	97,230	37,458
Euroclear Bank	68,846	156,102
Royal Bank of Scotland PLC – London Branch	66,354	32,705
Citibank, N.A.	63,216	377,882
PT Bank ICBC Indonesia	57,826	50,485
The Bank of Tokyo Mitsubishi UFJ, Ltd	51,213	45,468
National Australia Bank Limited	47,788	68,696
The Hongkong and Shanghai Banking Corporation Limited	40,059	35,633
KB Kookmin Bank	35,586	28,213
PT Bank Mizuho Indonesia	35,076	35,851
Bank of America, N.A.	27,566	97,296
PT Bank Rabobank International Indonesia	9,034	19,376
PT Bank Tabungan Pensiunan Nasional Tbk	27	126,163
Others	180,477	184,609
	8,497,938	9,093,572

As of 31 December 2018 and 2017, the Bank did not have balances of current accounts with other banks from related party.

Current accounts with foreign banks are placed in several countries.

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

	2018	2017
Rupiah	5.22%	4.77%
Foreign currencies	1.38%	0.69%

6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

All current accounts with other banks as at 31 December 2018 and 2017 were classified as current and management believes that the impairment losses of current accounts with other banks as of 31 December 2018 and 2017 were not required.

Information on the classification and fair value of current accounts with other banks is disclosed in Note 37. Information on the maturity of current accounts with other banks is disclosed in Note 43.

7. 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:

	2018					
	Up to 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	More than 12 months	Total
Bank Indonesia:						
Rupiah	15,892,892	-	-	-	-	15,892,892
Foreign currencies	2,876,000	2,401,460	-	-	-	5,277,460
Call money:						
Rupiah	4,590,000	1,620,000	-	-	-	6,210,000
Foreign currencies	948,600	602,633	-	-	-	1,551,233
Time deposits:						
Rupiah	551,705	84,200	25,000	-	-	660,905
Foreign currencies	1,386	4,893	41,674	-	-	47,953
Certificates of deposits:						
Rupiah	-	-	-	576,608	1,465,659	2,042,267
Others:						
Foreign currencies	101	-	-	-	-	101
	24,860,684	4,713,186	66,674	576,608	1,465,659	31,682,811

	2017					
	Up to 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	More than 12 months	Total
Bank Indonesia:						
Rupiah	2,641,385	-	-	-	-	2,641,385
Foreign currencies	2,442,150	4,328,032	-	-	-	6,770,182
Call money:						
Rupiah	1,250,000	2,076,000	20,000	620,000	-	3,966,000
Foreign currencies	96,038	296,638	-	-	-	392,676
Time deposits:						
Rupiah	599,900	289,500	128,000	80,000	-	1,097,400
Foreign currencies	16,248	20,834	28,335	-	-	65,417
Certificates of deposits:						
Rupiah	-	-	-	573,365	3,463,156	4,036,521
Others:						
Foreign currencies	101	-	-	-	-	101
	7,045,822	7,011,004	176,335	1,273,365	3,463,156	18,969,682

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

Details of placements with Bank Indonesia and other banks by counterparty as of 31 December 2018 and 2017 were as follows:

	2018	2017
Bank Indonesia	21,170,352	9,411,567
PT Bank Mandiri (Persero) Tbk	1,516,280	980,760
PT Bank Sumitomo Mitsui Indonesia	1,186,385	1,677,450
PT Bank Negara Indonesia (Persero) Tbk	1,074,330	1,712,640
PT Bank HSBC Indonesia	800,000	-
Mizuho Bank, Ltd. Hongkong Branch	575,200	-
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	555,629	517,716
PT Bank KEB Hana Indonesia	530,577	341,500
PT Bank DKI	530,000	64,000
PT Bank Woori Saudara Indonesia 1906 Tbk	389,485	142,380
PT Bank CTBC Indonesia	359,100	196,000
Sumitomo Mitsui Banking Corporation - Singapore	315,033	381,391
PT Shinhan Bank Indonesia	298,600	-
PT Bank Rakyat Indonesia Tbk	281,000	185,000
PT Bank Pembangunan Daerah Riau Kepri	270,000	-
The Bank of Tokyo Mitsubishi - UFJ, Ltd - Jakarta Branch	220,000	-
Citibank, N.A. - Indonesia Branch	220,000	-
PT Bank Tabungan Pensiunan Nasional Tbk	188,605	123,800
PT Bank Pembangunan Daerah Jambi Tbk	150,000	50,000
PT Bank Pembangunan Daerah Jawa Tengah Tbk	146,400	50,000
PT Bank Tabungan Negara Tbk	145,950	290,520
PT Bank Commonwealth	140,775	76,936
PT Bank DBS Indonesia	100,101	-
Bangkok Bank Public Company Limited Indonesia	100,000	-
PT Bank Mizuho Indonesia	97,080	-
PT Bank Maybank Indonesia Tbk	92,860	11,500
PT Bank Danamon Indonesia Tbk	1,386	76,289
Deutsche Bank AG - Jakarta Branch	-	500,000
PT Bank OCBC NISP Tbk	-	84,100
Bank of America, N.A. - Jakarta Branch	-	520,000
PT Bank Panin Dubai Syariah Tbk	-	50,000
PT Bank CIMB Niaga Tbk	-	352,740
Standard Chartered Bank - Indonesia Branch	-	400,000
PT Bank UOB Indonesia	-	100,959
PT Bank Muamalat Indonesia Tbk	-	95,000
PT Bank Pan Indonesia Tbk	-	500,000
Others	227,683	77,434
	31,682,811	18,969,682

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

As of 31 December 2018 and 2017, the Group did not have balances of placements with other banks from related party.

The movement of unrealised gains (losses) from the change in fair value of available-for-sale placements with other banks was as follows:

	2018	2017
Balance, beginning of year - before deferred income tax	43,160	(2,271)
Addition of unrealised (losses) gains during the year - net	(47,292)	45,776
Realised gains (losses) during the year - net	263	(345)
Total before deferred income tax	(3,869)	43,160
Deferred income tax (Note 20)	774	(10,790)
Balance, end of year - net	(3,095)	32,370

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

	2018	2017
Bank Indonesia and call money:		
Rupiah	5.46%	4.63%
Foreign currencies	2.05%	1.12%
Time deposits:		
Rupiah	5.80%	6.65%
Foreign currencies	2.96%	3.09%
Certificates of deposits:		
Rupiah	7.04%	7.39%

The range of contractual interest rates of time deposits owned by the Bank in Rupiah currency during the years ended 31 December 2018 and 2017 were 3.10% - 8.50% and 2.75% - 8.00%, while the range of contractual interest rates of time deposits owned by the Bank in foreign currencies were 1.00% - 3.70% and 0.40% - 5.20% during the years ended 31 December 2018 and 2017.

As of 31 December 2018 and 2017, there were no placements with Bank Indonesia and other banks which were used as collateral for securities trading transactions.

As of 31 December 2018 and 2017, all placements with Bank Indonesia and other banks were classified as current and management believes that the impairment losses of placements with Bank Indonesia and other banks as of 31 December 2018 and 2017 were not required.

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

Information on the classification and fair value of placements with Bank Indonesia and other banks is disclosed in Note 37. Information on the maturity of placements with Bank Indonesia and other banks is disclosed in Note 43.

8. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

Financial assets and liabilities held for trading consist of:

	2018		2017	
	Nominal value	Fair value	Nominal value	Fair value
Financial assets:				
Securities				
Government bonds	130,075	131,332	187,974	188,707
Sukuk	21,266	20,986	170,260	171,038
Certificates Deposits of Bank Indonesia	-	-	4,500,000	4,422,000
Bank Indonesia Treasury Bills	1,438,000	1,421,693	407,025	405,967
Government Treasury Bills	3,101,588	3,083,474	650,000	649,505
Sharia Government Treasury Bills	60,000	59,670	-	-
Corporate bonds	40,550	40,616	-	-
Shares	-	24,321	-	5,835
	4,791,479	4,782,092	5,915,259	5,843,052
Placements with other banks				
Certificates of Deposits	20,000	19,776	50,000	47,875
Derivative assets				
Forward		112,569		28,481
Currency swap		921,192		93,985
Spot		6,195		1,909
		1,039,956		124,375
		5,841,824		6,015,302
Financial liabilities:				
Derivative liabilities				
Forward		74,695		12,180
Currency swap		102,778		39,071
Spot		11,461		2,592
		188,934		53,843

As of 31 December 2018 and 2017, the Group did not have balances of financial assets and liabilities held for trading from and to related party.

During 2018 and 2017, there was no reclassification of financial instruments held for trading.

Information on the classification and fair value of financial assets and liabilities held for trading is disclosed in Note 37. Information on the maturity of financial assets and liabilities held for trading is disclosed in Note 43.

9. ACCEPTANCE RECEIVABLES AND PAYABLES

a. The details of acceptance receivables

	2018	2017
Rupiah		
Non-bank debtors	3,440,583	2,461,203
Other banks	261,490	307,870
	3,702,073	2,769,073
Less:		
Allowance for impairment losses	(120,959)	(159,091)
	3,581,114	2,609,982
Foreign currencies		
Non-bank debtors	8,001,645	7,204,326
Other banks	214,417	342,669
	8,216,062	7,546,995
Less:		
Allowance for impairment losses	(214,891)	(257,551)
	8,001,171	7,289,444
Total acceptance receivables - net	11,582,285	9,899,426

b. The details of acceptance payables

	2018	2017
Rupiah		
Non-bank debtors	392,508	397,371
Other banks	459,880	263,341
	852,388	660,712
Foreign currencies		
Non-bank debtors	214,417	342,669
Other banks	4,776,681	4,797,096
	4,991,098	5,139,765
Total acceptance payables - net	5,843,486	5,800,477

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

	31 December 2018		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(159,091)	(257,551)	(416,642)
Reversal of allowance during the year	38,132	46,992	85,124
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(4,332)	(4,332)
Balance, end of year	(120,959)	(214,891)	(335,850)

9. ACCEPTANCE RECEIVABLES AND PAYABLES (continued)

c. The movement of allowance for impairment losses of acceptance receivables (continued)

	31 December 2017		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(66,610)	(111,918)	(178,528)
Addition of allowance during the year	(92,481)	(144,764)	(237,245)
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(869)	(869)
Balance, end of year	(159,091)	(257,551)	(416,642)

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

As of 31 December 2018 and 2017, 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 37. Information on the maturity of acceptance receivables and payables is disclosed in Note 43.

10. BILLS RECEIVABLE

a. The details of bills receivable

	2018	2017
Rupiah		
Non-bank debtors	368,336	174,059
Other banks	5,554,928	3,680,132
	5,923,264	3,854,191
Less:		
Allowance for impairment losses	(60)	(126)
	5,923,204	3,854,065
Foreign currencies		
Non-bank debtors	824,427	443,864
Other banks	1,858,692	2,321,122
	2,683,119	2,764,986
Less:		
Allowance for impairment losses	(5,614)	(4,696)
	2,677,505	2,760,290
Total bills receivables - net	8,600,709	6,614,355

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10. BILLS RECEIVABLE (continued)

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

	31 December 2018		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(126)	(4,696)	(4,822)
Reversal of allowance during the year	66	606	672
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(1,524)	(1,524)
Balance, end of year	(60)	(5,614)	(5,674)

	31 December 2017		
	Rupiah	Foreign currencies	Total
Balance, beginning of year	(3)	(3,016)	(3,019)
Addition of allowance during the year	(123)	(1,553)	(1,676)
Exchange rate difference arising from allowance for impairment losses denominated in foreign currencies	-	(127)	(127)
Balance, end of year	(126)	(4,696)	(4,822)

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

As of 31 December 2018 and 2017, 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:

	2018	2017
Rupiah	9.76%	11.36%
Foreign currencies	3.11%	2.71%

Information on the classification and fair value of bills receivables is disclosed in Note 37. Information on the maturity of bills receivables is disclosed in Note 43.

11. 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:

	2018					
	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	24 Aug 18	22 Feb 19	4,021,479	(35,099)	-	3,986,380
			4,021,479	(35,099)	-	3,986,380
Transactions with other banks:						
Underlying instruments:						
Government Treasury Bills	10 - 18 Dec 18	10 - 18 Jan 19	1,006,016	(2,698)	-	1,003,318
Government bonds	10 - 27 Dec 18	2 - 21 Jan 19	4,114,010	(7,457)	-	4,106,553
Certificates of Bank Indonesia	11 Dec 18	11 Jan 19	85,941	(174)	-	85,767
			5,205,967	(10,329)	-	5,195,638
Transactions with third parties:						
Underlying instruments:						
Shares	4 Sep - 26 Dec 18	4 Sep - 30 Dec 19	33,976	(3,310)	-	30,666
			33,976	(3,310)	-	30,666
			9,261,422	(48,738)	-	9,212,684

11. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

	2017					
	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 Treasury Bills	13 Oct 17	12 Jan 18	1,980,695	(2,872)	-	1,977,823
Government treasury bills - sharia	13 - 27 Oct 17	10 - 24 Jan 18	276,630	(723)	-	275,907
Government bonds	13 Oct 17	12 Jan 18	1,933,964	(2,822)	-	1,931,142
			4,191,289	(6,417)	-	4,184,872
Transactions with other banks:						
Underlying instruments:						
Government bonds	12 - 20 Dec 17	12 - 22 Jan 18	1,633,224	(4,047)	-	1,629,177
Certificates Deposits of Bank Indonesia	3 Nov - 21 Dec 17	4 Jan - 30 May 18	3,214,687	(22,848)	-	3,191,839
			4,847,911	(26,895)	-	4,821,016
Transactions with third parties:						
Underlying instruments:						
Shares	8 Nov - 8 Dec 17	8 Feb - 10 Sep 18	268,720	(12,982)	(2,859)	252,879
			268,720	(12,982)	(2,859)	252,879
			9,307,920	(46,294)	(2,859)	9,258,767

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

	2018	2017
Balance, beginning of year	(2,859)	(2,499)
Reversal (addition) of allowance during the year	2,859	(360)
Balance, end of year	-	(2,859)

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 2018 and 2017 were denominated in Rupiah currency.

As of 31 December 2018 and 2017, the Bank 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 2018 and 2017 were 5.59% and 5.23%, respectively.

Information on the classification and fair value of securities purchased under agreements to resell is disclosed in Note 37. Information on the maturity of securities purchased under agreements to resell is disclosed in Note 43.

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12. LOANS RECEIVABLE

Loans receivable consisted of:

a. By type and currency

	2018	2017
Rupiah		
Related parties:		
Working capital	3,155,730	3,495,521
Investment	40,891	35,892
Consumer	15,772	5,896
	3,212,393	3,537,309
Third parties:		
Working capital	230,316,130	198,424,369
Investment	137,788,190	111,502,056
Consumer	118,761,632	111,321,576
Credit card	12,893,102	11,527,879
Employee loans	2,927,120	2,826,610
	502,686,174	435,602,490
	505,898,567	439,139,799
Foreign currencies		
Related parties:		
Working capital	-	20,351
Investment	3,870	14,782
	3,870	35,133
Third parties:		
Working capital	21,850,656	18,663,219
Investment	10,346,355	9,670,674
	32,197,011	28,333,893
	32,200,881	28,369,026
Total loans receivable	538,099,448	467,508,825
Less: Allowance for impairment losses		
Rupiah	(12,911,461)	(12,569,024)
Foreign currencies	(657,525)	(674,845)
	(13,568,986)	(13,243,869)
Total loans receivable - net	524,530,462	454,264,956

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12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

b. By economic sector and Bank Indonesia's collectability

	2018						
	Current	Special mention	Sub-standard	Doubtful	Loss	Allowance for impairment losses	Total
Rupiah							
Manufacturing	94,884,475	1,975,019	25,022	26,273	251,742	(2,647,524)	94,515,007
Business services	58,591,295	924,538	663	40,189	281,987	(1,002,303)	58,836,369
Trading, restaurants and hotels	121,948,367	1,613,053	1,102,113	799,393	1,707,866	(4,862,646)	122,308,146
Agriculture and agricultural facilities	24,034,460	110,208	541	4,360	17,134	(300,829)	23,865,874
Construction	14,524,648	48,321	380	5,619	574,674	(870,985)	14,282,657
Transportation, warehousing and communications	21,799,519	284,773	94,721	35,206	624,572	(1,039,353)	21,799,438
Social/public services	7,684,885	90,995	1,641	3,143	16,047	(125,542)	7,671,169
Mining	1,489,447	1,392	-	-	15,848	(31,198)	1,475,489
Electricity, gas, and water	15,629,828	6,445	-	76	18,478	(55,969)	15,598,858
Others	128,477,188	4,557,597	249,534	271,201	1,053,691	(1,975,112)	132,634,099
	489,064,112	9,612,341	1,474,615	1,185,460	4,562,039	(12,911,461)	492,987,106
Foreign currencies							
Manufacturing	12,752,288	53,549	-	-	-	(186,868)	12,618,969
Business services	3,309,989	-	-	-	-	(3,793)	3,306,196
Trading, restaurants and hotels	5,419,735	716	34,298	-	18,830	(128,968)	5,344,611
Agriculture and agricultural facilities	6,885,573	-	-	-	-	(15,605)	6,869,968
Construction	20,050	-	-	-	-	(1)	20,049
Transportation, warehousing and communications	724,347	-	168,815	-	149,997	(307,948)	735,211
Social/public services	18,276	-	-	-	-	(142)	18,134
Mining	2,305,291	-	-	-	-	(10,421)	2,294,870
Electricity, gas, and water	339,127	-	-	-	-	(3,779)	335,348
	31,774,676	54,265	203,113	-	168,827	(657,525)	31,543,356
Total	520,838,788	9,666,606	1,677,728	1,185,460	4,730,866	(13,568,986)	524,530,462

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12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

b. By economic sector and Bank Indonesia's collectability (continued)

	2017						
	Current	Special mention	Sub-standard	Doubtful	Loss	Allowance for impairment losses	Total
Rupiah							
Manufacturing	82,144,649	460,534	23,920	22,605	427,736	(2,666,277)	80,413,167
Business services	44,993,752	827,323	944	603	280,758	(887,903)	45,215,477
Trading, restaurants and hotels	112,074,805	926,662	333,418	270,022	1,796,351	(4,760,828)	110,640,430
Agriculture and agricultural facilities	18,990,104	31,472	218	77	147,195	(273,415)	18,895,651
Construction	10,216,022	23,305	688,234	4,017	137,366	(624,468)	10,444,476
Transportation, warehousing and communications	17,457,242	360,737	553,561	42,655	386,203	(1,366,485)	17,433,913
Social/public services	6,000,909	29,123	136	35,294	15,038	(149,503)	5,930,997
Mining	628,784	247	1,428	43	65,764	(88,264)	608,002
Electricity, gas, and water	13,026,053	212	-	22	20,263	(58,640)	12,987,910
Others	120,410,012	4,000,123	213,045	272,743	798,070	(1,693,241)	124,000,752
	425,942,332	6,659,738	1,814,904	648,081	4,074,744	(12,569,024)	426,570,775
Foreign currencies							
Manufacturing	11,524,149	62,162	-	-	-	(98,919)	11,487,392
Business services	2,582,754	-	-	-	-	(5,621)	2,577,133
Trading, restaurants and hotels	5,005,965	-	-	38,276	17,721	(95,112)	4,966,850
Agriculture and agricultural facilities	7,593,522	-	-	-	-	(15,805)	7,577,717
Construction	20,288	-	-	-	-	(5)	20,283
Transportation, warehousing and communications	687,722	-	171,307	-	180,300	(349,166)	690,163
Social/public services	60,571	-	-	-	-	(1,002)	59,569
Mining	103,971	-	-	-	-	(4,759)	99,212
Electricity, gas, and water	320,318	-	-	-	-	(104,456)	215,862
	27,899,260	62,162	171,307	38,276	198,021	(674,845)	27,694,181
Total	453,841,592	6,721,900	1,986,211	686,357	4,272,765	(13,243,869)	454,264,956

c. By maturity

Loans receivable by maturity period based on loan agreements:

	2018	2017
Rupiah		
Up to 1 year	195,172,663	165,711,094
> 1 - 5 years	97,618,748	88,388,486
> 5 years	213,866,760	185,727,971
	506,658,171	439,827,551
Foreign currencies		
Up to 1 year	16,080,959	15,833,381
> 1 - 5 years	7,852,752	5,261,231
> 5 years	8,264,430	7,272,742
	32,198,141	28,367,354
Total loans receivable	538,856,312	468,194,905
Less:		
Deferred provision and commission income*)	(756,864)	(686,080)
Allowance for impairment losses	(13,568,986)	(13,243,869)
Total loans receivable - net	524,530,462	454,264,956

*) 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.

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

d. 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:

	2018	2017
Bank's participation as participant, ranged between 2.78% - 50.00% and 2.78% - 33.33%, respectively, for the years ended 31 December 2018 and 2017, with outstanding balance of Rp 15,277,584 and USD 81,823,569 as of 31 December 2018 (2017: Rp 9,402,857 and USD 148,738,783)	16,454,207	11,420,871
Bank's participation as arranger, ranged between 10.86% - 85.00% and 5.00% - 50.00% respectively, for the years ended 31 December 2018 and 2017, with outstanding balance of Rp 15,382,064 and USD 50,242,545 as of 31 December 2018 (2017: Rp 14,293,654 and USD 3,150,000)	16,104,552	14,336,392
	32,558,759	25,757,263

e. Restructured loans

The amount of restructured loans by the Bank up to 31 December 2018 and 2017 amounting to Rp 7,985,984 and Rp 6,568,422, 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 collectibility:

	2018	2017
Current	2,903,323	3,141,037
Special mention	2,746,858	1,230,394
Sub-standard	1,167,816	726,078
Doubtful	173,430	274,381
Loss	994,557	1,196,532
	7,985,984	6,568,422

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12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

e. Restructured loans (continued)

Total restructured loans and under non-performing loans (NPL) category as of December 2018 and 2017 are amounting to Rp 2,335,803 and Rp 2,196,991, respectively.

