





# **Corporate Governance**

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Result of Self Assessment of GCG Implementation  
at BCA



# Good Corporate Governance

The implementation and the continuous improvement of Good Corporate Governance in maintaining the trust of BCA shareholders and stakeholders, become more important in the face of increasing business risks and challenges in banking business.

## Reference

BCA policy for Good Corporate Governance ("GCG") is based on Regulation No. X.K.6 on Submission of Annual Report of Publicly Listed Companies - Annex Decision of Chairman of Bapepam-LK No. Kep-431/BL/2012 dated August 1 2012, Annual Report assessment criteria, Regulations of Bank Indonesia and Bank Indonesia Circular Letter on the implementation of Good Corporate Governance for Commercial Banks, as well as on the provisions of the ASEAN Corporate Governance Scorecard.

## Commitment

The implementation of GCG is an important element in maintaining the trust of BCA's shareholders and stakeholders. GCG is becoming an increasingly important along with the increasing

business risk and challenges faced by the Bank and the banking industry as a whole. Strong GCG will help the Bank maintain its position as a leading bank in Indonesia. As such, BCA is committed to continuously improving the implementation of GCG principles in accordance with the provisions of the applicable legislation and the development of best GCG practices.

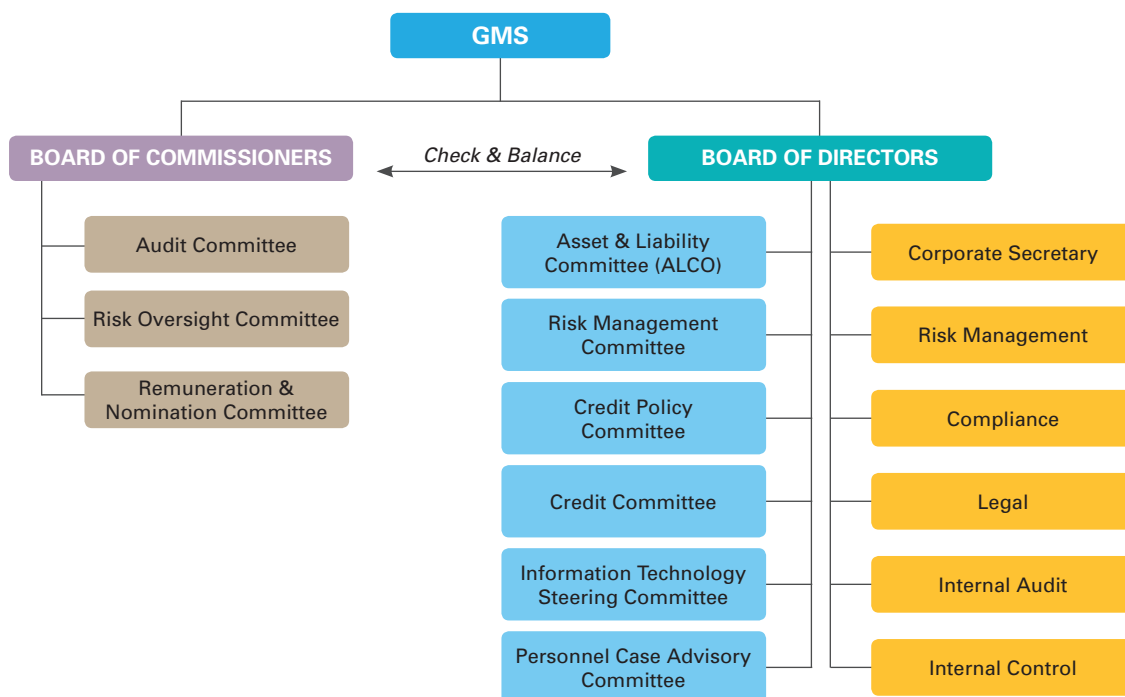
## Governance Structure

A clear division of tasks and responsibilities between different functions/work units within BCA reflects the Company's system checks and balances as well as a good internal control system.