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

	2018						
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	Total
Balance, beginning of year	(9,311,601)	(320,787)	(9,632,388)	(3,257,423)	(354,058)	(3,611,481)	(13,243,869)
(Addition) reversal of allowance during the year	(1,133,631)	15,567	(1,118,064)	(1,532,403)	5,410	(1,526,993)	(2,645,057)
Loans written-off during the year	1,083,709	-	1,083,709	1,382,109	31,832	1,413,941	2,497,650
Recoveries on loans previously written-off	(98,461)	-	(98,461)	(43,760)	(4,968)	(48,728)	(147,189)
Exchange rate difference	-	(18,960)	(18,960)	-	(11,561)	(11,561)	(30,521)
Balance, end of year	(9,459,984)	(324,180)	(9,784,164)	(3,451,477)	(333,345)	(3,784,822)	(13,568,986)

	2017						
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	Total
Balance, beginning of year	(8,849,831)	(367,596)	(9,217,427)	(2,930,491)	(357,106)	(3,287,597)	(12,505,024)
(Addition) reversal of allowance during the year	(1,320,391)	49,057	(1,271,334)	(566,863)	6,384	(560,479)	(1,831,813)
Loans written-off during the year	955,142	-	955,142	378,577	-	378,577	1,333,719
Recoveries on loans previously written-off	(96,521)	-	(96,521)	(138,646)	-	(138,646)	(235,167)
Exchange rate difference	-	(2,248)	(2,248)	-	(3,336)	(3,336)	(5,584)
Balance, end of year	(9,311,601)	(320,787)	(9,632,388)	(3,257,423)	(354,058)	(3,611,481)	(13,243,869)

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

As of 31 December 2018 and 2017, allowance for collective impairment losses on loans receivable to related parties amounting to Rp 2,935 and Rp 3,815, respectively.

g. Joint financing

The Bank entered into joint financing agreements with PT BCA Finance and PT Central Santosa Finance, 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 2018 and 2017 were Rp 45,715,510 and Rp 43,357,868, respectively.

12. LOANS RECEIVABLE (continued)

Loans receivable consisted of: (continued)

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

	2018	2017
Loans receivable (Note 12c)	538,856,312	468,194,905
Accrued interest income	2,226,779	1,819,889
Deferred provision and commission income	(756,864)	(686,080)
Allowance for impairment losses (Note 12f)	(13,568,986)	(13,243,869)
	526,757,241	456,084,845

i. Other significant information relating to loans receivable

As of 31 December 2018 and 2017, the Bank had no loans receivable which were pledged as collaterals.

Demand deposits, saving deposits and time deposits pledged as collateral for loans receivable amounting to Rp 11,647,739 and Rp 11,379,473, respectively, as of 31 December 2018 and 2017 (see Note 19).

As of 31 December 2018 and 2017, 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 recorgnised as subsidy and recorded as other assets, also amortised over the life of the loans.

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

	2018	2017
Rupiah	9.18%	9.78%
Foreign currencies	3.95%	3.56%

Ratio of small enterprises loans to loans receivable as of 31 December 2018 and 2017 was 1.84% and 1.77%, respectively.

The Bank’s non-performing loans (classified as sub-standard, doubtful and loss) as of 31 December 2018 and 2017 amounting to Rp 7,593,637 and Rp 6,944,916, respectively.

As of 31 December 2018, the ratio of gross non-performing loan (“NPL”) and net NPL was 1.41% and 0.45% (2017: 1.49% and 0.45%), which was calculated based on prevailing Bank Indonesia Regulations.

Information on the classification and fair value of loans receivable is disclosed in Note 37. Information on the details of loans receivable by geographic region is disclosed in Note 41. Information on the maturity of loan receivables is disclosed in Note 43.

13. CONSUMER FINANCING RECEIVABLES

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

	2018	2017
Consumer financing receivables		
- Self-financing by Subsidiaries	6,708,817	7,750,109
- Share in joint financing with related parties without recourse	6,538,859	6,375,154
Unamortised transaction cost - net	(602,375)	(569,031)
Unrecognised consumer financing income	(4,667,564)	(4,671,729)
Consumer financing receivables, before allowance for impairment losses	7,977,737	8,884,503
Less:		
Allowance for impairment losses	(364,028)	(377,520)
Total consumer financing receivables - net	7,613,709	8,506,983

Contractual interest rates per annum for consumer financing during 2018 and 2017 were 6.13% - 32.75% and 6.50% - 33.64%, 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:

	2018	2017
Balance, beginning of year	(377,520)	(299,086)
Addition of allowance during the year	(286,436)	(335,827)
Written-off during the year	299,928	257,393
Balance, end of year	(364,028)	(377,520)

The collection of consumer financing receivables previously written-off amounting to Rp 29,682 and Rp 19,322 for the years ending 31 December 2018 and 2017, respectively.

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

As of 31 December 2018 and 2017 consumer financing receivables, before deduction of unearned income, amounting to Rp 1,797,146 and Rp 2,883,082, respectively, were pledged as collateral to borrowings and overdraft, and debt securities issued.

13. CONSUMER FINANCING RECEIVABLES (continued)

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 was adequate to cover possible losses arising from uncollectible consumer financing receivables.

Information on the classification and fair value of consumer financing receivables is disclosed in Note 37. Information on the maturity of consumer financing receivables is disclosed in Note 43.

14. INVESTMENT SECURITIES

The details of investment securities by type and currency as of 31 December 2018 and 2017 were as follows:

	2018				
Description	Nominal amount	Unamortised premium (discount)	Unrealised (loss) gain	Allowance for impairment losses	Carrying value
Rupiah					
Held-to-maturity:					
Certificates of Bank Indonesia Sharia	170,000	-	-	-	170,000
Government bonds, non-recapitalisation	3,419,041	120,859	-	-	3,539,900
Sukuk	8,504,381	20,944	-	-	8,525,325
Medium-term notes	15,000	-	-	-	15,000
Corporate bonds	567,000	(2)	-	(765)	566,233
Money market securities	-	140,000	-	-	140,000
Available-for-sale:					
Government bonds, non-recapitalisation	12,874,257	163,665	(172,696)	-	12,865,226
Sukuk	30,793,582	(147,591)	(285,157)	(3,066)	30,357,768
Mutual fund units	13,095,081	-	747,422	(4,519)	13,837,984
Corporate bonds	14,414,290	(91,378)	(508,641)	-	13,814,271
Medium-term notes	450,000	(46)	761	-	450,715
Government Treasury Bills Sharia	900,000	(5,748)	798	-	895,050
Investment in shares	643,245	-	-	(36,966)	606,279
	85,845,877	200,703	(217,513)	(45,316)	85,783,751
Foreign currencies					
Held-to-maturity:					
Government bonds, non-recapitalisation	330,839	7,101	-	(143)	337,797
Sukuk	503,300	1,484	-	-	504,784
Medium-term notes	71,913	98	-	(43,190)	28,821
Available-for-sale:					
Certificates of Bank Indonesia	20,060,100	(74,533)	(2,119)	-	19,983,448
Government bonds, non-recapitalisation	1,567,420	(990)	45,240	-	1,611,670
Sukuk	589,723	(16,050)	10,390	-	584,063
Corporate bonds	244,460	(698)	2,567	-	246,329
Investment in shares	2,809	-	-	(2,809)	-
	23,370,564	(83,588)	56,078	(46,142)	23,296,912
Total investment securities	109,216,441	117,115	(161,435)	(91,458)	109,080,663

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14. INVESTMENT SECURITIES (continued)

The details of investment securities by type and currency as of 31 December 2018 and 2017 were as follows: (continued)

	2017				
Description	Nominal amount	Unamortised premium (discount)	Unrealised (loss) gain	Allowance for impairment losses	Carrying value
Rupiah					
Held-to-maturity:					
Government bonds					
- Recapitalisation	100,000	(1,308)	-	-	98,692
- Non-recapitalisation	4,243,796	159,469	-	-	4,403,265
Sukuk	17,413,281	84,671	-	-	17,497,952
Corporate bonds	713,000	(10)	-	(6,086)	706,904
Money market securities	45,000	-	-	(450)	44,550
Asset-backed securities	5,000	(4,537)	-	-	463
Available-for-sale:					
Certificates Deposits of Bank Indonesia	23,207,526	(428,759)	14,360	-	22,793,127
Government bonds, non-recapitalisation	9,777,648	323,295	241,801	-	10,342,744
Sukuk	33,227,306	294,206	375,646	(21,667)	33,875,491
Mutual fund units	9,552,344	2,000	795,079	(3,516)	10,345,907
Corporate bonds	11,958,200	(89,723)	48,725	(288,445)	11,628,757
Medium-term notes	750,000	(69)	11,864	-	761,795
Treasury bills	988,305	(4,879)	1,322	-	984,748
Investment in shares	292,419	-	-	(34,414)	258,005
Others	14,903	-	-	-	14,903
	112,288,728	334,356	1,488,797	(354,578)	113,757,303
Foreign currencies					
Held-to-maturity:					
Government bonds, non-recapitalisation	320,572	-	-	-	320,572
Sukuk	672,962	12,718	-	-	685,680
Medium-term notes	67,858	244	-	(40,791)	27,311
Available-for-sale:					
Certificates of Bank Indonesia	12,889,125	(85,544)	(10,039)	-	12,793,542
Government bonds, non-recapitalisation	1,771,915	764	114,255	-	1,886,934
Sukuk	1,289,048	(22,093)	48,179	-	1,315,134
Corporate bonds	298,485	(1,187)	7,389	-	304,687
Medium-term notes	122,108	(5)	-	(122,103)	-
Investment in shares	2,829	-	-	(2,829)	-
	17,434,902	(95,103)	159,784	(165,723)	17,333,860
Total investment securities	129,723,630	239,253	1,648,581	(520,301)	131,091,163

As of 31 December 2018, investment securities include government bonds with carrying value amounting to Rp 52,542 (nominal amount of Rp 50,345), 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 2018 amounting to Rp 48,111.

As of 31 December 2017, investment securities include government bonds with carrying value amounting to Rp 99,795 (nominal amount of Rp 95,021), 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 2017 amounting to Rp 96,225.

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14. INVESTMENT SECURITIES (continued)

As of 31 December 2018 and 2017, the Bank did not have investment securities pledged as collateral.

During the years ended 31 December 2018 and 2017, the Bank reclassified certain held-to-maturity investment securities to available-for-sale investment securities amounting to Rp 1,806,993 (fair value of Rp 1,808,098) and Rp 660,145 (fair value of Rp 669,195), respectively. The reclassifications were made for investment closed to its maturity date (will be matured in less than six months) and fulfill the reclassification requirements in SFAS No. 55.

Management believes that changes of interest rate will have no significant impact to the fair value of those investment securities. The balance of available-for-sale securities reclassified from held-to-maturity as of 31 December 2018 and 2017 were Rp 926,049 and Rp nil, respectively.

The details of government recapitalisation bonds owned by the Bank as of 31 December 2018 and 2017 were as follows:

	2017				
	Nominal amount	Fair value	Maturity date	Frequency of interest payment	Carrying value
Held-to-maturity:					
Series VR0026	100,000	99,420	25 Jan 2018	3 months	98,692
	100,000	99,420			98,692

The detail of investment in mutual funds owned by the Group by name and total units owned as of 31 December 2018 and 2017 are as follows:

	2018		2017	
Investment in mutual funds	Total units	Carrying amount	Total units	Carrying amount
Reksa Dana Danareksa Gebyar Indonesia II	36	71,510	36	73,880
Reksa Dana Panin Gebyar Indonesia II	37	73,712	36	76,855
Reksa Dana Nikko Gebyar Indonesia Dua	34	69,538	34	70,997
Reksa Dana Schroder Prestasi Gebyar Indonesia II	38	89,123	38	91,764
Reksa Dana Danareksa Gebyar Dana Likuid II	376	504,811	376	480,213
Reksa Dana Bahana Revolving Fund	242	325,064	242	309,639
Reksa Dana Mandiri Dana Optima	168	229,950	168	218,967
Reksa Dana Schroder Money Market Fund	236	307,966	236	293,929
Reksa Dana Tram Pundi Kas 2	500	630,573	500	599,105
Reksa Dana Terproteksi BNP Paribas Gemilang	80	79,706	75	76,442
Reksa Dana Batavia Dana Kas Gebyar	285	335,536	285	318,786
Reksa Dana Terproteksi Mandiri seri 46	487	500,425	487	511,982
Reksa Dana Terproteksi Danareksa Proteksi 28	500	509,315	500	520,750
Reksa Dana Terproteksi Danareksa Proteksi Cemerlang 33	274	279,054	274	285,462
Reksa Dana Terproteksi Batavia Proteksi Cemerlang 58	-	-	500	511,555
Reksa Dana Terproteksi Trimegah Terproteksi Dana Berkala	500	512,329	500	522,629
Reksa Dana Schroder IDR Income Plan III	-	-	500	498,391
Reksa Dana Terproteksi Bahana E Optima Protected Fund 116	-	-	500	512,607
Reksa Dana Terproteksi Batavia Proteksi Cemerlang 60	378	380,335	500	514,983
Reksa Dana Terproteksi Schroder IDR Income Plan IV	350	334,787	500	502,594
Reksa Dana Terproteksi Danareksa Proteksi 44	352	354,145	500	515,247

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14. INVESTMENT SECURITIES (continued)

The detail of investment in mutual funds which owned by The Bank by name and total units owned as of 31 December 2018 and 2017 are as follows: (continued)

Investment in mutual funds (continued)	2018 Total units	2018 Carrying amount	2017 Total units	2017 Carrying amount
Reksa Dana Terproteksi Trimegah Terproteksi Dana Berkala 2	340	346,307	500	516,887
Reksa Dana Terproteksi Bahana E Optima Protected Fund 122	333	332,152	500	507,848
Reksa Dana Terproteksi Mandiri Seri 82	319	317,343	500	513,384
Reksa Dana Terproteksi Emco XV	300	302,952	500	523,367
Reksa Dana Terproteksi Panin 2021	400	403,908	400	410,969
Reksa Dana Terproteksi Bahana Centrum Protected Fund 156	500	488,562	-	-
Reksa Dana Terproteksi Bahana Centrum Protected Fund 158	600	593,846	-	-
Reksa Dana Terproteksi Batavia Proteksi Ultima 2	500	495,631	-	-
Reksa Dana Terproteksi Danareksa Proteksi 56	450	442,691	-	-
Reksa Dana Terproteksi Mandiri Seri 157	500	496,105	-	-
Reksa Dana Terproteksi Trimegah Terproteksi Dana Berkala 3	700	706,917	-	-
Reksa Dana Terproteksi Emco XVII	405	414,602	-	-
Reksa Dana Terproteksi Panin Proteksi 2022	500	502,832	-	-
Reksa Dana Terproteksi Samuel Aset Manajemen Dana Obligasi Terproteksi 7	200	203,091	-	-
Reksa Dana Terproteksi Schroders IDR Income Plan V	1000	1,020,505	-	-
Reksa Dana Terproteksi Syailendra Capital Protected Fund 30	500	508,114	-	-
Reksa Dana Syariah Trimegah Kas Syariah 2	50	50,213	50	50,227
Reksa Dana Syariah Trimegah Kas Syariah	138	150,706	143	150,556
Reksa Dana Syariah Mandiri Pasar Uang Syariah	142	150,913	150	150,814
Reksa Dana Syariah Panin Dana Likuid Syariah	48	50,001	-	-
Reksa Dana Syariah Danareksa Seruni Pasar Uang Syariah	50	50,009	-	-
Reksa Dana BNP Paribas Prima II	1	1,971	1	2,045
Reksa Dana BNP Paribas Obligasi Berlian	200	201,376	-	-
Reksa Dana Ashmore Dana Obligasi Nusantara	17	23,877	11	16,549
		13,842,503		10,349,423
Less: Allowance for impairment losses		(4,519)		(3,516)
Total Investment in mutual funds - net		13,837,984		10,345,907

The detail of investment in shares owned by the Bank as of 31 December 2018 and 2017 are as follows:

a. Based on counterparties:

	2018	2017
Related party	14,000	14.000
Third party	632,054	281.248
Total investment in shares	646,054	295.248
Less: Allowance for impairment losses	(39,775)	(37.243)
Total investment in shares – net	606,279	258,005

14. INVESTMENT SECURITIES (continued)

The detail of investment in shares owned by the Bank as of 31 December 2018 and 2017 are as follows: (continued)

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

Company Name	Nature of business	2018 Percentage of ownership	2018 Carrying amount	2017 Percentage of ownership	2017 Carrying amount
- PT Bank Tabungan Pensiunan Nasional *)	Banking	1.00%	255,175	-	-
- PT Bank HSBC Indonesia	Banking	1.06%	184,025	1.06%	184,025
- PT Bank DBS Indonesia	Banking	1.00%	42,600	1.00%	42,600
- PT Bank Sumitomo Mitsui Indonesia *)	Banking	1.00%	41,910	1.00%	41,910
- AirWallex (Cayman) Limited	Crossborder Payments	0.43%	28,850	-	-
- Finch Capital Fund II Cooperatief U,A	Fund Management	4.00%	18,142	-	-
- PT Digital Otomotif Indonesia	Marketplace	20.00%	14,000	20.00%	14,000
- Element Ventures Inc.	Biometrix	3.00%	13,760	-	-
- Wavemaker Pacific 1 Pte., Ltd.	Capital Venture	2.00%	12,117	-	-
- PT Sentral Investama Andalan	Holding Company	2.00%	10,000	-	-
- Others (respectively, under Rp 5,000)	Various	0.06% - 17.50%	25,475	0.06% - 13.58%	12,713
Total investment in shares			646,054		295,248
Less: Allowance for impairment losses			(39,775)		(37,243)
Total investment in shares - net			606,279		258,005

*) Effective since 1 February 2019, PT Bank Tabungan Pensiunan Nasional and PT Bank Sumitomo Mitsui Indonesia have merged and change the name to PT Bank BTPN Tbk. The Bank's ownership of PT Bank Bank BTPN Tbk became 1.02% with carrying amount of Rp 297,085.

c. Based on collectibility of Bank Indonesia:

	2018	2017
Current	642,635	291,809
Loss	3,419	3,439
Total investment in shares	646,054	295,248
Less: Allowance for impairment losses	(39,775)	(37,243)
Total investment in shares - net	606,279	258,005

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

	2018 Rupiah (%)	2018 Foreign currencies (%)	2017 Rupiah (%)	2017 Foreign currencies (%)
Held-to-maturity:				
Certificates of Bank Indonesia Sharia	5.61	-	-	-
Government bonds	6.97	4.80	6.88	4.81
Corporate bonds	8.58	-	7.64	-
Medium-term notes	6.99	3.14	-	1.39
Asset-backed securities	-	-	9.26	-
Available-for-sale:				
Certificates Deposits of Bank Indonesia	-	-	5.81	-
Certificates of Bank Indonesia	-	2.37	-	1.54
Government bonds	6.99	5.32	6.67	3.69
Corporate bonds	8.37	3.44	8.36	2.67
Medium-term notes	9.02	-	8.55	-
Government Treasury Bills	-	-	5.79	-
Sharia Government Treasury Bills	6.10	-	-	-

14. INVESTMENT SECURITIES (continued)

The movement of allowance for impairment losses of investment securities for the years ended 31 December 2018 and 2017 was as follows:

	2018						
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	Total
Balance, beginning of year	(46,133)	(2,897)	(49,030)	(308,445)	(162,826)	(471,271)	(520,301)
(Addition) reversal of allowance during the year	818	2,715	3,533	188,445	(1,921)	186,524	190,057
Write-offs during the year	-	-	-	120,000	125,910	245,910	245,910
Exchange rate difference	-	1	1	-	(7,125)	(7,125)	(7,124)
Balance, end of year	(45,315)	(181)	(45,496)	-	(45,962)	(45,962)	(91,458)

	2017						
	Collective impairment losses			Individual impairment losses			
	Rupiah	Foreign currencies	Sub-total	Rupiah	Foreign currencies	Sub-total	Total
Balance, beginning of year	(36,107)	(74)	(36,181)	(428,038)	(411,582)	(839,620)	(875,801)
(Addition) reversal of allowance during the year	(10,026)	(2,863)	(12,889)	(188,409)	4,190	(184,219)	(197,108)
Write-offs during the year	-	-	-	308,002	247,182	555,184	555,184
Exchange rate difference	-	40	40	-	(2,616)	(2,616)	(2,576)
Balance, end of year	(46,133)	(2,897)	(49,030)	(308,445)	(162,826)	(471,271)	(520,301)

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 available-for-sale investment securities was as follows:

	2018		
	Rupiah	Foreign currencies	Total
Balance, beginning of year - before deferred income tax	1,495,748	159,785	1,655,533
Addition of unrealised losses during the year - net	(1,725,665)	(109,959)	(1,835,624)
Realised losses during the year - net	13,129	(1,433)	11,696
Exchange rate difference	-	7,685	7,685
Total before deferred income tax	(216,788)	56,078	(160,710)
Deferred income tax (Note 20)			31,158
Balance, end of year - net			(129,552)

	2017		
	Rupiah	Foreign currencies	Total
Balance, beginning of year - before deferred income tax	(365,280)	192,871	(172,409)
Addition of unrealised gains (losses) during the year - net	1,686,487	(47,353)	1,639,134
Realised losses during the year - net	174,541	12,680	187,221
Exchange rate difference	-	1,587	1,587
Total before deferred income tax	1,495,748	159,785	1,655,533
Deferred income tax (Note 20)			(413,567)
Balance, end of year - net			1,241,966

14. INVESTMENT SECURITIES (continued)

The following table represents the summary of ratings and credit rating companies of Bank's investment securities as of 31 December 2018 and 2017:

	2018		2017	
	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 Adhi Karya (Persero) Tbk	-	-	A-	Pefindo
PT Aneka Tambang Tbk	-	-	BBB+	Pefindo
PT Angkasa Pura I (Persero)	AAA	Pefindo	AAA	Pefindo
PT Arpeni Pratama Ocean Line Tbk	-	-	D	Pefindo
PT Astra Otoparts Tbk	AA-	Fitch	AA-	Fitch
PT Astra Sedaya Finance	AAA	Pefindo	AAA	Pefindo
PT Bank CIMB Niaga Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank DKI	AA-	Pefindo	A+	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 Pos	AA	Fitch	AA	Pefindo
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 Bank Rakyat Indonesia (Persero) Tbk	AAA	Pefindo	AAA	Pefindo
PT Bank Resona Perdania	AA-	Pefindo	AA-	Pefindo
PT Bank Sumitomo Mitsui Indonesia	AAA	Pefindo	AAA	Pefindo
PT Bank Tabungan Negara (Persero) Tbk	AA+	Pefindo	AA+	Pefindo
PT Bank Tabungan Pensiunan Nasional Tbk	AAA	Fitch	AAA	Pefindo
PT Bank UOB Indonesia	AAA	Fitch	AAA	Fitch
PT Bussan Auto Finance	AA	Pefindo	-	-
PT Chandra Asri Petrochemical Tbk	AA-	Pefindo	AA-	Pefindo
PT Express Transindo Utama Tbk	-	-	BB+	Pefindo
PT Fastfood Indonesia Tbk	AA	Pefindo	AA	Pefindo
PT Federal International Finance	AAA	Pefindo	-	-
PT Hutama Karya (Persero)	AAA	Pefindo	AAA	Pefindo
PT Indonesia Power	AAA	Pefindo	AAA	Pefindo
PT Indosat Tbk	AAA	Pefindo	AAA	Pefindo
PT Jakarta Lingkar Baratsatu	A+	Pefindo	-	-
PT Jasa Marga (Persero) Tbk	AA	Pefindo	AA	Pefindo
PT Lautan Luas Tbk	A-	Pefindo	A-	Pefindo
PT Nippon Indosari Corpindo Tbk	-	-	AA-	Pefindo
PT Oto Multiartha	AA+	Pefindo	-	-
PT Pegadaian (Persero)	AAA	Pefindo	AAA	Pefindo
PT Pertamina (Persero)	BBB-	S&P	BBB-	Fitch
PT Perusahaan Listrik Negara (Persero)	BBB-	S&P	AAA	Pefindo
PT Pupuk Indonesia (Persero)	AAA	Fitch	AAA	Fitch
PT Sarana Multi Infrastruktur (Persero)	AAA	Pefindo	AAA	Pefindo
PT Sumber Alfaria Trijaya Tbk	AA-	Fitch	AA-	Fitch
PT Tiphone Mobile Indonesia Tbk	BBB+	Pefindo	A	Pefindo

Information on the classification and fair value of investment securities is disclosed in Note 37. Information on the maturity of investment securities is disclosed in Note 43.

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15. PREPAID EXPENSES

	2018	2017
Prepaid rent	895,496	799,862
Prepaid insurance	14,568	8,304
Others	463,927	477,928
	1,373,991	1,286,094

As of 31 December 2018 and 2017, prepaid expense for related parties is amounting to Rp 224,409 and Rp 237,807, respectively (Note 47).

16. FIXED ASSETS

Fixed assets consisted of:

	2018					
	Beginning balance	Additions	Deductions	Reclassifications	Revaluations	Ending balance
Acquisition cost/ revaluation amount						
Direct ownership						
Land	10,208,494	17,166	(1,049)	183,286	2,074,213	12,482,110
Buildings	4,476,275	299,163	(3,818)	176,847	-	4,948,467
Office furnitures, fixtures, and equipments	9,695,534	1,758,991	(861,003)	41,870	-	10,635,392
Motor vehicles	55,432	14,457	(11,443)	-	-	58,446
Construction in progress	1,509,473	505,086	(284,343)	(402,003)	-	1,328,213
Leased assets	4,212	-	(4,050)	-	-	162
	25,949,420	2,594,863	(1,165,706)	-	2,074,213	29,452,790
Accumulated depreciation						
Direct ownership						
Buildings	(1,527,640)	(247,273)	768	-	-	(1,774,145)
Office furnitures, fixtures, and equipments	(7,522,050)	(1,296,141)	506,282	-	-	(8,311,909)
Motor vehicles	(28,754)	(8,735)	7,816	-	-	(29,673)
Leased assets	(2,027)	(237)	2,102	-	-	(162)
	(9,080,471)	(1,552,386)	516,968	-	-	(10,115,889)
Net book value	16,868,949					19,336,901

	2017					
	Beginning balance	Additions	Deductions	Reclassifications	Revaluations	Ending balance
Acquisition cost/ revaluation amount						
Direct ownership						
Land	10,049,141	52,646	(23,232)	134,269	(4,330)	10,208,494
Buildings	3,797,841	149,983	(10,691)	539,142	-	4,476,275
Office furnitures, fixtures, and equipments	9,467,785	937,528	(713,083)	3,304	-	9,695,534
Motor vehicles	45,708	14,479	(4,755)	-	-	55,432
Construction in progress	1,869,259	580,082	(263,153)	(676,715)	-	1,509,473
Leased assets	4,212	-	-	-	-	4,212
	25,233,946	1,734,718	(1,014,914)	-	(4,330)	25,949,420
Accumulated depreciation						
Direct ownership						
Buildings	(1,342,146)	(193,953)	8,459	-	-	(1,527,640)
Office furnitures, fixtures, and equipments	(6,875,236)	(1,354,820)	708,006	-	-	(7,522,050)
Motor vehicles	(24,423)	(7,627)	3,296	-	-	(28,754)
Leased assets	(1,306)	(721)	-	-	-	(2,027)
	(8,243,111)	(1,557,121)	719,761	-	-	(9,080,471)
Net book value	16,990,835					16,868,949

16. FIXED ASSETS (continued)

Fixed asset on construction process on 31 December 2018 and 2017 was as follows:

	2018	2017
Land	725,223	744,894
Buildings	452,830	384,605
Others	150,160	379,974
	1,328,213	1,509,473

Estimated percentage of the asset completion of on 31 December 2018 and 2017 were at 40%-100% and 70%-100%, respectively.

Revaluation of fixed assets

In 2018 the Group revalued its fixed assets in land classification using external independent appraisal reports, which was performed in accordance with Indonesian Valuation Standards (SPI 2013), Indonesian Appraisal Code of Conduct ("KEPI"), Bapepam-LK Regulation No. VIII. C4 and prevailing rules and regulations.

The revaluation was performed by Kantor Jasa Penilai Publik ("KJPP") Antonius Setiady & Rekan based on the appraisal report dated 27 November 2018, 3 January 2019 and 4 January 2019, KJPP Jimmy Prasetyo & Rekan based on the appraisal report dated 14 November 2018, KJPP Sudiono, Awaludin & Rekan based on the appraisal report dated 7 August 2018, and KJPP Hari Utomo & Rekan based on the appraisal report dated 14 December 2018.

The increases arising on land revaluation for year 2018 were recorded as "revaluation surplus of fixed assets", and presented in other comprehensive income amounting to Rp 2,164,251. The decrease of carrying value arising from revaluation for year 2018 amounting to Rp 90,038 was recognised in the consolidated profit or loss year 2018 as other operating expenses.

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 2018 and 2017, the carrying value of land if the land was recorded using cost model amounting to Rp 3,600,620 and Rp 3,446,821, respectively.

As of 31 December 2018 and 2017, 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 2018 and 2017, the Bank did not have any fixed assets pledged as collateral.

16. FIXED ASSETS (continued)

Other informations (continued)

Fixed assets disposal includes sales of assets are as follows:

	2018	2017
Proceeds from sale	10,393	505,430
Net book value	(6,890)	(20,361)
Gain on sale	3,503	485,069

Depreciation charged to general and administrative expenses for the years ended 31 December 2018 and 2017 amounting to Rp 1,552,386 and Rp 1,557,121, respectively.

Gain on sale of fixed assets recognised as part of other operating income for the years ended 31 December 2018 and 2017 amounting to Rp 7,935 and Rp 488,631, respectively.

Loss on sale of fixed assets recognised as part of other operating expenses for the years ended 31 December 2018 and 2017 amounting to Rp 4,432 and Rp 3,562, 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 19,001,922, as of 31 December 2018, and Rp 18,095,144 as of 31 December 2017. Management believes that the insurance coverage is adequate to cover possible losses from such risks.

As of 31 December 2018 and 2017, the cost of fully depreciated fixed assets that were still in use amounting to Rp 5,923,843 and Rp 4,344,162, respectively.

As of 31 December 2018 and 2017, 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 2018 and 2017.

17. INTANGIBLE ASSETS

	2018	2017
Software	1,615,310	1,391,309
Goodwill	167,625	167,347
Total Intangible Assets	1,782,935	1,558,656
Less: Amortization	(1,103,604)	(689,518)
Total Intangible Assets - Net	679,331	896,138

18. OTHER ASSETS

	2018	2017
Rupiah:		
Transactions related to ATM and credit card	6,265,176	2,537,085
Accrued interest income	3,571,534	3,423,975
Foreclosed assets	536,754	248,130
Receivables from insurance transactions	218,062	156,076
Receivables from customer transactions	213,234	122,903
Abandoned properties	36,675	32,538
Unaccepted notes receivable	23,993	36,444
Others	2,202,937	3,013,073
	13,068,365	9,570,224
Foreign currencies:		
Accrued interest income	140,890	128,372
Unaccepted notes receivable	66,258	41,090
Receivables from insurance transactions	8,151	7,820
Transactions related to ATM and credit card	2,148	2,511
Others	86,919	87,157
	304,366	266,950
Total other assets	13,372,731	9,837,174
Less: Allowance for impairment losses	(10,401)	(9,966)
Total other assets - net	13,362,330	9,827,208

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 receivables from policyholders related to policyholders' premium, other insurance companies and broker of closed policies, also reinsurance assets.

Receivables from customers mainly consists of receivables from Subsidiaries' marketable securities amounting to Rp 204,626 on 31 December 2018 and Rp 92,590 on 31 December 2017. In general, the receivables will be settled in 3 days from date of trading, hence no need allowance of impairment losses to be recorded by Subsidiary on 31 December 2018 and 2017.

Unaccepted notes receivable was unaccepted export note receivables from customer due to export import transactions.

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

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18. OTHER ASSETS (continued)

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

	2018	2017
Beginning balance	(9,966)	(5,221)
Addition of allowance during the period	(415)	(5,064)
Writte-off assets during the period	-	327
Losses on foreign exchange	(20)	(8)
Ending balance	(10,401)	(9,966)

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

19. DEPOSITS FROM CUSTOMERS AND OTHER BANKS

a. Deposits from customers

	2018			2017		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Demand deposits:						
Related parties	781,340	81,318	862,658	382,724	762,682	1,145,406
Third parties	145,472,456	20,486,839	165,959,295	132,368,591	17,735,908	150,104,499
	146,253,796	20,568,157	166,821,953	132,751,315	18,498,590	151,249,905
Savings:						
Related parties	72,417	836,628	909,045	64,228	797,688	861,916
Third parties:						
Tahapan	286,223,426	-	286,223,426	265,898,289	-	265,898,289
Tapres	8,076,023	-	8,076,023	7,920,676	-	7,920,676
Tabunganku	3,184,609	-	3,184,609	2,308,599	-	2,308,599
Tahapan Xpresi	3,101,824	-	3,101,824	1,609,623	-	1,609,623
Tahapan Berjangka	1,345,910	-	1,345,910	913,142	-	913,142
Simpanan Pelajar	1,326	-	1,326	1,422	-	1,422
BCA Dollar	-	13,339,638	13,339,638	-	12,903,062	12,903,062
	302,005,535	14,176,266	316,181,801	278,715,979	13,700,750	292,416,729
Time deposits:						
Related parties	492,264	225,223	717,487	890,778	392,767	1,283,545
Third parties	132,968,872	13,121,904	146,090,776	124,331,742	11,833,521	136,165,263
	133,461,136	13,347,127	146,808,263	125,222,520	12,226,288	137,448,808
Total deposits from customers	581,720,467	48,091,550	629,812,017	536,689,814	44,425,628	581,115,442

b. Deposits from other banks

	2018			2017		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Demand deposits	4,576,530	1,839,460	6,415,990	4,291,778	1,420,002	5,711,780
Time deposits	58,501	-	58,501	46,634	-	46,634
Interbank call money	20,000	-	20,000	-	-	-
Total deposits from other banks	4,655,031	1,839,460	6,494,491	4,338,412	1,420,002	5,758,414

As of 31 December 2018 and 2017, the Bank did not have balances of deposits from other banks from related party.

19. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

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

	2018		2017	
	Rupiah (%)	Foreign currencies (%)	Rupiah (%)	Foreign currencies (%)
Deposits from customers:				
Demand deposits	0.95	0.12	0.97	0.13
Savings	0.81	0.24	1.00	0.21
Time deposits	4.71	0.90	5.16	0.64
Deposits from other banks:				
Demand deposits	0.50	0.01	0.49	0.01
Time deposits	3.70	-	4.00	-
Interbank call money	4.59	-	-	-

d. Time deposits based on maturity period

	2018			2017		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
1 month	74,960,850	11,669,675	86,630,525	77,461,153	10,573,504	88,034,657
3 months	40,340,656	861,507	41,202,163	39,883,969	822,112	40,706,081
6 months	14,623,620	264,741	14,888,361	4,671,512	268,002	4,939,514
12 months	3,594,511	551,204	4,145,715	3,252,520	562,670	3,815,190
	133,519,637	13,347,127	146,866,764	125,269,154	12,226,288	137,495,442

e. Time deposits based on remaining period until maturity date

	2018			2017		
	Rupiah	Foreign currencies	Total	Rupiah	Foreign currencies	Total
Up to 1 month	90,046,824	12,096,992	102,143,816	91,408,089	11,047,535	102,455,624
> 1 - 3 months	29,971,918	712,196	30,684,114	27,981,243	627,765	28,609,008
> 3 - 6 months	11,251,851	181,676	11,433,527	3,889,441	205,024	4,094,465
> 6 - 12 months	2,249,044	356,263	2,605,307	1,990,381	345,964	2,336,345
	133,519,637	13,347,127	146,866,764	125,269,154	12,226,288	137,495,442

f. Deposits pledged as collateral to loans granted by the Bank as of 31 December 2018 and 2017 (see Note 12) were as follows:

	2018	2017
Demand deposits	2,104,069	2,249,781
Savings	747,046	615,186
Time deposits	8,796,624	8,514,506
	11,647,739	11,379,473

Information on the classification and fair value of deposits from customers and other banks is disclosed in Note 37. Information on the maturity of deposits from customers and other banks is disclosed in Note 43.

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20. INCOME TAX

a. Prepaid tax

	2018	2017
Bank	5,234	-
Subsidiaries	1,429	38
	6,663	38

b. Tax payable

	2018	2017
Current tax payable		
Bank:		
Company tax payable - Article 25/29	672,193	4,990
Subsidiaries:		
Company tax payable - Article 25/29	70,452	142,408
Total current tax payable	742,645	147,398
Other tax payable		
Bank:		
Income tax		
Article 21	129,174	113,800
Article 23	234,369	214,386
Article 26	1,336	3,409
Others	16,843	31,349
Total Bank	381,722	362,944
Subsidiaries	40,969	40,788
Total other tax payable	422,691	403,732
	1,165,336	551,130

c. Tax expenses

	2018	2017
Current tax:		
Current year		
Bank	6,005,115	5,188,000
Subsidiaries	604,281	574,403
	6,609,396	5,762,403
Deferred tax:		
Origination of temporary differences		
Bank	225,255	122,882
Subsidiaries	19,753	(47,692)
	245,008	75,190
	6,854,404	5,837,593

20. INCOME TAX (continued)

d. In accordance with Article 2 of Government Regulation No. 56 Year 2015 regarding the Guidelines on the Implementation and Supervision on the Tariff Reduction for Domestic Tax Payers in the form of Public Companies, signed by the President of Republic Indonesia on 3 August 2015, tax payers can receive a reduction of 5% (five percent) lower than income tax rate for a domestic tax payer as stipulated by Tax Law, if the company fulfills the following 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.

The tax payers should attach the declaration letter from Securities Administration Agency ("*Biro Administrasi Efek*") to the annual income tax return of the tax payers with the form X.H.1-2 as provided in Decision Letter of the Chairman of Capital Market and Financial Institution Supervisory Agency ("Bapepam-LK") No. KEP-669/BL/2012 dated 13 December 2012 for the respective fiscal year.

On 7 January 2019 and 9 January 2018, the Bank received a declaration letter from the Securities Administration Agency for the fulfillment of the above criteria for fiscal year 2018 and 2017, respectively.

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

	2018	2017
Consolidated accounting income before tax	32,706,064	29,158,743
Elimination	612,792	481,114
Before elimination	33,318,856	29,639,857
Subsidiary's accounting income before tax	(2,385,941)	(2,165,195)
Accounting income before tax - Bank only	30,932,915	27,474,662

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20. INCOME TAX (continued)

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

	2018	2017
Permanent differences:		
Employees' welfare	171,252	168,147
Rent income	(37,987)	(44,498)
Dividends from Subsidiaries	(578,536)	(453,070)
Interest income from off-shore government bonds	(86,924)	(88,338)
Other income which cannot be added/ deducted for tax calculation purposes - net	(90,051)	(625,377)
	(622,246)	(1,043,136)
Temporary differences:		
Post-employment benefits obligation	295,558	(538,871)
Impairment losses on financial assets	(1,431,326)	(16,156)
Impairment losses on non-financial assets	(181)	(2,423)
Accrued employees' benefits	585,499	44,988
Unrealised losses (gains) of trading and available-for-sale investment securities and placements with other banks	824	20,934
Others	264,532	-
	(285,094)	(491,528)
Taxable income	30,025,575	25,939,998

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

	2018	2017
Consolidated accounting income before tax	32,706,064	29,158,743
Maximum tax rate	25%	25%
	8,176,516	7,289,686
Permanent differences at 25% - Bank	(155,562)	(260,784)
Permanent differences at 25% - Subsidiaries	180,747	105,691
	8,201,701	7,134,593
Adjustment of corporate income tax rate - Bank (Note 20d)	(1,515,533)	(1,297,000)
Adjustment of deferred tax rate	168,236	-
Income tax expense - consolidated	6,854,404	5,837,593

20. INCOME TAX (continued)

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

	2018	2017
Taxable income:		
Bank	30,025,575	25,939,998
Subsidiaries	2,417,124	2,297,613
	32,442,699	28,237,611
Current tax:		
Bank	6,005,115	5,188,000
Subsidiaries	604,281	574,403
	6,609,396	5,762,403
Prepaid taxes:		
Bank	(5,332,922)	(5,183,010)
Subsidiaries	(533,829)	(431,995)
	(5,866,751)	(5,615,005)
Income tax payable:		
Bank	672,193	4,990
Subsidiaries	70,452	142,408
	742,645	147,398

Annual corporate income tax return for fiscal year 2018 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 2018.

The calculations of income tax for the year ended 31 December 2017 conform to the Bank's Annual Tax Returns ("SPT").

h. The significant items of deferred tax assets and liabilities as of 31 December 2018 and 2017 were as follows:

	2017	Recognised in current year profit or loss	Recognised in current year other comprehensive income	2018
Parent entity - Bank:				
Post-employment benefits obligations	607,255	59,111	-	666,366
Allowance for impairment losses of financial assets	1,729,999	(285,636)	-	1,444,363
Allowance for impairment losses of non-financial assets	674	(665)	-	9
Accrued employees' benefits	79,083	117,100	-	196,183
Unrealised loss on available-for-sale investment securities and placements with other banks	(419,935)	-	452,523	32,588
Remeasurements of defined benefit liability	983,593	-	(269,202)	714,391
Unrealised gain from financial assets held for trading	(13,637)	165	-	(13,472)
Others	-	52,906	-	52,906
	2,967,032	(57,019)	183,321	3,093,334
Adjustment of deferred tax rate	-	(168,236)	-	(168,236)
Deferred tax assets - net	2,967,032	(225,255)	183,321	2,925,098

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20. INCOME TAX (continued)

h. The significant items of deferred tax assets and liabilities as of 31 December 2018 and 2017 were as follows: (continued)

	2017	Recognised in current year profit or loss	Recognised in current year other comprehensive income	2018
Deferred tax assets - net (brought forward)	2,967,032	(225,255)	183,321	2,925,098
Subsidiary:				
PT BCA Finance	34,283	2,086	(2,106)	34,263
PT BCA Sekuritas	3,523	(317)	(423)	2,783
PT BCA Syariah	13,639	6,482	(6,805)	13,316
PT Asuransi Umum BCA	34,934	9,551	432	44,917
PT Central Santosa Finance	121,817	3,838	(5,089)	120,566
PT Central Capital Ventura	-	2,431	(18)	2,413
PT Asuransi Jiwa BCA	44,013	(43,134)	3,431	4,310
Deferred tax assets - net	252,209	(19,063)	(10,578)	222,568
Total deferred tax assets - net	3,219,241	(244,318)	172,743	3,147,666

	2016	Recognised in current year profit or loss	Recognised in current year other comprehensive income	2017
Parent entity - Bank:				
Post-employment benefits obligations	741,973	(134,718)	-	607,255
Allowance for impairment losses of financial assets	1,734,038	(4,039)	-	1,729,999
Allowance for impairment losses of non-financial assets	1,279	(605)	-	674
Accrued employees' benefits	67,836	11,247	-	79,083
Unrealised loss on available-for-sale investment securities and placements with other banks	42,539	-	(462,474)	(419,935)
Remeasurements of defined benefit liability	781,091	-	202,502	983,593
Unrealised gain from financial assets held for trading	(18,870)	5,233	-	(13,637)
Deferred tax assets - net	3,349,886	(122,882)	(259,972)	2,967,032
Subsidiaries:				
PT BCA Finance	26,938	4,876	2,469	34,283
PT BCA Sekuritas	33,069	(29,279)	(267)	3,523
PT BCA Syariah	6,538	2,993	4,108	13,639
PT Asuransi Umum BCA	24,244	11,426	(736)	34,934
PT Central Santosa Finance	108,059	12,003	1,755	121,817
PT Central Capital Ventura	-	-	-	-
PT Asuransi Jiwa BCA	-	45,673	(1,660)	44,013
Deferred tax assets - net	198,848	47,692	5,669	252,209
Total deferred tax assets - net	3,548,734	(75,190)	(254,303)	3,219,241

Included in total deferred tax asset and liability of the Group were deferred tax asset and liability arising from unrealised loss from change in fair value of available-for-sale investment securities (see Note 14) amounting to Rp 31,814 and Rp (656) as of 31 December 2018, and (409,145) and Rp (4,422) as of 31 December 2017. Moreover, included in total deferred tax asset of the Group was deferred tax asset arising from unrealised (loss) gain from change in fair value of available-for-sale placements with Bank Indonesia and other banks (see Note 7) amounting to Rp 774 and Rp (10,790) as of 31 December 2018 and 2017, respectively.

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

20. INCOME TAX (continued)

i. Under the taxation laws of Indonesia, the Bank and its Subsidiaries 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. Tax assessment letter

On 18 July 2017 and 27 November 2018, the Bank received tax audit notice for fiscal year 2016 and 2017. Up to the report date, the tax audit for fiscal year 2016 and 2017 are still on going.