## BCA Corporate Governance Structure



BCA's corporate governance structure consists of the General Meeting of Shareholders (GMS), Board of Commissioners, Board of Directors, Committees under the Board of Commissioners, including the Audit Committee, Risk Oversight Committee, and Remuneration & Nomination Committee, as well as Executive Committees of Directors, consisting of the Asset & Liability Committee, Risk Management Committee, Credit Policy Committee, Credit Committee, Information Technology Steering Committee, and the Personnel Case Advisory Committee. BCA's corporate governance structure are supported by the Corporate Secretary, Enterprise Wide Risk Management as part of the overall Risk Management Group, Compliance, Legal, Internal Audit, and Internal Control. BCA's governance structure is in line with the scope of duties, responsibilities, and functions in accordance with applicable regulations.

### GCG Implementation Self Assessment

In 2013, BCA conducted its GCG implementation self-assessment review in accordance with Regulations of Bank Indonesia and Bank Indonesia Circular Letter on GCG Implementation for Commercial Banks. The assessment includes three (3) aspects of governance, namely governance structure, governance processes, and governance outcomes for each of 11 (eleven) assessment factors as below:

1. Implementation of duties and responsibilities of the Board of Commissioners;
2. Implementation of duties and responsibilities of the Board of Directors;
3. Adequacy and implementation of duties of the Committees;

4. Handling of conflicts of interest;
5. Implementation of compliance function;
6. Implementation of internal audit;
7. Implementation of external audit;
8. Implementation of risk management including internal control system;
9. Funding to related parties and large exposures;
10. Transparency of Bank's financial and non-financial condition, GCG implementation report; and
11. Bank's strategic planning.

Results of the GCG implementation self-assessment in the first and second half of 2013 is categorized **"Rank 1" ("Very Good")**. More details about result of self assessment describe on page 263.

### GCG Implementation Assessment by External Parties

- To evaluate and measure the implementation of GCG in BCA, in 2013 BCA participated in the GCG research and ranking program in Indonesia - Corporate Governance Perception Index (CGPI) organized by The Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine.

The CGPI theme in 2013 is "GCG in the Perspective of Knowledge". The CGPI assessment consists of four stages, namely the self-assessment, documents assessment, papers assessment, and observation.

The result of BCA's participation in the program, BCA was awarded **"The Most Trusted Company"** which is the highest valuation possible.

- In 2013, The Indonesian Institute for Corporate Directorship (IICD) conducted an evaluation and ranking of the 100 largest companies by market capitalization listed in the Indonesian Stock Exchange. In IICD Conference and Corporate Governance Awards 2013, BCA was awarded "Rank I" in the category of "The Best for Disclosure & Transparency".
- BCA also acquired the award in the Corporate Governance Poll 2012 which was conducted by Asia Money Magazine, in four categories including: 1<sup>st</sup> place for Best Shareholder Rights and Equitable Treatment in Indonesia, 1<sup>st</sup> place for Best for Responsibilities of Management and the Board of Directors in Indonesia, 2<sup>nd</sup> place for Overall Best Company in Indonesia for Corporate Governance Poll, and 2<sup>nd</sup> place for Disclosure and Transparency in Indonesia.

### GCG Implementation Report

BCA's GCG implementation report in 2013 was prepared in accordance with Bank Indonesia Regulation No. 8/4/PBI/2006 dated 30 January 2006, as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006, and Circular Letter of Bank Indonesia No. 15/15/DPNP dated 29 April 2013 on Implementation of Good Corporate Governance for Commercial Banks.

**The GCG Implementation Report of BCA** for 2013 consists of:

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

**Transparency of GCG Implementation** includes:

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

BCA GCG Implementation Report was comprehensively prepared and presented in a separate report, which is also published on the BCA homepage ([www.bca.co.id](http://www.bca.co.id)).