21. DEBT SECURITIES ISSUED

As of 31 December 2018 and 2017, the outstanding balance of bonds payable related to bonds issued was as follows:

	2018	2017
Nominal value:		
BCA Finance Continuous Bonds II Phase I	-	422,000
BCA Finance Continuous Bonds II Phase II	240,000	190,000
	240,000	612,000
Less:		
Deferred bonds issuance costs - net	(265)	(1,501)
Total - net	239,735	610,499
Amortisation expense charged to profit or loss	1,237	3,576

BCA Finance Continuous Bonds II Phase I ("Continuous Bonds II Phase I") Year 2015

BCA Finance Continuous Bonds II - 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 20 June 2015 and the final interest payment will be with the repayment of the principal of each series of bonds.

The Subsidiary entered into a Trusteeship Agreement with PT Bank Mega Tbk (acts as the Bond's Trustee) for BCA Finance Continuous Bonds II - Phase I Year 2015 based on the Trusteeship Agreement No. 12 dated 8 December 2014 which was made before Fathiah Helmi, S.H., notary in Jakarta.

21. DEBT SECURITIES ISSUED (continued)

BCA Finance Continuous Bonds II Phase I ("Continuous Bonds II Phase I") Year 2015 (continued)

BCA Finance Continuous Bonds II - Phase I Series A, B and C was fully repaid on 30 March 2016, 20 March 2017 and 20 March 2018.

As of 31 December 2017, BCA Finance Continuous Bonds II - Phase I was rated at $_{id}$AAA by Pefindo and AAA(idn) by Fitch (2016: $_{id}$AAA by Pefindo and AAA(idn) by Fitch).

BCA Finance Continuous Bonds II Phase II ("Continuous Bonds II Phase II") Year 2016

BCA Finance Continuous Bonds II - Phase II 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 21 September 2016 and the final interest payment will be with the repayment of the principal of each series of bonds.

The Subsidiary entered into a Trusteeship Agreement with PT Bank Mega Tbk (acts as the Bond's Trustee) for BCA Finance Continuous Bonds II - Phase II Year 2016 based on the Trusteeship Agreement No. 41 dated 6 June 2016 which was made before Satria Amiputra A., S.E., Ak., S.H., M.Ak., M.Ec.Dev., M.H., Mkn., notary in Jakarta.

BCA Finance Continuous Bonds II - Phase II was fully repaid on 1 July 2017.

As of 31 December 2018 and 2017, BCA Finance Continuous Bonds II - Phase II was rated at $_{id}$AAA by Pefindo and AAA(idn) by Fitch.

All bonds issued by the Subsidiary are collateralised by the fiduciary transfer of consumer financing receivables amounted to Rp 126,125 and Rp 338,078 as of 31 December 2018 and 2017, respectively (see Note 13). Prior to the repayment of the bonds payable, The Subsidiary is not allowed to, among other, transfer, pledge and/or mortgage any of the present or future assets of the Subsidiary, merge and/or dilute the business, take over business, make changes in the articles of association regarding the changes of the purpose and objective in the Subsidiary, and grant any loan 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 2018, the Subsidiary was in compliance with covenants in relation to the bonds payable agreements and complied with all the requirements mentioned in Trusteeship Agreement.

Information on the classification and fair value of debt securities issued is disclosed in Note 37. Information on the maturity of debt securities issued is disclosed in Note 43.

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22. BORROWINGS

Borrowings received by the Group were as follows:

	2018	2017
(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 Mandiri Tbk	920,000	-
PT Bank Victoria International Tbk	300,000	-
PT Bank Pan Indonesia Tbk	206,734	432,095
PT Bank DKI	200,000	630,000
PT Bank Ina Perdana Tbk	175,000	70,000
PT Bank Dinar Indonesia Tbk	72,500	72,500
PT Bank Nationalnobu Tbk	50,000	120,000
PT Bank KEB Hana Indonesia (previously PT Bank Hana)	24,411	37,594
PT Bank Sumitomo Mitsui Indonesia	-	365,000
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	-	70,000
Foreign currencies:		
United Overseas Bank - Hongkong	71,922	67,872
PT Bank UOB Indonesia	-	568,411
The Bank of Tokyo Mitsubishi UFJ, Ltd - Jakarta Branch	-	381,586
Citibank, N.A. - Indonesia	-	159,418
	2,020,567	2,974,476
(3) Others:		
Foreign currencies	72,331	65,549
	72,331	65,549
Total borrowings	2,093,475	3,040,602

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

	2018	2017
Rupiah	7.15%	8.42%
Foreign currencies	2.51%	2.57%

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22. 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 2018 and 2017 were as follows:

Bank	Total facility		Maturity date of facility	
	2018	2017	2018	2017
Rupiah:				
PT Bank Sumitomo Mitsui Indonesia	800,000	800,000	31-May-19	31-May-18
PT Bank UOB Indonesia	650,000	650,000	21-Jul-19	21-Jul-18
PT Bank Victoria International Tbk	300,000	300,000	09-Jun-19	09-Jun-18
	200,000	200,000	27-Jun-19	27-Jun-18
PT Bank Pan Indonesia Tbk	-	300,000	-	31-Jan-18
	-	300,000	-	31-Oct-18
	300,000	300,000	28-Feb-20	28-Feb-20
	400,000	400,000	26-Oct-20	26-Oct-20
PT Bank KEB Hana Indonesia (previously PT Bank Hana)	200,000	200,000	30-Apr-21	28-Jan-21
PT Bank DBS Indonesia	100,000	100,000	10-Mar-19	10-Mar-18
PT Bank Nationalnobu Tbk	100,000	100,000	24-Feb-19	24-Feb-18
	40,000	40,000	31-Mar-19	31-Mar-18
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	-	200,000	-	11-Dec-18
PT Bank DKI	100,000	100,000	16-Jun-19	16-Jun-18
	-	100,000	-	08-Sep-18
	500,000	500,000	27-Sep-19	28-Sep-18
PT Bank Dinar Indonesia Tbk	72,500	72,500	30-Mar-19	30-Mar-18
PT Bank Ina Perdana Tbk	175,000	70,000	21-Dec-19	20-Dec-18
PT Bank J TRUST Indonesia Tbk	-	125,000	-	29-Dec-18
PT Bank Mandiri (Persero) Tbk	1,000,000	-	25-May-19	-
Foreign currencies (full amount):				
Standard Chartered Bank - Indonesia Branch	-	USD 20,000,000	-	30-Sep-17*)
The Bank of Tokyo Mitsubishi UFJ, Ltd - Indonesia Branch	USD 60,000,000	USD 60,000,000	14-Sep-19	14-Sep-18
United Overseas Bank Limited Co. - Hongkong	USD 5,000,000	USD 5,000,000	30-Aug-19	30-Aug-18
Citibank, N.A. - Indonesia Branch	USD 60,000,000	USD 20,000,000	20-Mar-19	20-Mar-18

*) in renewal process

22. BORROWINGS (continued)

(2) Borrowings from other banks (continued)

As of 31 December 2018 and 2017, these bank loans were secured by consumer financing receivables amounting to Rp 1,671,021 and Rp 2,545,004 (see Note 13).

All loan agreements 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:

	2018		2017	
	Requirement	Fulfillment	Requirement	Fulfillment
1. Debt to Equity	Maximum 10 times	< 1 time	Maximum 10 times	< 2 times
2. Receivable to Total Assets	Minimum 40%	83.03%	Minimum 40%	84.83%
3. Current ratio	Minimum 1.1 times	1.68 times	Minimum 1.1 times	1.22 times
4. Non performing loans (NPL)	Maximum 5% of total receivables	3.52%	Maximum 5% of total receivables	4.01%

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

	2018	2017
Rupiah	4.79% - 11.25%	4.85% - 11.25%
Foreign currencies	1.85% - 3.52%	1.27% - 2.52%

(3) Others

As of 31 December 2018 and 2017, BCA Finance Limited, Subsidiary, received a Banker's Acceptance Funding amounting to Rp 71,922 (USD 5,000,000 in full amount) from Wells Fargo Bank, Miami, which will mature on 14 January 2019 and Rp 65,157 (USD 4,800,000 in full amount) from Wells Fargo Bank, Miami, which has matured on 8 March 2018. This loan is collateralised by export and import transaction documents and bears interest rate at 2.97% and 2.14%, respectively. This borrowing has been paid off by BCA Finance Limited, Subsidiary, at its maturity date.

Information on the classification and fair value of borrowings is disclosed in Note 37. Information on the maturity of borrowings is disclosed in Note 43.

23. ACCRUALS AND OTHER LIABILITIES

	2018	2017
Rupiah:		
Liabilities related to ATM and credit card transactions	5,124,346	2,046,121
Unearned revenue	1,910,087	1,724,035
Customers transfer transactions	755,392	743,266
Accrued interest expenses	403,717	284,489
Security deposits	121,983	117,116
Liabilities from customer transactions	40,414	54,616
Liabilities from insurance transactions	17,673	62,716
Others	5,944,021	5,082,144
	14,317,633	10,114,503
Foreign currencies:		
Customers transfer transactions	398,209	570,357
Unearned revenue	111,810	110,181
Security deposits	53,782	63,444
Accrued interest expenses	33,331	5,455
Liabilities from insurance transactions	6,480	1,520
Others	104,577	63,189
	708,189	814,146
Total accruals and other liabilities	15,025,822	10,928,649

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

Unearned revenue consists of income from credit card commission.

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

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

Liabilities from customer transactions mainly consist of debts arising from securities transactions of Subsidiary as of 31 December 2018 and 2017 amounting to Rp 40,414 and Rp 54,616, respectively. The liabilities from customer transactions matured in short period, usually in 3 (three) days from date of trading.

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23. ACCRUALS AND OTHER LIABILITIES (continued)

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

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

24. SUBORDINATED BONDS

	2018
Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018	500,000
Total subordinated bonds	500,000
Amortisation of bonds issuance costs charged to profit or loss	4,655

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%

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.

24. SUBORDINATED BONDS (continued)

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

Description	Rating	Period
Bank Central Asia Continuous Subordinated Bonds I Phase I Year 2018	idAA	13 March 2018 - 1 March 2019

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; and
d. Merger or consolidation with other companies which cause dilution of the Bank.

As of 31 December 2018, 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.

25. SHARE CAPITAL

The composition of the Bank's share capital as of 31 December 2018 and 2017 (after stock split, see Note 1c) was as follows:

	2018		2017	
	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

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25. SHARE CAPITAL (continued)

The composition of shareholders as of 31 December 2018 and 2017 was as follows:

	2018		
	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	23,100,481	1,444	0.09
Tonny Kusnadi	1,137,939	71	0.01
Directors:			
Jahja Setiaatmadja	8,103,902	506	0.03
Eugene Keith Galbraith	1,581,879	99	0.01
Armand W. Hartono	851,213	53	0.00
Suwignyo Budiman	7,407,206	463	0.03
Subur Tan	2,705,481	169	0.01
Henry Koenaifi	957,138	60	0.00
Erwan Yuris Ang	1,191,967	75	0.01
Rudy Susanto	416,193	26	0.00
Lianawaty Suwono	126,279	8	0.00
Santoso	171,140	11	0.00
Inawaty Handoyo	102,667	6	0.00
Vera Eve Lim	17,000	1	0.00
Public shareholders **)	10,627,069,539	664,192	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 PT Bank Central Asia Tbk are Mr. Robert Budi Hartono and Mr. Bambang Hartono.
**) In the public shareholders composition, there was 2.49% shares owned by parties affiliated with PT Dwimuria Investama Andalan.

	2017		
	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	23,199,582	1,450	0.09
Tonny Kusnadi	1,097,183	69	0.01
Directors:			
Jahja Setiaatmadja	8,180,380	511	0.03
Eugene Keith Galbraith	1,435,365	90	0.01
Armand W. Hartono	851,213	53	0.00
Suwignyo Budiman	7,332,825	458	0.03
Subur Tan	2,606,100	163	0.01
Henry Koenaifi	835,257	52	0.00
Erwan Yuris Ang	1,526,500	95	0.01
Rudy Susanto	345,500	22	0.00
Lianawaty Suwono	110,000	7	0.00
Santoso	120,580	7	0.00
Inawaty Handoyo	58,100	4	0.00
Public shareholders **)	10,627,241,439	664,203	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 PT Bank Central Asia Tbk are Mr. Robert Budi Hartono and Mr. Bambang Hartono.
**) In the public shareholders composition, there was 2.49% shares owned by parties affiliated with PT Dwimuria Investama Andalan.

26. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital as of 31 December 2018 and 2017 consists of:

	2018	2017
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

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26. ADDITIONAL PAID-IN CAPITAL (continued)

*) 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 Hendra Karyadi, S.H., in Notary Deed No. 25).

27. COMMITMENTS AND CONTINGENCIES

As of 31 December 2018 and 2017, the Group commitments and contingencies were as follows:

		2018		2017	
	Type of Currencies	Amount in foreign currencies*)	Rupiah equivalent	Amount in foreign currencies*)	Rupiah equivalent
Commitments					
Committed receivables:					
Borrowing facilities received and unused	Rupiah		2,595,000		1,902,204
	USD	120,000,000	1,725,600	69,607,219	944,396
			4,320,600		2,846,600
Committed liabilities:					
Unused credit facilities to customers - committed	Rupiah		136,926,268		127,514,721
	USD	594,607,585	8,550,457	678,899,948	9,210,975
	Others, USD equivalent	8,541,891	122,832	6,306,435	85,563
			145,599,557		136,811,259
Unused credit facilities to other banks - committed	Rupiah		1,260,022		2,533,547
	USD	-	-	11,207,407	152,057
			1,260,022		2,685,604
Irrevocable Letters of Credit facilities to customers	Rupiah		2,688,503		1,888,365
	USD	406,756,872	5,849,164	374,498,840	5,081,013
	Others, USD equivalent	127,141,605	1,828,296	57,822,163	784,502
			10,365,963		7,753,880
			157,225,542		147,250,743
Contingencies					
Contingent receivables:					
Bank guarantees received	Rupiah		549,426		459,555
	USD	-	-	20,779,882	281,931
			549,426		741,486
Interest receivables on non-performing assets	Rupiah		384,046		302,779
	USD	571,000	8,211	1,242,961	16,864
	Others, USD equivalent	-	-	808	11
			392,257		319,654
			941,683		1,061,140

*) Total in full amount.

27. COMMITMENTS AND CONTINGENCIES (continued)

As of 31 December 2018 and 2017, the Group commitments and contingencies were as follows: (continued)

	Type of Currencies	2018 Amount in foreign currencies*)	2018 Rupiah equivalent	2017 Amount in foreign currencies*)	2017 Rupiah equivalent
Contingencies (continued)					
Contingent liabilities: (continued)					
Bank guarantee issued to customers	Rupiah		12,566,770		11,302,659
	USD	180,778,819	2,599,599	176,221,708	2,390,888
	Others, USD equivalent	5,202,550	74,813	8,913,301	120,931
			15,241,182		13,814,478

*) Total in full amount.

Additional information

As of 31 December 2018 and 2017, the Group had unused credit facilities to customers - uncommitted amounting to Rp 55,587,325 and Rp 49,222,154, respectively.

As of 31 December 2018 and 2017, the Group had unused credit facilities to other Banks - uncommitted amounting to Rp 2,353 and Rp 2,039, 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 47.

28. INTEREST AND SHARIA INCOME

Interest and sharia income consist of:

	2018	2017
Interest income		
Loan receivable	43,519,187	40,014,457
Placements with Bank Indonesia and other banks	940,923	873,775
Investment securities	6,629,504	7,083,517
Securities purchased under agreements to resell	970,338	1,519,233
Consumer financing and investment in finance leases	3,016,494	3,077,396
Bills receivable	533,588	364,901
Others	571,925	337,506
	56,181,959	53,270,785
Sharia income		
Sharia profit sharing	584,841	497,154
	584,841	497,154
Total interest and sharia income	56,766,800	53,767,939

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 2018 amounting to Rp (28,951) and Rp nil, respectively (2017: Rp 36,215 and Rp 7,427).

28. INTEREST AND SHARIA INCOME (continued)

Interest income from loans receivable to related parties is disclosed in Note 47.

29. INTEREST AND SHARIA EXPENSES

Interest and sharia expenses consist of:

	2018	2017
Interest expenses		
Deposits from customers	9,680,798	10,252,581
Deposits from other banks	73,611	37,944
Guarantee premium	1,240,519	1,140,804
Debt securities issued	48,683	109,600
Securities sold under agreements to repurchase	7,863	5,308
Borrowings	112,912	155,976
Others	54,574	-
	11,218,960	11,702,213
Sharia expense		
Sharia	257,295	239,252
	257,295	239,252
Total interest and sharia expenses	11,476,255	11,941,465

Interest and sharia expenses for deposits from customers to related parties are disclosed in Note 47.

30. FEE AND COMMISSION INCOME - NET

Represent fee and commission income related to:

	2018	2017
Deposits from customers	4,061,993	3,584,346
Loans receivable	1,491,889	1,354,397
Payment settlement	1,559,668	1,471,436
Credit cards	3,259,600	2,772,191
Remittance, clearing and collections	317,175	299,676
Others	1,307,820	905,954
Total	11,998,145	10,388,000
Fee and commission expenses	(1,805)	(2,162)
Fee and commission income - net	11,996,340	10,385,838

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.

31. NET TRADING INCOME

Net trading income consists of:

	2018	2017
Interest income from financial assets held for trading	45,060	31,255
Unrealised gains from financial assets held for trading - net	1,985,594	305,663
Gain on spot and derivative transactions - net	136,382	769,037
Gain on sale of financial assets held for trading - net	640,313	697,586
	2,807,349	1,803,541

32. IMPAIRMENT LOSSES ON ASSETS

	2018	2017
Acceptance receivables (Note 9c)	(85,124)	237,245
Loans receivable (Note 12f)	2,645,057	1,831,813
Consumer financing receivables (Note 13)	286,436	335,827
Sharia financing	21,636	23,506
Investment securities (Note 14)	(190,057)	197,108
Others	(1,346)	7,120
	2,676,602	2,632,619

33. PERSONNEL EXPENSES

	2018	2017
Salaries and wages	5,941,982	5,596,199
Employees' benefits and compensations	4,607,808	4,211,753
Post-employment benefits (Note 38)	984,046	974,377
Training	335,991	297,826
Pension plan contribution	273,279	255,000
	12,143,106	11,335,155

34. GENERAL AND ADMINISTRATIVE EXPENSES

	2018	2017
Office supplies	4,314,836	4,014,943
Depreciation	1,667,298	1,644,555
Communication	1,466,736	1,229,870
Rental	1,445,845	1,349,278
Repair and maintenance	1,285,133	1,427,273
Promotion	1,108,898	997,910
Professional fees	447,893	544,981
Amortisation of intangible assets - software	414,310	176,448
Water, electricity and fuel	285,268	281,049
Tax	121,584	112,103
Computer and software	102,877	160,107
Transportation	39,633	41,203
Research and development	36,150	27,897
Insurance	32,430	38,444
Security	20,715	18,838
Others	236,986	240,751
	13,026,592	12,305,650

35. 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:

	2018	2017
Net income attributable to equity holder of the parent entity	25,855,154	23,309,994
Weighted average number of outstanding shares (full amount)	24,655,010,000	24,655,010,000
Basic and diluted earnings per share attributable to equity holder of the parent entity (full amount of Rupiah)	1,049	945

As of 31 December 2018 and 2017, there were no instruments which can potentially be converted into common shares. Therefore, diluted earnings per share is equivalent to basic earnings per share.

36. APPROPRIATION OF NET INCOME

The Bank's Annual General Meeting of Shareholders on 5 April 2018 (the minutes was prepared by Notary Dr. Irawan Soerodjo, S.H., MSi. with Notary Deed No. 25) resolved the appropriation of 2017 net income, as follows:

a. Allocate 1% (one percent) of 2017 net income for general reserve amounting to Rp 233,100.
b. Distribute cash dividends amounting to Rp 6,287,027 (Rp 255 (full amount) per share) to shareholders who have the right to receive cash dividends. The actual cash dividends paid was Rp 4,314,626 on 30 April 2018 (interim dividend for year 2017 amounting to Rp 1,972,401 had been paid on 20 December 2017).
c. Determine the tantiem for the members of Board of Commissioners and Board of Directors on duty in 2016 with a maximum amount of Rp 355,000 from the 2017 net income. The actual amount of tantiem paid was Rp 354,950.
d. Determine the remaining 2017 net income after dividends as unappropriated retained earnings.

36. APPROPRIATION OF NET INCOME (continued)

The Bank's Annual General Meeting of Shareholders on 5 April 2018 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 2018, where possible, by considering the financial condition of the Bank.

In accordance with the Board of Directors' Decision Letter dated 22 November 2018 No. 184 regarding the Distribution of Interim Dividends for year 2018, the Board of Directors resolved that the Bank will pay interim dividends to shareholders from the 2018 net income amounting to Rp 85 (full amount) per share. The actual interim dividends paid amounting to Rp 2,095,676.

The Bank's Annual General Meeting of Shareholders on 6 April 2017 (the minutes was prepared by Notary Dr. Irawan Soerodjo, S.H., MSi. with Notary Deed No. 19) resolved the appropriation of 2016 net income, as follows:

a. Allocate 1% (one percent) of 2016 net income for general reserve amounting to Rp 206,057.
b. Distribute cash dividends amounting to Rp 4,931,002 (Rp 200 (full amount) per share) to shareholders who have the right to receive cash dividends. The actual cash dividends paid was Rp 3,205,152 (interim dividend for year 2016 amounting to Rp 1,725,850 had been paid on 22 December 2016).
c. Determine the tantiem for the members of Board of Commissioners and Board of Directors on duty in 2016 with a maximum amount of Rp 309,086 from the 2016 net income. The actual amount of tantiem paid was Rp 308,114.
d. Determine the remaining 2016 net income after dividends as unappropriated retained earnings.

The Bank's Annual General Meeting of Shareholders on 6 April 2017 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 2017, where possible, by considering the financial condition of the Bank.

In accordance with the Board of Directors' Decision Letter dated 21 November 2017 No. 159/SK/DIR/2017 regarding the Distribution of Interim Dividends for year 2017, the Board of Directors resolved that the Bank will pay interim dividends to shareholders from the 2017 net income amounting to Rp 80 (full amount) per share. The actual interim dividends paid amounting to Rp 1,972,401.

37. 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 hierachy 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.

37. FINANCIAL INSTRUMENTS (continued)

Valuation models of financial instruments (continued)

The Group measures fair values using the following hierachy of methods: (continued)

- 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.

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.

37. FINANCIAL INSTRUMENTS (continued)

Valuation Framework

Valuation of financial assets and financial liabilities are subject to an independent review from the business by Finance and Planning 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.

	2018			
	Carrying amount			Fair value
	Held for trading	Available-for-sale	Total	Level 2
Financial assets				
Placements with Bank Indonesia and other banks	-	2,042,267	2,042,267	2,042,267
Financial assets held for trading	5,841,824	-	5,841,824	5,841,824
Investment securities	-	94,646,524	94,646,524	94,646,524
	5,841,824	96,688,791	102,530,615	102,530,615
Financial liabilities				
Financial liabilities held for trading	188,934	-	188,934	188,934
	188,934	-	188,934	188,934

	2017			
	Carrying amount			Fair value
	Held for trading	Available-for-sale	Total	Level 2
Financial assets				
Placements with Bank Indonesia and other banks	-	4,036,521	4,036,521	4,036,521
Financial assets held for trading	6,015,302	-	6,015,302	6,015,302
Investment securities	-	107,047,769	107,047,769	107,047,769
	6,015,302	111,084,290	117,099,592	117,099,592
Financial liabilities				
Financial liabilities held for trading	53,843	-	53,843	53,843
	53,843	-	53,843	53,843

37. FINANCIAL INSTRUMENTS (continued)

Valuation of financial instruments (continued)

Financial instruments measured at fair value (continued)

Fair value of available-for-sale placements with Bank Indonesia and other banks was 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 2018 and 2017, the fair value of held for trading securities 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 2018 and 2017, the fair value of available-for-sale investment securities 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 2018 and 2017, the fair value of available-for-sale investment securities did not include the fair value of investments in shares amounting to Rp 606,279 and Rp 258,005, respectively, which were valued at cost, since the fair value cannot be measured reliably.

The Group did not have financial assets and financial liabilities measured at fair value which the measurements fall under level 1 and level 3 hierarchy.

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.

	2018						
	Carrying amount				Fair value		
	Held-to-maturity	Loans and receivables	Other amortised cost	Total	Level 2	Level 3	Total
Financial assets							
Loans receivable	-	524,530,462	-	524,530,462	23,857,038	497,789,407	521,646,445
Consumer financing receivables	-	7,613,709	-	7,613,709	-	7,404,601	7,404,601
Investment in finance leases	-	174,212	-	174,212	-	162,193	162,193
Investment securities	13,827,860	-	-	13,827,860	13,811,581	-	13,811,581
	13,827,860	532,318,383	-	546,146,243	37,668,619	505,356,201	543,024,820
Financial liabilities							
Deposits from customers	-	-	629,812,017	629,812,017	629,812,017	-	629,812,017
Deposits from other banks	-	-	6,494,491	6,494,491	6,494,491	-	6,494,491
Debt securities issued	-	-	239,735	239,735	240,306	-	240,306
Borrowings	-	-	2,093,475	2,093,475	-	2,095,694	2,095,694
Subordinated bonds	-	-	500,000	500,000	500,000	-	500,000
	-	-	639,139,718	639,139,718	637,046,814	2,095,694	639,142,508

37. FINANCIAL INSTRUMENTS (continued)

Valuation of financial instruments (continued)

	2017						
	Carrying amount				Fair value		
	Held-to-maturity	Loans and receivables	Other amortised cost	Total	Level 2	Level 3	Total
Financial assets							
Loans receivable	-	454,264,956	-	454,264,956	13,030,912	441,180,718	454,211,630
Consumer financing receivables	-	8,506,983	-	8,506,983	-	8,218,786	8,218,786
Investment in finance leases	-	181,427	-	181,427	-	172,867	172,867
Investment securities	23,785,389	-	-	23,785,389	24,353,403	-	24,353,403
	23,785,389	462,953,366	-	486,738,755	37,384,315	449,572,371	486,956,686
Financial liabilities							
Deposits from customers	-	-	581,115,442	581,115,442	581,115,442	-	581,115,442
Deposits from other banks	-	-	5,758,414	5,758,414	5,758,414	-	5,758,414
Debt securities issued	-	-	610,499	610,499	616,781	-	616,781
Borrowings	-	-	3,040,602	3,040,602	-	3,048,138	3,048,138
	-	-	590,524,957	590,524,957	587,490,637	3,048,138	590,538,775

Majority of the financial instruments not measured at fair value are measured at amortised cost.

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
- Other liabilities

As of 31 December 2018 and 2017, 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 2018 and 2017, the fair values of held-to-maturity securities and debt securities issued 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 2018 and 2017, the fair values of deposits from customers and deposits from other banks are the same with the carrying amount because they are payable 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 Bank Subsidiaries 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.

38. 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.

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. Three percent of accumulated contribution from the Bank to the pension fund is used as a deduction against the post-employment benefits obligation in accordance with the manpower law.

During the year ended 31 December 2018 and 2017, the Bank provided some funds to support the fulfillment of its post-employment benefit obligations amounting to Rp 501,490 and Rp 1,360,448, respectively. 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") for the year ended 31 December 2018 and 2017, 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 2018 and 2017 was calculated by PT Towers Watson Purbajaga (Biro Pusat Aktuaria), as the Bank's independent actuary, using the projected-unit-credit method. The main assumptions used by independent actuary were as follows:

	2018	2017
Economic assumptions:		
Annual discount rate	8.00%	6.50%
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.

The Bank's obligation for post-employment benefits for the years ended 31 December 2018 and 2017 was in accordance with the independent actuary reports dated 03 January 2019 and 23 January 2018, respectively.

38. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

a. Post-employment benefits obligation

The post-employment benefits obligation as of 31 December 2018 and 2017 was as follows:

	Defined benefit pension plan and other long-term compensations		Post-employment healthcare benefits	
	2018	2017	2018	2017
Present value of obligation for post-employment benefits	10,469,846	10,801,602	236,760	249,861
Fair value of plan assets	(4,410,076)	(4,688,075)	-	-
Net obligation for post-employment benefits - Bank	6,059,770	6,113,527	236,760	249,861

The Subsidiaries' obligation for post-employment benefits as of 31 December 2018 and 2017 which were recorded in the consolidated statements of financial position amounting to Rp 109,527 and Rp 142,895, respectively.

b. Movement of post-employment benefits obligation

	Defined benefit pension plan and other long-term compensations		Post-employment healthcare benefits	
	2018	2017	2018	2017
Movement in the defined benefit obligation				
Defined benefit obligation, beginning of the year - Bank	6,113,527	5,838,057	249,861	254,195
Included in profit or loss				
Current service cost	575,971	495,104	11,540	3,819
Interest cost	340,519	404,063	15,935	20,034
Termination cost	20,540	13,692	-	-
Included in other comprehensive income				
Actuarial gains/(losses) arising from:				
Changes in financial assumptions	(1,054,597)	1,048,069	(8,237)	26,048
Changes in demographic assumptions	-	(5,684)	-	(17,765)
Experience adjustment	353,216	4,479	(24,089)	(33,147)
Return on plan assets excluding interest income	371,291	(211,993)	-	-
Others				
Fund placements in insurance companies (plan assets)	(501,490)	(1,360,448)	-	-
Benefits paid directly by the Bank	(159,207)	(111,812)	(8,250)	(3,323)
Post-employment benefits obligation, end of the year - Bank	6,059,770	6,113,527	236,760	249,861

The Subsidiaries' post-employment benefits expenses for the years ended 31 December 2018 and 2017 recorded in the profit or loss amounting to Rp 19,541 and Rp 37,666, respectively, while total payment of employees' benefits by Subsidiaries for the years ended 31 December 2018 and 2017 amounting to Rp 6,214 and Rp 13,147, respectively.

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38. 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 2018 and 2017, are as follows:

	Percentage allocation as of 31 December 2018 Quoted market price for severance program			Percentage allocation as of 31 December 2018 Quoted market price for DPLK PPUK		
	AIA	Allianz	Manulife	AIA	Allianz	Manulife
Shares	0.00%	0.00%	0.00%	15.15%	12.75%	10.03%
Bonds	0.00%	0.00%	0.00%	70.37%	66.87%	67.19%
Property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Derivative	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	100.00%	14.48%	20.38%	22.78%
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%

	Percentage allocation as of 31 December 2017 Quoted market price for severance program			Percentage allocation as of 31 December 2017 Quoted market price for DPLK PPUK		
	AIA	Allianz	Manulife	AIA	Allianz	Manulife
Shares	0.00%	0.00%	0.00%	12.34%	12.04%	11.67%
Bonds	0.00%	0.00%	0.00%	69.90%	65.52%	69.78%
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%	17.76%	22.44%	18.55%
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

	2018	2017
Fair value of plan assets, beginning of the year - Bank	4,688,075	3,218,848
Fund placements in insurance companies	501,490	1,360,448
Return on plan assets excluding interest income	(371,291)	211,993
Interest income on plan assets	338,133	301,009
Post-employment benefits paid	(746,331)	(404,223)
Fair value of plan assets, end of the year - Bank	4,410,076	4,688,075

e. Historical information - Bank:

	31 December				
	2018	2017	2016	2015	2014
Defined benefits pension plan and other long-term compensation					
Present value of post-employment benefits obligation	10,469,846	10,801,602	9,056,905	8,454,073	7,261,955
Fair value of plan assets	(4,410,076)	(4,688,075)	(3,218,848)	(1,886,693)	(805,074)
Deficit	6,059,770	6,113,527	5,838,057	6,567,380	6,456,881
Experience adjustment on plan liabilities	353,216	4,479	6,803	865,028	201,031
Experience adjustment on plan assets	371,291	(211,993)	(69,840)	70,863	(5,074)
Post-employment healthcare benefits					
Present value of post-employment benefits obligation	236,760	249,861	254,195	235,958	211,003
Experience adjustment on plan liabilities	(24,089)	(50,912)	(23,948)	(15,214)	(34,239)

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38. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

f. Sensitivity analysis

Changes in 1 (one) percentage of actuarial assumptions will have the following impacts:

	2018					
	Defined benefit pension plan		Other long-term compensations		Post-employment healthcare benefits	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(413,689)	463,172	(217,410)	216,420	(15,167)	16,884
Basic salary rate (1% movement)	523,998	(476,008)	220,823	(200,569)	-	-
Healthcare cost rate (1% movement)	-	-	-	-	16,220	(14,880)

	2017					
	Defined benefit pension plan		Other long-term compensations		Post-employment healthcare benefits	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(480,906)	541,703	(235,399)	265,928	(17,842)	19,989
Basic salary rate (1% movement)	598,607	(541,107)	254,284	(229,839)	-	-
Healthcare cost rate (1% movement)	-	-	-	-	19,123	(17,445)

g. Expected maturity analysis of undiscounted pension benefits and post-employment healthcare benefits is as follows:

	Up to 10 years	10 - 20 years	20 - 30 years	30 - 40 years
Pension benefit	10,057,457	6,471,406	6,967,958	1,230,247
Other long-term compensations	4,488,545	3,039,268	5,053,495	597,172
Post-employment healthcare benefits	311,811	328,095	115,074	-

h. The Bank expects to pay Rp 217,099 in contribution to its defined contribution pension plan in 2019.

i. The weighted-average duration of the defined benefits obligation was 6.65 years and 7.36 years as of 31 December 2018 and 2017, respectively.

39. 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 Custodian 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 2018 and 2017, assets administered by the Bank's Custodian Services Bureau consist of shares, bonds, time deposits, certificate of deposits, commercial papers and other money market instruments amounting to Rp 86,092,611 and Rp 69,157,770, respectively.

40. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Balances of monetary assets and liabilities in foreign currencies were as follows:

	2018		2017	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary assets				
Cash				
US Dollar (USD)	28,691	412,580	34,372	466,344
Australian Dollar (AUD)	8,761	89,027	3,784	40,088
Singapore Dollar (SGD)	16,566	174,849	20,580	208,984
Hong Kong Dollar (HKD)	5,030	9,237	11,543	20,040
GB Poundsterling (GBP)	356	6,523	664	12,165
Japanese Yen (JPY)	63,689	8,319	110,980	13,375
Euro (EUR)	4,147	68,182	5,381	87,372
Others, USD equivalent	4,059	58,364	2,796	37,936
		827,081		886,304
Current accounts with Bank Indonesia				
US Dollar (USD)	339,682	4,884,631	348,659	4,730,425
Current accounts with other banks				
US Dollar (USD)	386,591	5,559,179	425,410	5,771,745
Australian Dollar (AUD)	21,802	221,560	19,669	208,376
Singapore Dollar (SGD)	143,671	1,516,440	123,660	1,255,714
Hong Kong Dollar (HKD)	19,408	35,638	34,665	60,185
GB Poundsterling (GBP)	6,382	116,858	2,448	44,858
Japanese Yen (JPY)	2,465,339	322,022	2,941,874	354,555
Euro (EUR)	21,548	354,270	60,826	987,584
Others, USD equivalent	25,135	361,436	19,341	262,404
		8,487,403		8,945,421
Placements with Bank Indonesia and other banks				
US Dollar (USD)	452,777	6,510,930	500,198	6,786,430
Australian Dollar (AUD)	31,000	315,033	36,000	381,391
Hong Kong Dollar (HKD)	27,656	50,784	34,878	60,555
		6,876,747		7,228,376
Financial assets held for trading				
US Dollar (USD)	100,315	1,442,526	31,906	432,887
Singapore Dollar (SGD)	32	337	13	136
Hong Kong Dollar (HKD)	10	19	8	14
Japanese Yen (JPY)	7,691	1,004	1,546	186
Others, USD equivalent	10	149	30	410
		1,444,035		433,633
Acceptance receivables - net				
US Dollar (USD)	502,801	7,230,274	498,973	6,769,812
Australian Dollar (AUD)	-	-	25	270
Singapore Dollar (SGD)	11	114	408	4,144
Japanese Yen (JPY)	1,602,422	209,308	1,604,854	193,417
Euro (EUR)	31,543	518,586	19,488	316,404
GB Poundsterling (GBP)	221	4,047	-	-
Others, USD equivalent	2,701	38,842	398	5,397
		8,001,171		7,289,444

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40. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2018		2017	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary assets (continued)				
Bills receivable - net				
US Dollar (USD)	180,730	2,598,894	196,125	2,660,924
Hong Kong Dollar (HKD)	36,028	66,158	47,116	81,803
Japanese Yen (JPY)	18,845	2,462	2,051	247
Euro (EUR)	144	2,374	850	13,806
Others, USD equivalent	530	7,617	259	3,510
		2,677,505		2,760,290
Loans receivable - net				
US Dollar (USD)	2,140,114	30,774,833	1,985,219	26,934,457
Singapore Dollar (SGD)	46,397	489,715	48,946	497,022
Hong Kong Dollar (HKD)	144,895	266,068	142,997	248,273
Euro (EUR)	732	12,033	889	14,429
Others, USD equivalent	49	707	-	-
		31,543,356		27,694,181
Investment securities - net				
US Dollar (USD)	1,596,601	22,959,115	1,253,974	17,013,288
Hong Kong Dollar (HKD)	183,957	337,797	184,639	320,572
		23,296,912		17,333,860
Other assets - net				
US Dollar (USD)	14,061	202,204	12,368	167,808
Australian Dollar (AUD)	37	379	10	103
Singapore Dollar (SGD)	70	742	72	729
Hong Kong Dollar (HKD)	4,872	8,947	3,900	6,771
Japanese Yen (JPY)	9	1	13	2
Euro (EUR)	79	1,307	61	996
Others, USD equivalent	5	77	1	18
		213,657		176,427
Monetary liabilities				
Deposits from customers				
US Dollar (USD)	3,033,154	43,616,755	2,967,724	40,264,596
Australian Dollar (AUD)	59,779	607,491	56,882	602,615
Singapore Dollar (SGD)	218,203	2,303,114	204,212	2,073,678
Hong Kong Dollar (HKD)	9,134	16,772	6,421	11,148
GB Poundsterling (GBP)	5,230	95,766	1,917	35,127
Japanese Yen (JPY)	1,461,852	190,947	2,328,094	280,582
Euro (EUR)	54,469	895,514	56,789	922,041
Others, USD equivalent	25,396	365,191	17,383	235,841
		48,091,550		44,425,628

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40. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

Balances of monetary assets and liabilities in foreign currencies were as follows: (continued)

	2018		2017	
	Foreign currencies (in thousand)	Rupiah equivalent	Foreign currencies (in thousand)	Rupiah equivalent
Monetary liabilities (continued)				
Deposits from other banks				
US Dollar (USD)	126,813	1,823,571	104,617	1,419,391
Australian Dollar (AUD)	424	4,311	27	285
Singapore Dollar (SGD)	1,097	11,578	32	326
		1,839,460		1,420,002
Financial liabilities held for trading				
US Dollar (USD)	91	1,306	102	1,383
Singapore Dollar (SGD)	34	357	20	201
Hong Kong Dollar (HKD)	3	5	10	17
Japanese Yen (JPY)	5,684	742	1,831	221
Others, USD equivalent	28	397	55	747
		2,807		2,569
Acceptance payables				
US Dollar (USD)	316,335	4,548,904	341,523	4,633,607
Australian Dollar (AUD)	-	-	25	270
Singapore Dollar (SGD)	-	-	436	4,424
Japanese Yen (JPY)	1,498,012	195,670	1,533,104	184,770
Euro (EUR)	12,916	212,354	19,232	312,254
GB Poundsterling (GBP)	110	2,022	-	-
Others, USD equivalent	2,236	32,148	327	4,440
		4,991,098		5,139,765
Securities sold under agreement to repurchase				
Hong Kong Dollar (HKD)	26,200	48,111	55,423	96,225
Borrowings				
US Dollar (USD)	4	57	81,774	1,109,469
Hong Kong Dollar (HKD)	78,334	143,843	76,620	133,029
Others, USD equivalent	24	353	25	338
		144,253		1,242,836
Accruals and other liabilities - net				
US Dollar (USD)	2,604	37,445	425	5,768
Australian Dollar (AUD)	29	291	41	437
Singapore Dollar (SGD)	3	27	3	27
Hong Kong Dollar (HKD)	883	1,621	180	313
GB Poundsterling (GBP)	-	1	-	2
Japanese Yen (JPY)	1	-	5	1
Euro (EUR)	15	252	16	266
Others, USD equivalent	12	174	12	161
		39,811		6,975

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41. OPERATING SEGMENTS

The Group disclosed the financial information based on the products were as follows:

	2018			
	Loans	Treasury	Others	Total
Assets	524,530,462	216,464,938	83,792,544	824,787,944
Loans receivable - net	524,530,462	-	-	524,530,462
Interest and sharia income	43,519,187	9,408,714	3,838,899	56,766,800
Fee-based income	4,112,448	75,365	10,750,318	14,938,131

	2017			
	Loans	Treasury	Others	Total
Assets	454,264,956	224,515,593	71,539,122	750,319,671
Loans receivable - net	454,264,956	-	-	454,264,956
Interest and sharia income	40,014,457	10,045,938	3,707,544	53,767,939
Fee-based income	3,591,374	69,652	9,692,804	13,353,830

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.

Information regarding segment based on geographic of the Group is presented in table below:

	2018					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Interest and sharia income	3,341,209	50,454,784	1,048,497	1,886,898	35,412	56,766,800
Interest and sharia expense	(771,074)	(10,071,826)	(238,919)	(386,709)	(7,727)	(11,476,255)
Net interest and sharia income - net	2,570,135	40,382,958	809,578	1,500,189	27,685	45,290,545
Net fee and commission income - net	692,452	10,638,161	217,516	443,033	5,178	11,996,340
Net trading income - net	52,801	2,700,502	12,348	35,771	5,927	2,807,349
Other operating income	20,108	2,888,306	9,257	20,817	1,498	2,939,986
Total segment income	3,335,496	56,609,927	1,048,699	1,999,810	40,288	63,034,220
Depreciation and amortisation	(45,304)	(1,999,994)	(11,739)	(24,412)	(159)	(2,081,608)
Other material non-cash elements:						
Addition of impairment on financial assets	102,293	(2,416,393)	(68,922)	(293,722)	142	(2,676,602)
Other operating expenses	(1,236,204)	(23,146,516)	(403,921)	(753,556)	(29,749)	(25,569,946)
Income before tax	2,156,281	29,047,024	564,117	928,120	10,522	32,706,064
Income tax expense	-	-	-	-	-	(6,854,404)
Net income for the year	2,156,281	29,047,024	564,117	928,120	10,522	25,851,660

	2018					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Assets	54,136,829	725,271,031	17,008,223	27,621,371	750,490	824,787,944
Liabilities	54,136,829	569,471,430	17,008,223	27,621,362	200,935	668,438,779
Loans receivable - net	26,151,097	472,388,970	8,546,351	17,177,977	266,067	524,530,462
Deposits from customers	53,724,812	531,792,853	16,940,227	27,354,125	-	629,812,017
Sharia deposits	-	621,315	-	-	-	621,315
Temporary syirkah deposits	-	4,595,738	-	-	-	4,595,738

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41. OPERATING SEGMENTS (continued)

Information regarding segment based on geographic of the Group is presented in table below: (continued)

	2017					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Interest and sharia income	3,128,486	47,735,358	926,843	1,949,365	27,887	53,767,939
Interest and sharia expense	(795,759)	(10,411,147)	(240,303)	(490,435)	(3,821)	(11,941,465)
Net interest and sharia income - net	2,332,727	37,324,211	686,540	1,458,930	24,066	41,826,474
Net fee and commission income - net	641,338	9,138,822	195,494	405,025	5,159	10,385,838
Net trading income - net	56,458	1,685,713	16,001	31,788	13,581	1,803,541
Other operating income	21,219	2,902,724	8,233	31,691	1,963	2,965,830
Total segment income	3,051,742	51,051,470	906,268	1,927,434	44,769	56,981,683
Depreciation and amortisation	(30,140)	(1,759,823)	(10,116)	(20,766)	(158)	(1,821,003)
Other material non-cash elements:						
Addition of impairment on financial assets	(214,207)	(2,275,537)	31,870	(174,745)	-	(2,632,619)
Other operating expenses	(1,151,395)	(21,145,058)	(369,593)	(675,373)	(27,899)	(23,369,318)
Income before tax	1,656,000	25,871,052	558,429	1,056,550	16,712	29,158,743
Income tax expense	-	-	-	-	-	(5,837,593)
Net income for the year	1,656,000	25,871,052	558,429	1,056,550	16,712	23,321,150

	2017					
	Sumatera	Java	Kalimantan	East Indonesia	Overseas operation	Total
Assets	50,966,130	657,642,348	15,197,805	25,754,893	758,495	750,319,671
Liabilities	50,966,130	522,780,295	15,197,805	25,754,893	241,139	614,940,262
Loans receivable - net	22,853,296	407,728,902	6,624,657	16,809,828	248,273	454,264,956
Deposits from customers	50,111,534	491,374,504	15,128,492	24,500,912	-	581,115,442
Sharia deposits	-	478,698	-	-	-	478,698
Temporary syirkah deposits	-	3,977,715	-	-	-	3,977,715

42. 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.