## GENERAL MEETING OF SHAREHOLDERS

### Implementation Procedure of 2013 Annual General Meeting of Shareholders

1. As a public company, in accordance with the Regulation No. IX.I.1 on Plan and Implementation of the General Meeting of Shareholders - Attachment of Decision of the Chairman of the Capital Market Supervisory Board No. Kep-60/PM/1996 dated 17 January 1996, firstly, BCA delivered the agenda of the 2013 Annual GMS in a clear and detailed manner to the Financial Services Authority (formerly the Capital Market Supervisory Board) no later than 7 (seven) days prior to the notification, as referred to in the letter No. 035/CSR/2013 dated 27 March 2013.
2. Before conducting the 2013 Annual GMS notification, BCA conveyed that the Annual GMS notification will be conducted, 14 (fourteen) days prior to the 2013 Annual GMS notification, excluding the date of notification and the date of the 2013 Annual GMS. The 2013 Annual GMS notification was published in *Bisnis Indonesia*, *Suara Pembaruan* and *The Jakarta Post* daily newspapers, all on 4 April 2013.
3. The 2013 Annual GMS notification was conducted by advertising in newspapers 14 (fourteen) days prior to the date of the 2013 Annual GMS, excluding the date of the

notification and the date of the Annual GMS. The 2013 Annual GMS notification was published in *Bisnis Indonesia*, *Suara Pembaruan* and *The Jakarta Post* newspapers, all dated 19 April 2013.

GMS to the Financial Services Authority and the Indonesia Stock Exchange, and announced it to the public in *Bisnis Indonesia*, *Suara Pembaruan* and *The Jakarta Post* newspapers, all dated 8 May 2013.

4. Entitled to attend and vote in the 2013 Annual GMS are shareholders whose names are recorded in the Register of Shareholders which was closed on the last working day of the Indonesia Stock Exchange before the advertised 2013 Annual GMS notification.
5. Each share issued has one (1) voting right unless the Articles of Association of BCA states otherwise.
6. After the implementation of the GMS, BCA conveyed the results of the 2013 Annual GMS two (2) business days after the 2013 Annual

#### Implementation of the 2013 Annual GMS

In 2013, BCA held the 2013 Annual GMS on 6 May 2013 at the Bali Room, Kempinski Hotel, Jalan M.H. Thamrin No. 1, Jakarta 10310.

The 2013 Annual GMS was attended by the President Commissioner and members of the Board of Commissioners, President Director, Vice President Director, and all members of the Board of Directors, the Chairmen and members of Committees under the Board of Commissioners (Audit Committee, Remuneration & Nomination Committee and Risk Oversight Committee) as well as the shareholders or their proxies.

All members of the Board of Commissioners and Board of Directors of BCA were present in the 2013 Annual GMS, namely:

Board of Commissioners	
Name	Position
Djohan Emir Setijoso	President Commissioner
Tonny Kusnadi	Commissioner
Cyrillus Harinowo	Independent Commissioner, concurrently Chairman of the Risk Oversight Committee
Raden Pardede	Independent Commissioner, concurrently Chairman of Remuneration and Nomination Committee
Sigit Pramono	Independent Commissioner, concurrently Chairman of the Audit Committee

Board of Directors	
Name	Position
Jahja Setiaatmadja	President Director
Eugene Keith Galbraith	Vice President Director
Dhalia Mansor Ariotedjo	Director
Anthony Brent Elam	Director
Suwignyo Budiman	Director
Tan Ho Hien/Subur Tan	Compliance Director
Renaldo Hector Barros	Director
Henry Koenaifi	Director
Armand Wahyudi Hartono	Director
Erwan Yuris Ang	Director

The Number of shares with voting rights represented at the 2013 Annual GMS was 22,206,934,650 shares or 90.071% of the total shares issued and paid up by the shareholders; therefore, the quorum provisions as stipulated in Article 23, paragraph 1 (a) of BCA's Articles of Association were met.

The 2013 Annual GMS was chaired by Ir. Djohan Emir Setijoso as President Commissioner, in accordance with Article 22, paragraph 1 of BCA's Articles of Association.