42. FINANCIAL RISK MANAGEMENT (continued)

a. Risk management framework (continued)

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 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 Finance and Planning Division also Corporate Secretary, Head of International Banking Division, Head of Treasury Division, Head of Finance and Planning Division, Head of 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.

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.

42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

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, from RR1 to RR10, and the worst is Loss. Bank also implements debtor risk rating system for consumptive segment, which is also called as Internal Credit Risk Scoring System, consists of ten risk rating categories starting from RR1 (the best/the lowest) until 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.

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 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.

42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

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.

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).

	2018	2017
Consolidated financial position :		
Current accounts with Bank Indonesia	43,548,309	43,472,752
Current accounts with other banks	8,497,938	9,093,572
Placements with Bank Indonesia and other banks	31,682,811	18,969,682
Financial assets held for trading	5,841,824	6,015,302
Acceptance receivables	11,582,285	9,899,426
Bills receivable	8,600,709	6,614,355
Securities purchased under agreements to resell	9,212,684	9,258,767
Loans receivable	524,530,462	454,264,956
Consumer financing receivables	7,613,709	8,506,983
Investment in finance leases	174,212	181,427
Investment securities	109,080,663	131,091,163
Other assets		
Accrued income	3,712,424	3,552,347
Unaccepted notes receivable	88,221	76,095
Receivables from customer transactions	213,234	122,903
Receivables from insurance transactions	226,213	163,896
	764,605,698	701,283,626
Consolidated administrative account :		
Unused credit facilities to customers - committed	145,599,557	136,811,259
Unused credit facilities to other banks - committed	1,260,022	2,685,604
Irrevocable Letters of Credit issued	10,365,963	7,753,880
Bank guarantees issued to customers	15,241,182	13,814,478
	172,466,724	161,065,221
	937,072,422	862,348,847

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42. 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 12.

Based on counter party

The following table presents concentration of credit risk of the Group by counterparty:

	2018				
	Corporates	Government and Bank Indonesia	Bank	Individual	Total
Consolidated financial position:					
Current accounts with Bank Indonesia	-	43,548,309	-	-	43,548,309
Current accounts with other banks	-	-	8,497,938	-	8,497,938
Placement with Bank Indonesia and other banks	-	21,170,352	10,512,459	-	31,682,811
Financial assets held for trading	189,233	4,717,155	935,436	-	5,841,824
Acceptance receivables	11,428,458	167	475,907	13,603	11,918,135
Bills receivable	826,677	366,086	7,413,620	-	8,606,383
Securities purchased under agreements to resell	-	3,986,380	5,195,638	30,666	9,212,684
Loans receivable	326,317,336	2,500,000	23,857,038	185,425,074	538,099,448
Consumer financing receivables	239,107	-	196	7,738,434	7,977,737
Investment in finance leases	167,451	-	-	10,380	177,831
Investment securities	19,620,012	80,163,819	9,388,290	-	109,172,121
Other assets - net					
Accrued income	1,521,979	1,241,283	290,395	658,767	3,712,424
Unaccepted notes receivable	90,251	-	-	-	90,251
Receivables from customer transactions	14,716	-	-	198,518	213,234
Receivables from insurance transactions	200,749	-	15,666	9,798	226,213
Total	360,615,969	157,693,551	66,582,583	194,085,240	778,977,343
Less:					
Allowance for impairment losses					(14,371,645)
					764,605,698
Commitments and contingencies with credit risk :					
Unused credit facilities - committed	121,382,320	-	1,287,377	24,189,882	146,859,579
Irrevocable Letters of Credit issued	10,360,579	-	-	5,384	10,365,963
Bank guarantees issued to customers	13,204,698	-	920,186	1,116,298	15,241,182
	144,947,597	-	2,207,563	25,311,564	172,466,724

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42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

ii. Concentration of credit risk analysis (continued)

Based on counter party (continued)

The following table presents concentration of credit risk of the Group by counterparty: (continued)

	2017				
	Corporates	Government and Bank Indonesia	Bank	Individual	Total
Consolidated financial position:					
Current accounts with Bank Indonesia	-	43,472,752	-	-	43,472,752
Current accounts with other banks	-	-	9,093,572	-	9,093,572
Placement with Bank Indonesia and other banks	-	9,411,567	9,558,115	-	18,969,682
Financial assets held for trading	33,929	5,837,217	144,156	-	6,015,302
Acceptance receivables	9,659,534	-	650,539	5,995	10,316,068
Bills receivable	617,923	-	6,001,254	-	6,619,177
Securities purchased under agreements to resell	-	4,184,872	4,821,016	255,738	9,261,626
Loans receivable	282,639,042	-	13,030,912	171,838,871	467,508,825
Consumer financing receivables	269,344	-	253	8,614,906	8,884,503
Investment in finance leases	168,716	-	-	14,654	183,370
Investment securities	16,864,471	106,832,843	7,914,150	-	131,611,464
Other assets - net					
Accrued income	1,212,059	1,526,050	177,565	636,673	3,552,347
Unaccepted notes receivable	77,534	-	-	-	77,534
Receivables from customer transactions	122,903	-	-	-	122,903
Receivables from insurance transactions	58,284	-	659	104,953	163,896
Total	311,723,739	171,265,301	51,392,191	181,471,790	715,853,021
Less:					
Allowance for impairment losses					(14,569,395)
					701,283,626
Commitments and contingencies with credit risk :					
Unused credit facilities - committed	112,251,039	-	2,685,604	24,560,220	139,496,863
Irrevocable Letters of Credit issued	7,745,316	-	-	8,564	7,753,880
Bank guarantees issued to customers	12,309,201	-	339,869	1,165,408	13,814,478
	132,305,556	-	3,025,473	25,734,192	161,065,221

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42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis

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.

	2018									
		Past due but not impaired			Neither past due nor impaired					
					Acceptance receivables, bills receivable and loans receivable					
	Individually impaired	1 - 30 days	31 - 60 days	61 - 90 days	High grade	Standard grade	Low grade	Other financial assets	Not individually significant and collectively assessed for impairment	Total
Loans and receivables :										
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	43,548,309	-	43,548,309
Current accounts with other banks	-	-	-	-	-	-	-	8,497,938	-	8,497,938
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	29,640,544	-	29,640,544
Acceptance receivables - net	2,909	-	-	-	6,259,128	5,075,845	12,761	-	231,642	11,582,285
Bills receivable - net	-	-	-	-	4,823,706	1,024,353	-	-	2,752,650	8,600,709
Securities purchased under agreements to resell - net	-	-	-	-	-	-	-	9,212,684	-	9,212,684
Loans receivable - net	1,234,744	110,414	139,455	87,828	226,535,490	67,576,937	1,049,715	-	227,795,879	524,530,462
Consumer financing receivables - net	-	-	-	-	-	-	-	-	7,613,709	7,613,709
Investment in finance leases - net	-	-	-	-	-	-	-	-	174,212	174,212
Other assets - net										
Accrued income	-	-	-	-	-	-	-	-	3,712,424	3,712,424
Unaccepted notes receivable	-	-	-	-	-	-	-	-	88,221	88,221
Receivables from customer transactions	-	-	-	-	-	-	-	-	213,234	213,234
Receivables from insurance transactions	-	-	-	-	-	-	-	-	226,213	226,213
	1,237,653	110,414	139,455	87,828	237,618,324	73,677,135	1,062,476	90,899,475	242,808,184	647,640,944
Measured at fair value through profit or loss:										
Financial assets held-for trading	-	-	-	-	-	-	-	5,841,824	-	5,841,824
	-	-	-	-	-	-	-	5,841,824	-	5,841,824
Available-for-sale:										
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	2,042,267	-	2,042,267
Investment securities - net	-	-	-	-	-	-	-	95,252,803	-	95,252,803
	-	-	-	-	-	-	-	97,295,070	-	97,295,070
Held-to-maturity:										
Investment securities - net	-	-	-	-	-	-	-	13,827,860	-	13,827,860
	-	-	-	-	-	-	-	13,827,860	-	13,827,860
	1,237,653	110,414	139,455	87,828	237,618,324	73,677,135	1,062,476	207,864,229	242,808,184	764,605,698

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42. 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. (continued)

	2017									
		Past due but not impaired			Neither past due nor impaired					
					Acceptance receivables, bills receivable and loans receivable					
	Individually impaired	1 - 30 days	31 - 60 days	61 - 90 days	High grade	Standard grade	Low grade	Other financial assets	Not individually significant and collectively assessed for impairment	Total
Loans and receivables :										
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	43,472,752	-	43,472,752
Current accounts with other banks	-	-	-	-	-	-	-	9,093,572	-	9,093,572
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	14,933,161	-	14,933,161
Acceptance receivables - net	298	-	-	-	4,577,904	4,923,996	90,500	-	306,728	9,899,426
Bills receivable - net	-	-	-	-	2,177,506	751,327	435	-	3,685,087	6,614,355
Securities purchased under agreements to resell - net	-	-	-	-	-	-	-	9,258,767	-	9,258,767
Loans receivable - net	1,291,086	258,331	62,619	87,699	193,348,470	52,040,043	1,351,403	-	205,825,305	454,264,956
Consumer financing receivables - net	-	-	-	-	-	-	-	-	8,506,983	8,506,983
Investment in finance leases - net	-	-	-	-	-	-	-	-	181,427	181,427
Other assets - net										
Accrued income	-	-	-	-	-	-	-	-	3,552,347	3,552,347
Unaccepted notes receivable	-	-	-	-	-	-	-	-	76,095	76,095
Receivables from customer transactions	-	-	-	-	-	-	-	-	122,903	122,903
Receivables from insurance transactions	-	-	-	-	-	-	-	-	163,896	163,896
	1,291,384	258,331	62,619	87,699	200,103,880	57,715,366	1,442,338	76,758,252	222,420,771	560,140,640
Measured at fair value through profit or loss:										
Financial assets held-for trading	-	-	-	-	-	-	-	6,015,302	-	6,015,302
	-	-	-	-	-	-	-	6,015,302	-	6,015,302
Available-for-sale:										
Placements with Bank Indonesia and other banks	-	-	-	-	-	-	-	4,036,521	-	4,036,521
Investment securities - net	76,507	-	-	-	-	-	-	107,229,267	-	107,305,774
	76,507	-	-	-	-	-	-	111,265,788	-	111,342,295
Held-to-maturity:										
Investment securities - net	-	-	-	-	-	-	-	23,785,389	-	23,785,389
	-	-	-	-	-	-	-	23,785,389	-	23,785,389
	1,367,891	258,331	62,619	87,699	200,103,880	57,715,366	1,442,338	217,824,731	222,420,771	701,283,626

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.

42. 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

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 receivables.

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.

Past due but not impaired financial assets

Past due but not impaired financial assets are financial assets from corporate and commercial segment, for which contractual interest or principal payments are past due, but the Group believes that individual impairment has not occured on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

Neither past due nor impaired financial assets

Included in neither past due nor impaired financial assets are financial assets which are not impaired individually and have been grouped based on similar risk characteristics for the purpose of assessing its collective impairment for the incurred but not yet reported losses ("IBNR").

Based on its quality, neither past due nor impaired loans receivable, acceptance receivables, and bills receivable are classified into 3 categories, i.e. high grade, standard grade and low grade, in accordance with the Bank's internal estimate of each debtor's probability of default or certain portfolios that have been assessed against a range of qualitative and quantitative factors.

Loans receivable, acceptance receivables and bills receivable with risk rating of RR1 to RR7 are included in high grade category. Included in high grade category are loans to debtors which have strong capacity to repay all of its obligations in a timely manner, supported by strong fundamental factors and are not easily affected by unfavourable economic conditions.

42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iii. Credit risk analysis (continued)

Neither past due nor impaired financial assets (continued)

Loans receivable, acceptance receivables and bills receivable with risk rating of RR8 to RR9 are included in standard grade category. Included in standard grade category are loans to debtors which considered to have sufficient capacity to repay its contractual interest and principal, but quite sensitive to unfavourable changes of economic conditions.

Loans receivable, acceptance receivables and bills receivable with risk rating RR10 and Loss are included in low grade category. Included in low grade category are loans to debtors with volatile repayment capacity, have poor fundamental factors and are easily affected by unfavourable economic conditions.

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 2018 and 2017, 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 basis) 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.

42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

iv. Collateral (continued)

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.

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 2018 and 2017, presented in other assets at the lower of carrying amount and net realisable value, were as follows:

	2018	2017
Land	70,324	19,388
Building	456,181	216,848
Other commercial properties	665	665
Financial assets and other assets	2,703	2,703
Fair value	529,873	239,604

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.

42. FINANCIAL RISK MANAGEMENT (continued)

c. Credit risk management (continued)

v. Financial assets held for trading

As of 31 December 2018 and 2017, the Group had financial assets held for trading at the fair value amounting to Rp 5,841,824 and Rp 6,015,302, respectively (see Note 8). Information on credit quality of the maximum exposure to credit risk of financial assets held for trading was as follows:

	2018	2017
Government securities:		
Investment grade	4,717,155	5,837,217
Corporate bonds:		
Investment grade	40,616	-
Derivative assets:		
Other banks as counterparties	906,915	95,775
Corporates as counterparties	133,041	28,600
Others	44,097	53,710
Fair value	5,841,824	6,015,302

vi. Investment securities

As of 31 December 2018 and 2017, the Group had investment securities at the carrying value amounting to Rp 109,080,663 and Rp 131,091,163, respectively (see Note 14). Information on credit quality of the maximum exposure to credit risk of investment securities was as follows:

	2018	2017
Government securities:		
Investment grade	79,211,468	106,832,842
Corporate bonds:		
Investment grade	15,066,115	13,109,456
Non-investment grade	-	27,311
Others	14,803,080	11,121,554
Carrying amount	109,080,663	131,091,163

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.

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42. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity risk management (continued)

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.

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 contractual undiscounted cash flows of financial liabilities and administrative accounts of the Group based on remaining period to contractual maturity as of 31 December 2018 and 2017:

	2018						
	Carrying amount	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	(629,812,017)	(630,209,040)	(585,523,692)	(30,646,614)	(14,038,734)	-	-
Deposits from other banks	(6,494,491)	(6,494,562)	(6,456,962)	(37,500)	(100)	-	-
Acceptance payables	(5,843,486)	(5,843,486)	(1,969,737)	(2,653,028)	(1,108,574)	(112,147)	-
Securities sold under agreements to repurchase	(48,111)	(49,386)	(49,386)	-	-	-	-
Debt securities issued	(239,735)	(250,188)	-	(5,094)	(245,094)	-	-
Borrowings	(2,093,475)	(2,097,061)	(251,494)	(122,500)	(1,491,922)	(231,145)	-
Other liabilities	(476,097)	(476,097)	(464,366)	(9,078)	(2,653)	-	-
Subordinated bonds	(500,000)	(508,972)	(8,972)	-	-	-	(500,000)
	(645,507,412)	(645,928,792)	(594,724,609)	(33,473,814)	(16,887,077)	(343,292)	(500,000)
Derivative financial liabilities							
Financial liabilities held for trading :	(188,934)						
Outflow		(6,880,448)	(4,577,272)	(1,185,592)	(1,117,584)	-	-
Inflow		6,756,169	4,505,857	1,165,473	1,084,839	-	-
Other liabilities	(25,518)	(25,518)	(25,518)	-	-	-	-
	(214,452)	(149,797)	(96,933)	(20,119)	(32,745)	-	-
Administrative accounts							
Unused credit facilities to customers - committed		(145,599,557)	(145,599,557)	-	-	-	-
Unused credit facilities to other banks - committed		(1,260,022)	(1,260,022)	-	-	-	-
Irrevocable Letters of Credit issued		(10,365,963)	(3,934,116)	(4,442,304)	(1,484,835)	(504,708)	-
Bank guarantees issued to customers		(15,241,182)	(1,565,166)	(3,253,063)	(8,220,583)	(2,202,295)	(75)
		(172,466,724)	(152,358,861)	(7,695,367)	(9,705,418)	(2,707,003)	(75)
	(645,721,864)	(818,545,313)	(747,180,403)	(41,189,300)	(26,625,240)	(3,050,295)	(500,075)

42. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity risk management (continued)

The following table presents the contractual undiscounted cash flows of financial liabilities and administrative accounts of the Group based on remaining period to contractual maturity as of 31 December 2018 and 2017: (continued)

	2017					
	Carrying amount	Gross nominal inflow/ (outflow)	Up to 1 month	> 1 - 3 months	> 3 months - 1 year	> 1 – 5 years
Non-derivative financial liabilities						
Deposits from customers	(581,115,442)	(581,398,945)	(546,395,727)	(28,572,508)	(6,430,710)	-
Deposits from other banks	(5,758,414)	(5,758,476)	(5,721,876)	(36,500)	(100)	-
Acceptance payables	(5,800,477)	(5,800,477)	(2,108,238)	(2,435,249)	(1,074,989)	(182,001)
Securities sold under agreements to repurchase	(96,225)	(96,370)	(96,370)	-	-	-
Debt securities issued	(610,499)	(652,058)	-	(436,589)	(15,281)	(200,188)
Borrowings	(3,040,602)	(3,045,169)	(5,536)	(417,075)	(2,219,180)	(403,378)
Other liabilities	(408,796)	(408,796)	(356,265)	(5,784)	(46,747)	-
	(596,830,455)	(597,160,291)	(554,684,012)	(31,903,705)	(9,787,007)	(785,567)
Derivative financial liabilities						
Financial liabilities held for trading :	(53,843)					
Outflow		(19,426,156)	(8,133,244)	(7,209,706)	(4,083,206)	-
Inflow		19,460,553	8,120,754	7,212,039	4,127,760	-
	(53,843)	34,397	(12,490)	2,333	44,554	-
Administrative accounts						
Unused credit facilities to customers - committed		(136,811,259)	(136,811,259)	-	-	-
Unused credit facilities to other banks - committed		(2,685,604)	(2,685,604)	-	-	-
Irrevocable Letters of Credit issued		(7,753,880)	(3,079,498)	(3,759,110)	(765,897)	(149,375)
Bank guarantees issued to customers		(13,814,478)	(1,860,603)	(2,675,290)	(7,686,535)	(1,592,050)
		(161,065,221)	(144,436,964)	(6,434,400)	(8,452,432)	(1,741,425)
	(596,884,298)	(758,191,115)	(699,133,466)	(38,335,772)	(18,194,885)	(2,526,992)

The above tables 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 the their 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 show 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 2018 and 2017 is disclosed in Note 43.

42. 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 Net Open Position 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 2018 and 2017:

	Impact on profit before tax	
	+5%	**-5%**
31 December 2018	(6,093)	6,093
31 December 2017	(31,383)	31,383

Information about Bank’s NOP as of 31 December 2018 and 2017 was disclosed in Note 44.

The Subsidiary had borrowings in foreign currencies as of 31 December 2018 and 2017. The Subsidiary entered into derivative contracts to manage its foreign exchange risk.

42. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management (continued)

ii. Interest rate risk

The major component of the Bank's interest-rate-sensitive liabilities is customer deposits, while its interest-rate-sensitive assets are government bonds, investment securities and loans receivable. ALCO regularly monitors any development in the market and adjusts the interest rates of deposits and loans receivable accordingly.

The Bank uses earning approach and economic value approach to measure interest rate risk in the banking book. The earning approach uses accrual method to measure the sensitivity of Bank's Net Interest Income to changes in market interest rates. The economic value approach uses Duration method to measure the sensitivity of economic value of productive assets and interest bearing liabilities to changes in market interest rates. In the Duration method, the interest rate risk is defined as a decrease in fair value of all productive asset portfolio and interest bearing liabilities in the banking book due to movement in market interest rates.

The Banking book is all financial asset/other position that are not included in 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.

The Bank determines the interest rates on deposits from customers based on market condition and competitiveness by monitoring the fluctuations of the base rates and interest rates offerred by other banks for similar products. The interest rates on deposit may vary and depend on maturity and size of the deposit. The interest rates for saving and current account are floating in nature and will be reviewed periodically based on market condition, while the interest rate for time deposit is fixed and depends on the maturity period. The interest rate for credit is determined by adding a certain margin on the Bank's cost of funds (including the cost of GWM).

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.

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42. 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:

	2018						
	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	-	-	-	-	-	43,548,309	43,548,309
Current accounts with other banks	8,497,938	-	-	-	-	-	8,497,938
Placements with Bank Indonesia and other banks	-	-	29,610,654	2,011,628	60,529	-	31,682,811
Acceptance receivables - net	2,282,716	3,072,930	-	-	-	6,226,639	11,582,285
Bills receivable - net	-	-	8,600,709	-	-	-	8,600,709
Securities purchased under agreements to resell - net	-	-	9,182,018	30,666	-	-	9,212,684
Loans receivable - net	372,050,967	30,884,072	6,041,850	24,742,234	90,811,339	-	524,530,462
Consumer financing receivables - net	-	-	867,683	2,781,085	3,964,941	-	7,613,709
Investment in finance leases - net	-	-	44,995	58,850	70,367	-	174,212
Investment securities - net	13,842,503	-	20,387,803	20,570,491	53,673,587	606,279	109,080,663
Other assets	-	-	233,926	25,996	-	3,980,170	4,240,092
Total	396,674,124	33,957,002	74,969,638	50,220,950	148,580,763	54,361,397	758,763,874
Financial liabilities							
Deposits from customers	(483,003,754)	-	(131,455,903)	(15,352,360)	-	-	(629,812,017)
Deposits from other banks	(6,415,990)	-	(78,401)	(100)	-	-	(6,494,491)
Acceptance payables	-	-	-	-	-	(5,843,486)	(5,843,486)
Securities sold under agreements to repurchase	-	-	(48,111)	-	-	-	(48,111)
Debt securities issued	-	-	-	(239,735)	-	-	(239,735)
Subordinated bonds	-	-	-	-	(500,000)	-	(500,000)
Borrowings	-	-	(194,830)	(1,666,922)	(231,723)	-	(2,093,475)
Other liabilities	-	-	-	-	-	(501,615)	(501,615)
Total	(489,419,744)	-	(131,777,245)	(17,259,117)	(731,723)	(6,345,101)	(645,532,930)
Interest rate re-pricing gap	(92,745,620)	33,957,002	(56,807,607)	32,961,833	147,849,040	48,016,296	113,230,944

	2017						
	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	8,202,996	-	-	-	-	35,269,756	43,472,752
Current accounts with other banks	9,093,572	-	-	-	-	-	9,093,572
Placements with Bank Indonesia and other banks	-	-	14,919,705	3,005,461	1,044,516	-	18,969,682
Acceptance receivables - net	1,369,379	2,153,576	-	-	-	6,376,471	9,899,426
Bills receivable - net	-	-	6,614,355	-	-	-	6,614,355
Securities purchased under agreements to resell - net	-	-	8,618,208	640,559	-	-	9,258,767
Loans receivable - net	320,598,936	35,641,567	-	-	98,024,453	-	454,264,956
Consumer financing receivables - net	-	-	974,594	3,102,815	4,429,574	-	8,506,983
Investment in finance leases - net	-	-	26,916	57,838	96,673	-	181,427
Investment securities - net	10,463,017	-	24,220,192	38,378,139	57,771,810	258,005	131,091,163
Other assets	-	-	115,631	28,522	-	3,771,088	3,915,241
Total	349,727,900	37,795,143	55,489,601	45,213,334	161,367,026	45,675,320	695,268,324
Financial liabilities							
Deposits from customers	(443,666,634)	-	(130,655,305)	(6,793,503)	-	-	(581,115,442)
Deposits from other banks	(5,711,780)	-	(46,534)	(100)	-	-	(5,758,414)
Acceptance payables	-	-	-	-	-	(5,800,477)	(5,800,477)
Securities sold under agreements to repurchase	-	-	(96,225)	-	-	-	(96,225)
Debt securities issued	-	-	-	(421,293)	(189,206)	-	(610,499)
Borrowings	-	-	(446,160)	(2,171,063)	(423,379)	-	(3,040,602)
Other liabilities	-	-	-	-	-	(408,796)	(408,796)
Total	(449,378,414)	-	(131,244,224)	(9,385,959)	(612,585)	(6,209,273)	(596,830,455)
Interest rate re-pricing gap	(99,650,514)	37,795,143	(75,754,623)	35,827,375	160,754,441	39,466,047	98,437,869

42. FINANCIAL RISK MANAGEMENT (continued)

e. Market risk management (continued)

ii. Interest rate risk (continued)

Sensitivity analysis

Based on the re-pricing gap report, the Bank analyzes the sensitivity to 1% (one percent) parallel interest rate movement (increase or decrease), with the following assumptions:

- the movement in interest rate for asset components is the same with the movement in interest rate for liability components; and
- the movement is the same for every maturity period in the yield curve (parallel yield curve movement).

This sensitivity analysis is performed on a monthly basis for ALCO purposes. The following table describes the sensitivity of a reasonably possible change in market interest rate, with all other variables held constant, to the net interest income:

	2018	2017
Decrease in interest income due to 1% (one percent) parallel increase in interest rate	(251,285)	(1,262,074)
Increase in interest income due to 1% (one percent) parallel decrease in interest rate	251,285	1,262,074

Information:
- The sensitivity analysis as of 31 December 2018 have considered the Core Deposit.

f. Operational risk management

Implementation of operational risk management (MRO) are outlined in Financial Services Authority Regulation (“POJK”) No. 18/POJK.03/2016 dated 16 March 2016.

The Bank has Basic Policy of Operational Risk Management (“KMRO”) as the basic guideline for managing operational risk in all working units.

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.

42. FINANCIAL RISK MANAGEMENT (continued)

f. Operational risk management (continued)

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.

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.

42. FINANCIAL RISK MANAGEMENT (continued)

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.

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 18 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 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 Bank and Subsidiaries.

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42. FINANCIAL RISK MANAGEMENT (continued)

g. Consolidated risk management (continued)

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; and
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.
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).

43. 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 2018 and 2017:

	2018						
	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	-	-	-	-	-	21,691,443	21,691,443
Current accounts with Bank Indonesia	-	-	-	-	-	43,548,309	43,548,309
Current accounts with other banks	8,497,938	-	-	-	-	-	8,497,938
Placement with Bank Indonesia and other banks	28,412,993	1,197,660	2,011,629	60,529	-	-	31,682,811
Financial assets held for trading	2,225,222	1,220,207	2,195,922	115,895	84,578	-	5,841,824
Acceptance receivables - net	3,088,222	4,329,898	4,053,162	111,003	-	-	11,582,285
Bills receivable - net	2,269,070	3,639,615	2,692,024	-	-	-	8,600,709
Securities purchased under agreements to resell - net	5,195,638	3,986,380	30,666	-	-	-	9,212,684
Loans receivable	36,042,785	41,393,814	158,902,156	175,803,366	126,714,191	-	538,856,312
Less:							
Allowance for impairment losses and deferred provision and commission income							(14,325,850)
Consumer financing receivable - net	131,998	133,085	917,521	6,242,104	189,001	-	7,613,709
Investment in finance leases - net	11,225	2,163	19,138	141,686	-	-	174,212
Investment securities - net	27,891,286	5,849,836	20,978,132	52,774,584	980,545	606,280	109,080,663
Other assets - net	196,583	423,526	803,364	1,963,074	686,557	166,988	4,240,092
	113,962,960	62,176,184	192,603,714	237,212,241	128,654,872	66,013,020	786,297,141
Financial liabilities							
Deposits from customers	(585,126,669)	(30,646,614)	(14,038,734)	-	-	-	(629,812,017)
Deposits from other banks	(6,456,891)	(37,500)	(100)	-	-	-	(6,494,491)
Financial liabilities held for trading	(79,223)	(26,167)	(51,379)	(32,165)	-	-	(188,934)
Securities sold under agreement to repurchase	(48,111)	-	-	-	-	-	(48,111)
Acceptance payables	(1,969,737)	(2,653,028)	(1,108,574)	(112,147)	-	-	(5,843,486)
Debt securities issued	-	-	(239,735)	-	-	-	(239,735)
Borrowings	(247,908)	(122,500)	(1,491,922)	(231,145)	-	-	(2,093,475)
Other liabilities	(489,884)	(9,078)	(2,653)	-	-	-	(501,615)
Subordinated bonds	-	-	-	-	(500,000)	-	(500,000)
	(594,418,423)	(33,494,887)	(16,933,097)	(375,457)	(500,000)	-	(645,721,864)
Net position	(480,455,463)	28,681,297	175,670,617	236,836,784	128,154,872	66,013,020	140,575,277

43. MATURITY GAP OF FINANCIAL ASSETS AND LIABILITIES (continued)

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 2018 and 2017: (continued)

	2017						
	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	-	-	-	-	-	16,754,289	16,754,289
Current accounts with Bank Indonesia	8,202,996	-	-	-	-	35,269,756	43,472,752
Current accounts with other banks	9,093,572	-	-	-	-	-	9,093,572
Placement with Bank Indonesia and other banks	8,638,794	6,280,911	3,005,461	1,044,516	-	-	18,969,682
Financial assets held for trading	814,893	1,929,041	3,068,272	68,517	134,579	-	6,015,302
Acceptance receivables - net	2,804,232	3,576,473	3,338,409	180,312	-	-	9,899,426
Bills receivable - net	1,701,992	2,879,088	2,033,275	-	-	-	6,614,355
Securities purchased under agreements to resell - net	7,145,567	1,485,798	627,402	-	-	-	9,258,767
Loans receivable	26,963,560	42,729,891	133,435,902	154,088,078	110,977,474	-	468,194,905
Less:							
Allowance for impairment losses and deferred provision and commission income							(13,929,949)
Consumer financing receivable - net	175,278	161,396	1,116,395	6,909,776	144,138	-	8,506,983
Investment in finance leases - net	3,213	742	16,994	156,466	4,012	-	181,427
Investment securities - net	24,172,754	10,604,117	38,700,926	54,581,260	2,774,101	258,005	131,091,163
Other assets - net	608,212	418,420	510,719	1,684,951	565,528	127,411	3,915,241
	90,325,063	70,065,877	185,853,755	218,713,876	114,599,832	52,409,461	718,037,915
Financial liabilities							
Deposits from customers	(546,112,224)	(28,572,508)	(6,430,710)	-	-	-	(581,115,442)
Deposits from other banks	(5,721,814)	(36,500)	(100)	-	-	-	(5,758,414)
Financial liabilities held for trading	(14,277)	(24,791)	(14,775)	-	-	-	(53,843)
Acceptance payables	(2,108,238)	(2,435,249)	(1,074,989)	(182,001)	-	-	(5,800,477)
Securities sold under agreement to repurchase	(96,225)	-	-	-	-	-	(96,225)
Debt securities issued	-	(421,541)	-	(188,958)	-	-	(610,499)
Borrowings	(969)	(417,075)	(2,219,180)	(403,378)	-	-	(3,040,602)
Other liabilities - net	(356,265)	(5,784)	(46,747)	-	-	-	(408,796)
	(554,410,012)	(31,913,448)	(9,786,501)	(774,337)	-	-	(596,884,298)
Net position	(464,084,949)	38,152,429	176,067,254	217,939,539	114,599,832	52,409,461	121,153,617

44. NET OPEN POSITION

The Bank's net foreign exchange positions (Net Open Position or "NOP") as of 31 December 2018 and 2017 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.

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44. NET OPEN POSITION (continued)

The Bank's NOP as of 31 December 2018 and 2017 was as follows:

	2018		
	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	32,135,226	(32,779,195)	643,969
SGD	(139,255)	9,517	129,738
AUD	(8,321)	9,020	699
HKD	20,538	(20,103)	435
GBP	26,701	(27,467)	766
EUR	(164,261)	161,118	3,143
JPY	118,207	(118,291)	84
CAD	28,184	(27,259)	925
CHF	24,515	(23,840)	675
DKK	(914)	2,165	1,251
MYR	16,113	-	16,113
SAR	7,815	(7,190)	625
SEK	1,329	(729)	600
CNY	(112,721)	112,834	113
NZD	19,679	(19,318)	361
Others	3,182	-	3,182
Total			802,679
Total capital (Note 45)			148,193,541
Percentage of NOP to capital			0.54%

	2017		
	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	24,833,944	(25,342,395)	508,451
SGD	(173,606)	42,425	131,181
AUD	6,563	(5,297)	1,266
HKD	54,246	(53,565)	681
GBP	15,589	(12,828)	2,761
EUR	170,427	(170,760)	333
JPY	87,208	(86,174)	1,034
CAD	27,229	(27,228)	1
CHF	24,743	(23,256)	1,487
DKK	1,451	-	1,451
MYR	(338)	-	338
SAR	6,988	(6,785)	203
SEK	1,402	(1,009)	393
CNY	(51,448)	52,325	877
Others	21,800	(19,301)	2,499
Total			652,956
Total capital (Note 45)			127,964,059
Percentage of NOP to capital			0.51%

45. 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.

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 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 2018 and 2017 based on Financial Services Authority Regulation No. 11/POJK.03/2016 dated 2 February 2016.

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.

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45. CA PITAL MANAGEMENT (continued)

The CAR as of 31 December 2018 and 2017, calculated in accordance with the prevailing regulations, taking into account the credit risk, market risk and operational risk, were as follows:

	2018		2017	
	Bank	Consolidated	Bank	Consolidated
I. Core Capital (Tier 1)	141,687,397	149,412,372	122,730,121	129,239,881
II. Supplementary Capital (Tier 2)	6,506,144	6,639,146	5,233,938	5,367,880
Total Capital	148,193,541	156,051,518	127,964,059	134,607,761
Risk-Weighted Assets based on risk				
RWAs Considering Credit Risk	538,872,893	551,236,800	468,654,528	480,186,924
RWAs Considering Market Risk	3,429,199	3,088,738	3,063,943	2,728,225
RWAs Considering Operational Risk	91,331,739	97,206,002	83,104,965	87,544,008
Total Risk-Weighted Assets	633,633,831	651,531,540	554,823,436	570,459,157
Min. Capital Requirement	9.99%	9.99%	9.99%	9.99%
CAR ratio				
CET 1 ratio	22.36%	22.93%	22.12%	22.66%
Tier 1 ratio	22.36%	22.93%	22.12%	22.66%
Tier 2 ratio	1.03%	1.02%	0.94%	0.94%
CAR ratio	23.39%	23.95%	23.06%	23.60%
CET 1 for Buffer	13.40%	13.96%	13.07%	13.61%
Regulatory Minimum Capital Requirement				
From CET 1	8.96%	8.97%	9.05%	9.05%
From WA 1	0.00%	0.00%	0.00%	0.00%
From Tier 2	1.03%	1.02%	0.94%	0.94%
Regulatory Buffer percentage required by Bank				
Capital Conservation Buffer	1.875%	1.875%	1.250%	1.250%
Countercyclical Buffer	0.000%	0.000%	0.000%	0.000%
Capital Surcharge for Systemic Bank	1.500%	1.500%	1.000%	1.000%

46. NON-CONTROLLING INTEREST

The movement of non-controlling interest in net assets of Subsidiaries was as follows:

	2018	2017
Balance, beginning of year	98,139	281,982
Increase in non-controlling interest from additional capital injection to Subsidiaries during the year (Note 1d)	-	30,000
Changes in non-controlling interest due to acquisition of Subsidiaries during the year	-	(225,978)
Non-controlling interest portion of Subsidiaries net profit during the year	(3,494)	11,156
Increase (decrease) of non-controlling interest from other comprehensive income of Subsidiaries during the year	(902)	979
Balance, end of year	93,743	98,139

47. 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	Loans receivable, pension fund contribution, deposits from customers
PT Adiwisesa Mandiri Building Product Indonesia	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Agra Bareksa Energi	Owned by the same ultimate shareholder	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 Alpha Merah Kreasi	Owned by the same ultimate shareholder	Loans receivable, 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	Deposits from customers
PT Arta Karya Adhiguna	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 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	Deposits from customers
PT Djarum	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Dynamo Media Network	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Ecogreen Oleochemicals	Owned by the same ultimate shareholder	Loans receivable, deposits from customers, guarantees issued, letter of credit

PT BANK CENTRAL ASIA Tbk AND SUBSIDIARIES **Schedule 5/131**

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47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Energi Batu Hitam	Owned by the same ultimate shareholder	Deposits from customers, guarantees issued
PT Fajar Surya Perkasa	Owned by the same ultimate shareholder	Deposits from customers
PT Fajar Surya Swadaya	Owned by the same ultimate shareholder	Loans 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 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	Deposits from customers
PT Global Digital Niaga	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Global Distribusi Nusantara	Owned by the same ultimate shareholder	Deposits from customers
PT Global Kassa Sejahtera	Owned by the same ultimate shareholder	Deposits from customers
PT Global Distribusi Pusaka	Owned by the same ultimate shareholder	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	Deposits from customers
PT Global Net Aplikasi Indotravel	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Globalnet Sejahtera	Owned by the same ultimate shareholder	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 Hartono Istana Teknologi	Owned by the same ultimate shareholder	Loans 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	Loans 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 Komet Infra Nusantara	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Kudos Istana Furniture	Owned by the same ultimate shareholder	Deposits from customers

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Kumparan Kencana Electrindo	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
PT Marga Sadhya Swasti	Owned by the same ultimate shareholder	Deposits from customers
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	Deposits from customers
PT Merah Cipta Media	Owned by the same ultimate shareholder	Loans receivable, 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 Orbit Abadi Sakti	Owned by the same ultimate shareholder	Loans receivable, deposits from customers
PT Poly Kapitalindo	Owned by the same ultimate shareholder	Deposits from customers
PT Polyvisi Rama Optik	Owned by the same ultimate shareholder	Deposits from customers
PT Pradipta Mustika Cipta	Owned by the same ultimate shareholder	Deposits from customers
PT Profesional Telekomunikasi Indonesia	Owned by the same ultimate shareholder	Loans 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 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
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

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Related parties	Nature of relationship	Nature of transaction
PT Suarniaga Indonesia	Owned by the same ultimate shareholder	Deposits from customers
PT Supravisi Rama Optik Manufacturing	Owned by the same ultimate shareholder	Deposits from customers
PT Swarnadwipa Serdangjaya	Owned by the same ultimate shareholder	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	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 2018 and 2017, and for the years then ended were as follows:

	2018		2017	
	Amount	Percentage to total	Amount	Percentage to total
Loans receivable*) (Note 12)	3,216,263	0.60%	3,572,442	0.76%
Biaya dibayar dimuka**) (Note 15)	224,409	16.33%	237,807	18.49%
Other assets***)	8,036	0.06%	7,581	0.08%
Deposits from customers (Note 19)	2,489,190	0.40%	3,290,867	0.57%
Unused credit facilities to customers (Note 27)	426,591	0.21%	146,704	0.08%
Letter of credit facilities to customers (Note 27)	31,857	0.31%	11,565	0.15%
Bank guarantee issued to customers (Note 27)	93,619	0.61%	73,864	0.53%
Interest and sharia income (Note 28)	70,286	0.12%	52,332	0.10%
Interest and sharia expenses (Note 29)	36,013	0.31%	166,809	1.40%
Rental expenses (Note 34)	13,398	0.93%	13,398	0.99%
Contribution to pension plan (Note 33)	216,950	79.39%	202,549	79.43%

*) Before allowance for impairment losses.
**) Represent prepaid rental and security deposits to PT Grand Indonesia.
***) Represent rental deposit to PT Grand Indonesia.

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Compensations for key management personnel of the Bank (see Note 1e) were as follows:

	2018	2017
Short-term employee benefits (including tantiem)	503,325	472,258
Long-term employee benefits	38,031	36,408
Total	541,356	508,666

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 Hendra Karyadi, S.H., with Deed No. 11). This rental agreement started on 1 July 2007 and will end on 30 June 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 other assets. 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 Hendra Karyadi, S.H., under Deed No. 14 dated 11 April 2006.

Starting May 2008, the Bank has calculated the amortisation for those prepaid rental expenses. As of 31 December 2018 and 2017, amortisation of prepaid rental expenses was Rp 140,005 and Rp 126,607, respectively, such that the remaining prepaid rental payment to PT Grand Indonesia as of 31 December 2018 and 2017 was Rp 224,409 and Rp 237,807, respectively, which was recorded as prepaid expenses.

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 Dr. Irawan Soerodjo, S.H., Msi.

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Rental agreement with PT Grand Indonesia (continued)

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 Lim Robbyson Halim, S.H., M.H., replacement of Notary Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

Rental payment for the 32nd floor started on 1 September 2011, for which in accordance with the agreement between the Bank and PT Grand Indonesia, starting from the first rental payment date (1 September 2011), the Bank will make the rental payments on a quarterly basis until the lease expires.

On 22 June 2015, the Bank paid security deposits for additional space on 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 Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta.

Rental payment for the 33rd 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.

48. NET PAYABLE RECONCILIATION

	Subordinated bonds	Debt securities issued	Borrowings	Securities sold under agreements to repurchase
Net payable 1 January 2018	-	610,499	3,040,602	96,225
Cash flow:				
Proceeds from subordinated bonds	500,000	-	-	-
Payment of debt securities issued	-	(370,764)	-	-
Proceeds from borrowings	-	-	66,872,390	-
Payment of borrowings	-	-	(67,830,206)	-
Increase in securities sold under agreements to repurchase	-	-	-	1,460,662
Decrease in securities sold under agreements to repurchase	-	-	-	(1,519,429)
Non-cash changes:				
Adjustment of foreign currency	-	-	10,689	10,653
Net payable 31 December 2018	500,000	239,735	2,093,475	48,111

49. GOVERNMENT GUARANTEE SCHEME ON THE OBLIGATIONS OF DOMESTIC BANKS

Based on the Law No. 24 regarding Indonesia Deposit Insurance Corporation (*Lembaga Penjaminan Simpanan* or "LPS") dated 22 September 2004, effective 22 September 2005, the LPS was established to provide guarantee on certain obligations of commercial banks based on the prevailing guarantee schemes, in which the guarantee amount could be changed if certain prevailing criteria are met. The law was changed with the Government Regulation as the Replacement of Law No. 3 Year 2008, which was then changed to a law since 13 January 2009 i.e. the Law of Republic of Indonesia No. 7 Year 2009.

Based on Government of Republic of Indonesia Regulation No. 66/2008 dated 13 October 2008 regarding the deposit amount guaranteed by LPS, on 31 December 2018 and 2017, the deposit amount guaranteed by LPS for every customer in a bank is at a maximum of Rp 2,000.

As of 31 December 2018 and 2017, the Bank was the participant of this guarantee scheme.

50. ACCOUNTING STANDARDS 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 2018 as follows :

- ISFAS 33 "Foreign Currency Transactions and Advance Consideration"
- ISFAS 34 "Uncertainty over Income Tax Treatment"
- The amendments to SFAS 24 "Employee Benefit: Plan Amendment, Curtailment Or Settlement"
- Annual Improvements to SFAS 22 "Business Combination"
- Annual Improvements to SFAS 26 "Borrowing Cost"
- Annual Improvements to SFAS 46 "Income Tax"
- Annual Improvements to SFAS 66 "Joint Control"

The above standards will be effective on 1 January 2019.

- SFAS 71 "Financial Instruments"
- SFAS 72 "Revenue from Contracts with Customers"
- SFAS 73 "Leases"
- The amandements to SFAS 62 "Insurance Contract - Implementation of SFAS 71: Financial Instruments with SFAS 62: Insurance Contract"
- The amendments to SFAS 15 "Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures"
- The amendments to SFAS 71 " Financial Instruments: Free Payment Features with Negative Compensation"

The above standard will be effective on 1 January 2020.

- SFAS 112 "Accounting *Wakaf*"

The above standard will be effective on 1 January 2021.

As at the authorisation date of these consolidated financial statements, the Group is evaluating the potential impact of these new and revised standards to the Group consolidated financial statements.

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51. ACCOUNT RECLASSIFICATION

Few accounts in the consolidated statement of financial position for the year ended 31 December 2017 were reclassified in order to be in conformity with presentation of consolidated statement of financial position for the year ended 31 December 2018:

	31 December 2017		
	Before reclassification	Reclassification	After reclassification
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
ASSETS			
Intangible assets - net of accumulated amortisation	-	869,138	869,138
Prepaid expenses			
Related parties	-	237,807	237,807
Third parties	-	1,048,287	1,048,287
Prepaid tax	-	38	38
Other assets - net of allowance for impairment losses			
Related parties	245,388	(237,807)	7,581
Third parties	11,737,090	(1,917,463)	9,819,627
LIABILITIES			
Tax liabilities	147,398	(147,398)	-
Tax payable	-	551,130	551,330
Accrued expenses and other liabilities	11,332,381	(403,732)	10,928,649
CONSOLIDATED STATEMENTS OF CASH FLOWS			
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in borrowings - net	252,050	(252,050)	-
Proceeds from borrowings	-	81,151,092	81,151,092
Payment of borrowings	-	(80,899,042)	(80,899,042)
(Decrease) increase in securities sold under agreements to repurchase - net	(38,523)	38,523	-
Increase in securities sold under agreements to repurchase	-	1,702,049	1,702,049
Decrease in securities sold under agreements to repurchase	-	(1,740,572)	(1,740,572)

52. ADDITIONAL INFORMATION

Information presented in schedule 6/1 - 6/8 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.