In any discussion of the agenda of the 2013 Annual GMS, the Chairman of the 2013 Annual GMS provides an opportunity for the shareholders or the proxies of the shareholders to ask questions before a vote was held.

Calculation and validation of total votes in every decision of the 2013 Annual GMS was performed by a Notary as an independent party.

#### Agenda of the 2013 Annual GMS

1. Approval of the Annual Report, including the Financial Statements of BCA and the Reports of the Supervisory Duties of the Board of Commissioners of BCA for the 2012 fiscal year and to provide liability release and discharge (*acquit et decharge*) to members of the Board of Directors and Board of Commissioners of BCA for the actions of management and supervision conducted in the 2012 fiscal year;
2. Determination of the utilization the 2012 fiscal year BCA Profit;

3. Determination of salary or honorarium and other allowances for the members of the Board of Directors and Board of Commissioners;
4. Appointment of Registered Public Accountant to examine BCA books for the 2013 fiscal year;
5. Giving power and authority to the Directors to pay an interim dividend for the 2013 fiscal year;

#### 2013 Annual GMS Resolution and Realization

##### The First Agenda

- I. Approving the Annual Report, including the Board of Commissioners' Report on its Supervisory Duties, for the financial year 2012 as contained in the 2012 Annual Report;
- II. Ratifying the Company's financial statements, which include the Balance Sheet and Profit and Loss Statement for the financial year 2012, as has been audited with unqualified opinion by the Public Accountant Firm of Siddharta & Widjaja, member of KPMG International, as evident in the Company's 2012 Annual Report;
- III. Granting a release and discharge of liabilities (*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 2012, to the extent that such actions were set out in the Company's Annual Report and Financial Statements for the financial year 2012 and any relevant supporting documents thereof.

Result of the vote calculation of the first agenda is as follows:

Approve	Disapprove	Abstain
22,204,414,650 (99.98%)	1,050,000	1,470,000

Realization description: Realized.



## The Second Agenda

- I. Resolving to accept that the Company's net income for the year 2012, as set out in the Company's Balance Sheet and Profit and Loss Statement for the financial year 2012, as audited by the Public Accountant Firm of Siddharta & Widjaja, member of KPMG International, amounted to Rp 11,721,716,823,413,- (eleven trillion seven hundred twenty-one billion seven hundred sixteen million eight hundred twenty-three thousand four hundred thirteen Rupiah) ("Net Income for 2012").
- II. Resolving that the Company's Net Income for 2012, which amounted to Rp 11,721,716,823,413,- (eleven trillion seven hundred twenty-one billion seven hundred sixteen million eight hundred twenty-three thousand four hundred thirteen Rupiah), shall be appropriated as follows:
  1. Rp 117,217,168,234 (one hundred seventeen billion two hundred seventeen million one hundred sixty-eight thousand two hundred thirty-four Rupiah) shall be appropriated for a reserve fund;
  2. Rp 2,814,351,671,500 (two trillion eight hundred fourteen billion three hundred fifty-one million six hundred seventy-one thousand five hundred Rupiah) shall be distributed as cash dividends for the financial year 2012 to the shareholders entitled to receive the cash dividends, the amount of which included the interim dividends paid by the Company on 20 December 2012.

Details of the cash dividends are described as follows:

- Interim dividends amounting to Rp 1,063,845,961,500 (one trillion sixty-three billion eight hundred forty-five million nine hundred sixty-one thousand five hundred Rupiah), or Rp 43.50 (forty-three and fifty

- cents) per share has been paid by the Company for 24,456,229,000 (twenty four billion four hundred fifty-six million two hundred twenty-nine thousand) shares of the Company, which represent the total outstanding shares of the Company, exclusive of the shares bought back by the Company (treasury shares), namely 198,781,000 (one hundred ninety-eight million seven hundred eighty-one thousand) shares;
- and the remaining amount of Rp 1,750,505,710,000 (one trillion seven hundred fifty billion five hundred five million seven hundred ten thousand Rupiah) or Rp 71.- (seventy-one Rupiah) per share will be distributed to 24,655,010,000 (twenty-four billion six hundred fifty-five million ten thousand) shares which were registered in the Company's Register of Shareholders as at the record date. There was a difference in the number of shares entitled to the interim dividends and the remaining dividends because the Company's treasury shares were sold on 7 February 2013.