PT BANK CENTRAL ASIA Tbk **Schedule 6/1**

ADDITIONAL INFORMATION
STATEMENTS OF FINANCIAL POSITION (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018	2017
ASSETS		
Cash	21,677,576	16,726,199
Current accounts with Bank Indonesia	43,282,691	43,229,819
Current accounts with other banks	8,474,189	8,919,113
Placements with Bank Indonesia and other banks	30,403,652	17,368,879
Financial assets held for trading	5,776,887	6,009,467
Acceptance receivables - net of allowance for impairment losses of Rp 335,850 as of 31 December 2018 (31 December 2017: Rp 416,642)	11,582,285	9,899,426
Bills receivable - net of allowance for impairment losses of Rp 5,645 as of 31 December 2018 (31 December 2017: Rp 4,822)	8,534,552	6,532,552
Securities purchased under agreements to resell	9,182,017	8,729,981
Loans receivable - net of allowance for impairment losses of Rp 13,568,311 as of 31 December 2018 (31 December 2017: Rp 13,243,452)		
Related parties	3,295,056	3,928,052
Third parties	521,051,066	450,448,054
Investment securities - net of allowance for impairment losses Rp 803 as of 31 December 2018 (31 December 2017: Rp 416,702)	106,011,781	129,173,572
Prepaid expenses	1,060,718	1,052,864
Prepaid tax	5,235	-
Fixed assets - net of accumulated depreciation of Rp 9,862,667 as of 31 December 2018 (31 December 2017: Rp 8,868,882)	18,814,438	16,462,593
Intangible assets – net of accumulated amortisation of Rp 1,009,154 as of 31 December 2018 (31 December 2017: Rp 613,151)	508,456	708,692
Deferred tax assets - net	2,925,098	2,967,032
Investment in shares - net of allowance for impairment losses of Rp 36,966 as of 31 December 2018 (31 December 2017: Rp 34,414)	3,599,218	3,346,595
Other assets - net of allowance for impairment losses of Rp 2,030 as of 31 December 2018 (31 December 2017: Rp 1,439)	12,463,204	9,202,718
TOTAL ASSETS	**808,648,119**	**734,705,608**

PT BANK CENTRAL ASIA Tbk **Schedule 6/2**

ADDITIONAL INFORMATION
STATEMENTS OF FINANCIAL POSITION (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018	2017
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from customers		
Related parties	2,772,111	3,358,922
Third parties	627,322,840	577,824,574
Deposits from other banks	6,504,001	5,762,982
Financial liabilities held for trading	188,934	51,389
Acceptance payables	5,843,486	5,800,477
Tax payables	1,053,915	367,934
Borrowings	986	969
Post-employment benefits obligation	6,296,530	6,363,388
Accruals and other liabilities	12,245,851	8,338,717
Subordinated bonds	500,000	-
TOTAL LIABILITIES	662,728,654	607,869,352
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	8,675,407	6,587,497
Unrealised gains (losses) on available-for-sale financial assets - net	(130,353)	1,259,805
Retained earnings		
Appropriated	1,697,052	1,463,952
Unappropriated	128,425,053	110,272,696
TOTAL EQUITY	145,919,465	126,836,256
TOTAL LIABILITIES AND EQUITY	**808,648,119**	**734,705,608**

PT BANK CENTRAL ASIA Tbk **Schedule 6/3**

ADDITIONAL INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018	2017
OPERATING INCOME AND EXPENSES		
Interest income	52,952,930	50,024,086
Interest expenses	(11,084,595)	(11,439,382)
INTEREST INCOME - NET	41,868,335	38,584,704
OTHER OPERATING INCOME		
Fee and commission income - net	11,908,191	10,260,158
Net trading income - net	2,775,758	1,766,519
Other operating income	1,374,139	1,656,060
Total other operating income	16,058,088	13,682,737
Impairment losses on assets	(2,367,389)	(2,261,854)
OTHER OPERATING EXPENSES		
Personnel expenses	(10,998,606)	(10,271,812)
General and administrative expenses	(12,074,173)	(11,427,835)
Others	(1,553,340)	(831,278)
Total other operating expenses	(24,626,119)	(22,530,925)
INCOME BEFORE TAX	30,932,915	27,474,662
INCOME TAX EXPENSE	(6,230,370)	(5,310,882)
NET INCOME (Carried forward)	24,702,545	22,163,780

PT BANK CENTRAL ASIA Tbk **Schedule 6/4**

ADDITIONAL INFORMATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018	2017
NET INCOME (Brought forward)	24,702,545	22,163,780
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit liability	362,416	(810,007)
Income tax	(269,202)	202,502
	93,214	(607,505)
Revaluation surplus of fixed assets	2,087,910	(4,330)
	2,181,124	(611,835)
Items that will be reclassified to profit or loss:		
Unrealised (losses) gains on available-for-sale financial assets	(1,842,681)	1,849,895
Income tax	452,523	(462,474)
Unrealised (losses) gains on available-for-sale - before income tax	(1,390,158)	1,387,421
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	790,966	775,586
TOTAL COMPREHENSIVE INCOME	25,493,511	22,939,366
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount of Rupiah)	1,002	899

PT BANK CENTRAL ASIA Tbk **Schedule 6/5**

ADDITIONAL INFORMATION
STATEMENTS OF CHANGES IN EQUITY (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018						
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Unrealised (losses) gains on available-for-sale financial assets-net	Retained earnings		Total equity
					Appropriated	Unappropriated	
Balance, 31 December 2017	1,540,938	5,711,368	6,587,497	1,259,805	1,463,952	110,272,696	126,836,256
Net income for the year	-	-	-	-	-	24,702,545	24,702,545
Revaluation surplus of fixed assets	-	-	2,087,910	-	-	-	2,087,910
Unrealised losses on available-for-sale financial assets - net	-	-	-	(1,390,158)	-	-	(1,390,158)
Remeasurement of defined benefit liability - net	-	-	-	-	-	93,214	93,214
Total comprehensive income for the year	-	-	2,087,910	(1,390,158)	-	24,795,759	25,493,511
General reserve	-	-	-	-	233,100	(233,100)	-
Cash dividends	-	-	-	-	-	(6,410,302)	(6,410,302)
Balance, 31 December 2018	**1,540,938**	**5,711,368**	**8,675,407**	**(130,353)**	**1,697,052**	**128,425,053**	**145,919,465**

PT BANK CENTRAL ASIA Tbk **Schedule 6/6**

ADDITIONAL INFORMATION
STATEMENTS OF CHANGES IN EQUITY (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2017						
					Retained earnings		
	Issued and fully paid-up capital	Additional paid-in capital	Revaluation surplus of fixed assets	Unrealised (losses) gains on available-for-sale financial assets-net	Appropriated	Unappropriated	Total equity
Balance, 31 December 2016	1,540,938	5,711,368	6,591,827	(127,616)	1,257,895	94,100,031	109,074,443
Net income for the year	-	-	-	-	-	22,163,780	22,163,780
Revaluation surplus of fixed assets	-	-	(4,330)	-	-	-	(4,330)
Unrealised gains on available-for-sale financial assets - net	-	-	-	1,387,421	-	-	1,387,421
Remeasurement of defined benefit liability - net	-	-	-	-	-	(607,505)	(607,505)
Total comprehensive income for the year	-	-	(4,330)	1,387,421	-	21,556,275	22,939,366
General reserve	-	-	-	-	206,057	(206,057)	-
Cash dividends	-	-	-	-	-	(5,177,553)	(5,177,553)
Balance, 31 December 2017	**1,540,938**	**5,711,368**	**6,587,497**	**1,259,805**	**1,463,952**	**110,272,696**	**126,836,256**

PT BANK CENTRAL ASIA Tbk **Schedule 6/7**

ADDITIONAL INFORMATION
STATEMENTS OF CASH FLOWS (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of interest income, fees and commissions	63,289,126	59,026,255
Other operating income	878,944	684,506
Payments of interest expenses, fees and commissions	(10,973,180)	(11,396,042)
Payments of post-employment benefits	(668,947)	(1,475,583)
Gain from foreign exchange transactions - net	(405,711)	193,678
Other operating expenses	(21,635,990)	(19,890,190)
Payment of tantiem to Board of Commissioners and Board of Directors	(354,950)	(308,114)
Other increases/decreases affecting cash:		
Placements with Bank Indonesia and other banks - mature more than 3 (three) months from the date of acquisition	2,803,980	(541,858)
Financial assets held for trading	1,507,219	(525,166)
Acceptance receivables	(1,602,067)	(2,970,148)
Bills receivable	(1,788,022)	(2,745,075)
Securities purchased under agreements to resell	(452,036)	(6,533,750)
Loans receivable	(71,010,420)	(52,582,504)
Other assets	(2,916,577)	(2,543,219)
Deposits from customers	46,240,525	51,018,180
Deposits from other banks	652,579	859,921
Acceptance payables	43,009	1,613,329
Accruals and other liabilities	4,036,740	1,747,822
Net cash provided by operating activities before income tax	7,644,222	13,632,042
Payment of income tax	(5,337,912)	(5,293,907)
Net cash provided by operating activities	**2,306,310**	**8,338,135**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities	45,279	-
Acquisition of investment securities	(78,978,061)	(89,261,381)
Proceeds from investment securities that matured during the year	102,721,330	70,725,054
Cash dividends received from investment in shares	587,873	454,073
Capital injection in Subsidiaries	-	(199,999)
Acquisition of Subsidiaries from non-controlling	-	(822,713)
Acquisition of fixed assets	(2,236,761)	(1,607,076)
Proceeds from sale of fixed assets	4,703	501,317
Net cash provided by (used in) investing activities	**22,144,363**	**(20,210,725)**

PT BANK CENTRAL ASIA Tbk **Schedule 6/8**

ADDITIONAL INFORMATION
STATEMENTS OF CASH FLOWS (PARENT ENTITY ONLY)
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from subordinated bonds	500,000	-
Proceeds from borrowings	17	36
Payment of borrowings	-	(808,350)
Payment of cash dividends	(6,410,302)	(5,177,553)
Net cash used in financing activities	**(5,910,285)**	**(5,985,867)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	18,540,388	(17,858,457)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	81,567,489	98,751,874
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	1,687,964	674,072
CASH AND CASH EQUIVALENTS, END OF YEAR	**101,795,841**	**81,567,489**
Cash and cash equivalents consist of:		
Cash	21,677,576	16,726,199
Current accounts with Bank Indonesia	43,282,691	43,229,819
Current accounts with other banks	8,474,189	8,919,113
Placement with Bank Indonesia and other banks - mature within 3 (three) months or less from the date of acquisition	28,361,385	12,692,358
Total cash and cash equivalents	**101,795,841**	**81,567,489**

Financial Statements
PT Dwimuria Investama Andalan and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2018 and 2017
(in millions of Rupiah)

No.	ACCOUNTS	Audited Dec 31, 2018	Audited Dec 31, 2017
	ASSETS		
1.	Cash	21,691,445	16,754,289
2.	Current accounts with Bank Indonesia	43,548,309	43,472,752
3.	Current accounts with other banks	8,537,084	9,099,018
4.	Placements with Bank Indonesia and other banks	34,098,217	19,969,682
5.	Financial assets held for trading	5,841,824	6,015,302
6.	Acceptance receivables - net of allowance	11,582,285	9,899,426
7.	Bills receivable - net of allowance	8,600,709	6,614,355
8.	Securities purchased under agreements to resell - net of allowance	9,212,684	9,258,767
9.	Loans receivable - net of allowance	524,530,462	454,264,956
10.	Consumer financing receivables - net of allowance	7,613,709	8,506,983
11.	Investment in finance leases - net of allowance	174,212	181,427
12.	Assets related to sharia transactions - net of allowance	4,824,013	4,126,329
13.	Investment securities - net of allowance	112,161,342	133,127,000
14.	Prepaid expenses	1,376,317	1,286,094
15.	Prepaid tax	6,663	38
16.	Fixed assets - net of accumulated depreciation	19,340,642	16,868,949
17.	Intangible Assets - net of accumulated amortisation	125,640,915	125,445,813
18.	Deferred tax assets - net	3,151,156	3,219,241
19.	Other assets - net of allowance	14,692,814	9,827,208
TOTAL ASSETS		**956,624,802**	**877,937,629**
	LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY		
	LIABILITIES		
1.	Deposits from customers	629,560,741	580,413,000
2.	Sharia deposits	550,438	478,698
3.	Deposits from other banks	6,494,491	5,758,414
4.	Financial liabilities held for trading	188,934	53,843
5.	Acceptance payables	5,843,486	5,800,477
6.	Securities sold under agreements to repurchase	48,111	96,225
7.	Debt securities issued	239,735	610,499
8.	Tax payable	1,178,588	552,580
9.	Borrowings	2,093,475	3,040,602
10.	Accrued expenses and other liabilities	15,035,545	10,928,649
11.	Post-employment benefits obligation	6,407,377	6,506,283
12.	Subordinated bonds	500,000	-
	TOTAL LIABILITIES	668,140,921	614,239,270
13.	Temporary *syirkah* deposits	4,595,738	3,977,715
	EQUITY		
14.	Share capital	210,619,700	210,619,700
15.	Additional paid in capital	(24,766,946)	(24,766,946)
16.	Revaluation surplus of fixed assets	1,242,289	53,203
17.	Foreign exchange differences arising from translation of financial statements in foreign currency	16,441	880
18.	Unrealised (losses) gains on available-for-sale financial assets - net	(284,885)	488,142
19.	Retained earnings	28,131,877	13,612,003
20.	Other equity components	(5,073)	(5,073)
	Total equity attributable to equity holders of the parent entity	214,953,403	200,001,909
21.	Non-controlling interest	68,934,740	59,718,735
	TOTAL EQUITY	283,888,143	259,720,644
TOTAL LIABILITIES, TEMPORARY *SYIRKAH* DEPOSITS, AND EQUITY		**956,624,802**	**877,937,629**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Years Ended December 31, 2018 and 2017
(in millions of Rupiah, unless earnings per share)

No.	ACCOUNTS	Audited Dec 31, 2018	Audited Dec 31, 2017
	OPERATING INCOME AND EXPENSES		
	Interest and sharia income		
1.	Interest income	56,428,606	53,301,358
2.	Sharia income	584,841	497,154
	Total interest and sharia income	57,013,447	53,798,512
	Interest and sharia expense		
3.	Interest expense	(11,212,601)	(11,648,120)
4.	Sharia expense	(257,295)	(239,252)
	Total interest and sharia expense	(11,469,896)	(11,887,372)
	NET INTEREST AND SHARIA INCOME	45,543,551	41,911,140
	OTHER OPERATING INCOME		
5.	Fee and commission income - net	11,996,340	10,377,462
6.	Net trading income	2,807,349	1,803,541
7.	Others	2,983,781	2,961,298
	Total other operating income	17,787,470	15,142,301
8.	Impairment losses on assets	(2,676,602)	(2,632,619)
	OTHER OPERATING EXPENSES		
9.	Personnel expenses	(12,147,606)	(11,337,405)
10.	General and administrative expenses	(13,028,051)	(12,306,174)
11.	Others	(2,514,152)	(1,564,550)
	Total other operating expenses	(27,689,809)	(25,208,129)
	INCOME BEFORE TAX	32,964,610	29,212,693
	INCOME TAX EXPENSE	(6,867,506)	(5,838,931)
	NET INCOME	**26,097,104**	**23,373,762**
	OTHER COMPREHENSIVE INCOME:		
12.	Items that will not be reclassified to profit or loss:		
	a. Remeasurements of defined benefit liability	409,898	(850,232)
	b. Income tax	(284,061)	212,936
		125,837	(637,296)
	c. Revaluation surplus of fixed assets	2,164,251	(4,330)
		2,290,088	(641,626)
13.	Items that will be reclassified to profit or loss:		
	a. Unrealised (losses) gains on available-for-sale financial assets	(1,864,674)	1,874,674
	b. Income tax	456,639	(467,401)
	Unrealised (losses) gains on available-for-sale financial assets - net of tax	(1,408,035)	1,407,273
	c. Foreign exchange differences arising from translation of financial statements in foreign currency	28,322	(1,823)
	d. Others	-	(9,233)
		(1,379,713)	1,396,217
	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**910,375**	**754,591**
	TOTAL COMPREHENSIVE INCOME	**27,007,479**	**24,128,353**
	NET INCOME ATTRIBUTABLE TO:		
	Equity holders of parent entity	14,450,819	12,405,803
	Non-controlling interest	11,646,285	10,967,959
		26,097,104	**23,373,762**
	COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
	Equity holders of parent entity	14,951,494	12,819,852
	Non-controlling interest	12,055,985	11,308,501
		27,007,479	**24,128,353**
	BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY	**68,611**	**58,901**

Financial Statements
PT Dwimuria Investama Andalan and Subsidiary - Continued

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Years Ended December 31, 2018 and 2017
(in millions of Rupiah)

ACCOUNTS	For The Years Ended December 31, 2018 and 2017 (Audited)									
	Attributable to equity holders of the parent entity									
	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 (losses) gains on available-for-sale financial assets - net	Retained earnings	Other equity components	Total equity attributable to equity holders of the parent entity	Non-controlling interest	Total equity
Balance, 31 December 2016	**177,115,700**	**-**	**55,582**	**1,883**	**(284,508)**	**1,556,346**	**-**	**178,445,003**	**59,702,793**	**238,147,796**
Net income for the year	-	-	-	-	-	12,405,803	-	12,405,803	10,967,959	23,373,762
Revalution surplus of fixed assets	-	-	(2,379)	-	-	-	-	(2,379)	(1,951)	(4,330)
Foreign exchange differences arising from translation of financial statements in foreign currency	-	-	-	(1,003)	-	-	-	(1,003)	(820)	(1,823)
Unrealised (losses) gains on available-for-sale financial assets - net	-	-	-	-	772,650	-	-	772,650	634,623	1,407,273
Remeasurements of defined benefit liability - net	-	-	-	-	-	(350,146)	-	(350,146)	(287,150)	(637,296)
Other equity components	-	-	-	-	-	-	(5,073)	(5,073)	(4,160)	(9,233)
Total comprehensive income for the year	-	-	(2,379)	(1,003)	772,650	12,055,657	(5,073)	12,819,852	11,308,501	24,128,353
Cash dividends	-	-	-	-	-	-	-	-	(2,332,895)	(2,332,895)
Share capital payment	33,504,000	-	-	-	-	-	-	33,504,000	-	33,504,000
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	(8,756,668)	(8,756,668)
Difference on transaction amount from business combination of entity under common control	-	(24,766,946)	-	-	-	-	-	(24,766,946)	(7,018)	(24,773,964)
Increase in non-controlling interest due to additional share capital payment	-	-	-	-	-	-	-	-	30,000	30,000
Changes in non-controlling interest due to acquisition of Subsidiaries	-	-	-	-	-	-	-	-	(225,978)	(225,978)
Balance, 31 December 2017	**210,619,700**	**(24,766,946)**	**53,203**	**880**	**488,142**	**13,612,003**	**(5,073)**	**200,001,909**	**59,718,735**	**259,720,644**
Balance, 31 December 2017	**210,619,700**	**(24,766,946)**	**53,203**	**880**	**488,142**	**13,612,003**	**(5,073)**	**200,001,909**	**59,718,735**	**259,720,644**
Net income for the year	-	-	-	-	-	14,450,819	-	14,450,819	11,646,285	26,097,104
Revalution surplus of fixed assets	-	-	1,189,086	-	-	-	-	1,189,086	975,165	2,164,251
Foreign exchange differences arising from translation of financial statements in foreign currency	-	-	-	15,561	-	-	-	15,561	12,761	28,322
Unrealised (losses) gains on available-for-sale financial assets - net	-	-	-	-	(773,027)	-	-	(773,027)	(635,008)	(1,408,035)
Remeasurements of defined benefit liability - net	-	-	-	-	-	69,055	-	69,055	56,782	125,837
Other equity components	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,189,086	15,561	(773,027)	14,519,874	-	14,951,494	12,055,985	27,007,479
Cash dividends	-	-	-	-	-	-	-	-	(2,888,345)	(2,888,345)
Increase in non-controlling interest due to additional share capital payment	-	-	-	-	-	-	-	-	48,365	48,365
Balance, 31 December 2018	**210,619,700**	**(24,766,946)**	**1,242,289**	**16,441**	**(284,885)**	**28,131,877**	**(5,073)**	**214,953,403**	**68,934,740**	**283,888,143**

Consolidated Commitments and Contingencies
As of December 31, 2018 and 2017
(in millions of Rupiah)

No.	ACCOUNTS	Audited Dec 31, 2018	Audited Dec 31, 2017
	COMMITMENTS		
	Committed receivables:		
1.	Borrowing facilities received and unused	4,320,600	2,846,600
2.	Outstanding derivatives purchase position	8,575,998	12,469,690
		12,896,598	**15,316,290**
	Committed liabilities:		
1.	Unused credit facilities to customers		
	- Committed	145,599,557	136,811,259
	- Uncommitted	55,587,325	49,222,154
2.	Unused credit facilities to other banks		
	- Committed	1,260,022	2,685,604
	- Uncommitted	2,353	2,039
3.	Irrevocable Letters of Credit facilities to customers	10,365,963	7,753,880
4.	Outstanding derivatives selling position	40,887,714	37,010,566
		253,702,934	**233,485,502**
	CONTINGENCIES		
	Contingent receivables:		
1.	Bank guarantees received	549,426	741,486
2.	Interest receivables on non-performing assets	392,257	319,654
		941,683	**1,061,140**
	Contingent liabilities:		
1.	Bank guarantee issued to customers	15,241,182	13,814,478
		15,241,182	**13,814,478**

Jakarta, March 5, 2019

Honky Harjo
President Director

Imron Hendrata
Director

2018 ANNUAL REPORT

Positioning for Growth

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