Now therefore, the final dividend of the Company is Rp 114.50 (one hundred fourteen Rupiah and fifty cents) per share.

As regards the payment of the dividends, the following terms and conditions shall apply:

- (i) the remaining dividends for the financial year 2012 will be paid for each share issued by the Company recorded in the Company's Register of Shareholders as at the record date, which will be determined by the Board of Directors;

- (ii) as regards such remaining dividends for the financial year 2012, the Board of Directors shall withhold tax thereon pursuant to the tax regulations in force;
  - (iii) the Board of Directors is granted the power of attorney and authority to determine matters concerning or relating to the payment of the remaining dividends for the financial year 2012, including (but not limited to):
    - (aa) determining the record date as referred to in clause (i) to determine which shareholders are entitled to receive payments of the remaining dividends for the financial year 2012; and
    - (bb) determining the date of payment of the remaining dividends for the financial year 2012, in each case without prejudice to the regulations of the Stock Exchange where the Company's shares are listed;
3. With due observance of Regulation of Bank Indonesia number 8/4/PBI/2006 dated 30 January 2006 on the Implementation of Good Corporate Governance for Commercial Banks and its amendments in conjunction with Article 71 paragraph (1) of Law No. 40 of 2007 on Limited Liability Companies, and the consideration of the Board of Commissioners after taking into account the inputs from the Remuneration and Nomination Committee as evident in the letter of the Remuneration and Nomination Committee dated 4 April 2013 number 001/SK/KRE/2013, the Meeting has determined a maximum of
- Rp 175,825,752,351 (one hundred seventy-five billion eight hundred twenty-five million seven hundred fifty-two thousand three hundred fifty-one Rupiah) to be paid as tantieme to members of the Board of Commissioners and Board of Directors who served in the Company over the financial year 2012.
- Granting power and authority to FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (qq) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the majority shareholder of the Company for the time being, to determine the distribution of tantieme among the members of the Board of Commissioners and Board of Directors who served in the Company in and over the financial year 2012, including all matters related to such tantieme payment, provided that the amount of tantieme to be paid to the members of the Company's Board of Commissioners and Board of Directors is reported in the Annual Report for the financial year 2013;
4. The remaining amount of the Net Income for 2012 that has not been allocated for any specific use, namely in the amount of at least Rp 8,614,322,231,328 (eight trillion six hundred fourteen billion three hundred twenty-two million two hundred thirty-one thousand three hundred and twenty-eight Rupiah) shall be determined as retained earnings.
- III. Resolving that such power as described in point II above shall be effective as of the date on which the proposal put forward under this point is approved by the Meeting

Result of the vote calculation of the second agenda is as follows:

Approve	Disapprove	Abstain
21,983,967,500 (98.99%)	41,958,350	181,008,800

Realization description:

- Provision for reserve funds for the 2012 fiscal year has been recorded.
- Cash dividend distribution for the 2012 fiscal year was conducted on 17 June 2013.

### The Third Agenda

- I. (i) Granting full power and authority to FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (qq) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the majority shareholder of the Company, to determine the amount of the honorarium and other benefits to be paid by the Company to the members of the Board of Commissioners who serve in the Company over the financial year 2013;
- (ii) granting full power and authority to the Company's Board of Commissioners to determine the amount of salary and other benefits to be paid by the Company to the members of the Board of Directors who serve in the Company over the financial year 2013.

In exercise of the power and authority mentioned above:

- i. FARINDO INVESTMENTS (MAURITIUS) LIMITED, qualitate qua (qq) Mr. ROBERT BUDI HARTONO and Mr. BAMBANG HARTONO, as the majority shareholder of the Company for the time being, shall consider the recommendations of the Board of Commissioners, which shall consider the recommendations of the Remuneration and Nomination Committee;
  - ii. The Board of Commissioners shall consider the recommendations of the Remuneration and Nomination Committee;
- II. Resolving that such power and authority as described in point I above shall be effective as of the date on which the proposal put forward under this point is accepted and approved by the Meeting;
  - III. 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 Company over the financial year 2013 shall be set out in the 2013 Annual Report;

Result of the vote calculation of the third agenda is as follows:

Approve	Disapprove	Abstain
21,977,083,000 (98.96%)	44,895,850	184,955,800

Realization description: Realized.

### The Fourth Agenda

- I. Granting power and authority to the Board of Commissioners to appoint a Registered Public Accounting Firm with a global network of member firms (including a Registered Public Accountant from such Registered Public Accounting Firm) to audit the books and records of the Company for the financial year 2013 and to determine the amount of honorarium and other conditions in relation to the appointment of such Registered Public Accounting Firm with a global network of member firms (including a Registered Public Accountant from such Registered Public Accounting Firm) with due observance of the recommendations of the Audit Committee and the prevailing laws and regulations, among others regulations in the field of Capital Markets.
- II. Resolving that such power and authority shall be effective as of the date on which the proposal put forward under this point is accepted and approved by the Meeting.

Result of the vote calculation of the fourth agenda is as follows:

Approve	Disapprove	Abstain
21,977,083,000 (98.96%)	44,895,850	184,955,800

Realization decription:

- The Board of Commissioners has appointed a Registered Public Accounting Firm, namely the Public Accounting Office Siddharta & Widjaja, a member of KPMG International (including the Registered Public Accounting, namely Elisabeth Imelda who is a member of the Registered Public Accounting Office) to audit the books of BCA for the 2013 fiscal year.

### The Fifth Agenda

- I. Granting power and authority to the Company's Board of Directors (with the approval of the Board of Commissioners), to the extent that the financial condition allows, to determine and pay interim dividends for the financial year 2013, provided that to ensure compliance with Article 72 of Law No. 40 of 2007 on Limited Liability Companies, if the interim dividends shall be distributed, then the distribution must be made prior to the end of the financial year 2013 to the shareholders, including determining the form, amount and manner of payment of such interim dividends, without prejudice to the approval of any competent authorities and the prevailing laws and regulations.
- II. Resolving that such power and authority shall be effective as of the date on which the proposal put forward under this point is accepted and approved by the Meeting.

Result of the vote calculation of the fifth agenda is as follows:

Approve	Disapprove	Abstain
22,116,583,150 (99.59%)	27,776,000	62,575,500

Realization description:

- Interim dividend distribution for the 2013 fiscal year has been conducted on 17 December 2013.

## MAJOR/CONTROLLING SHAREHOLDERS

Shareholders of BCA per 31 Desember 2013 are as follows:

Shareholders	Number of Shares	Percentage
FarIndo Investments (Mauritius) Ltd qualitate qua (qq) Mr. Robert Budi Hartono and Mr. Bambang Hartono <sup>*)</sup>	11,625,990,000	47.15 %
Anthony Salim	434,079,976	1.76 %
Public <sup>**) </sup>	12,594,940,024	51.09 %
<b>TOTAL</b>	<b>24,655,010,000</b>	<b>100.00 %</b>

Note:

<sup>\*)</sup> In accordance to the letter of Bank Indonesia No. 12/21/DPB3/TPB3-7 dated 25 February 2010, Ultimate Shareholders FarIndo Investments (Mauritius) Ltd ("FarIndo") is Mr. Robert Budi Hartono and Mr. Bambang Hartono.

<sup>\*\*)</sup>  On the composition of publicly-owned shares, an amount of 2.45% is owned by parties affiliated with the Ultimate Shareholders; in the amount of 0.02% owned by Mr. Robert Budi Hartono and in the amount 0.02% owned by Mr. Bambang Hartono.

### The Major/Controlling Shareholder of BCA is FarIndo Investments (Mauritius) Ltd.

FarIndo Investments (Mauritius) Ltd. is owned by Alaerka Investments Limited at 92.18% (with the balance of 7.82% in the form of Treasury Stocks). While Alaerka Investments Limited is owned by Brolonna Investments Limited at 100%, and Brolonna Investments Limited is owned by Mr. Bambang Hartono at 49% and Mr. Robert Budi Hartono at 51%.

## BOARD OF COMMISSIONERS

The Board of Commissioners is the organ of a Company that has the primary duty to conduct oversight on the policies of the Board of Directors in running the Company, and provide advice to the Board of Directors. The Board of Commissioners also has the task to ensure the implementation of GCG principles in any business activity of BCA at all levels of the BCA organization. The Board of Commissioners conducts its duties and responsibilities independently.

### Duties and Responsibilities of the Board of Commissioners, among others are:

1. To supervise the management policies of BCA and the running of the management in general, and to provide advice to the Board of Directors. The supervision by the Board of Commissioners is in the interest of BCA and in

accordance with the purposes and objectives as stated in the Articles of Associations of BCA.

2. To ensure the implementation of GCG principles in any business activities of BCA at all levels of BCA organization.
3. To direct, monitor, and evaluate the implementation of BCA's strategic policies.
4. To ensure that the Board of Directors has taken follow-up actions on audit findings and heeded recommendations of the Internal Audit Division, External Auditor, monitoring reports of the authorities including but not limited to the Financial Services Authorities, Bank Indonesia, and/or the Indonesia Stock Exchange.
5. To inform Bank Indonesia no later than 7 (seven) working days of discovering violations of the laws and regulations in the field of finance and banking, and a state or an approximation of state which may harm the business continuity of BCA.
6. To establish the:
  - a. Audit Committee;
  - b. Risk Oversight Committee; and
  - c. Remuneration and Nomination Committee.
7. To ensure that the Committees formed by the Board of Commissioners perform their duties effectively.



8. To provide enough of their time to perform their duties and responsibilities in an optimal manner.
9. To organize periodic Board of Commissioners meetings, no less than four (4) times in one year. The Board of Commissioners Meeting shall be attended physically by all members of the Board of Commissioners at least two (2) times in one year.
10. To prepare the minutes of the Board of Commissioners meetings, signed by all members of the Board of Commissioners attending the Board of Commissioners meeting.
11. To distribute a copy of the minutes of the Board of Commissioners meeting to all members of the Board of Commissioners and related parties.
12. To submit the report on the monitoring tasks which were performed during the previous year to the Annual GMS.

**Authorities of the Board of Commissioners, among others are:**

1. To enter buildings or other places used or controlled by BCA.
2. To inspect all books, correspondence and other data.
3. To request explanation to the Board of Directors regarding any aspect of BCA.
4. Temporarily dismiss one or more members of the Board of Directors in the event the member of the Board of Directors' action contradicts the Articles of Association of BCA, is detrimental to BCA, is malpractice and/ or violates the applicable laws and regulations.
5. To evaluate and decide on requests of the Board of Directors relating to transactions that require the approval of the Board of Commissioners in accordance with the Articles of Association of BCA, among others:
  - a. Lending money or providing credit or other banking facilities that resemble or result in loans:
    - i. To related parties as stipulated in Bank Indonesia regulations concerning Lending Limit of Commercial Banks;
    - ii. That exceed a certain amount which from time to time will be determined by the Board of Commissioners;
  - b. Providing guarantees or underwriting debt (*borgtocht*):
    - i. To guarantee the payment obligations of parties relating to other parties as stipulated in Bank Indonesia regulations concerning Lending Limit of Commercial Banks;
    - ii. To guarantee the obligations of other parties for the amount that exceeds a certain amount which from time to time will be determined by the Board of Commissioners;
  - c. Purchasing, or otherwise acquiring immovable property, except in order to implement what is established in point (q) paragraph 2 Article 3 of the Articles of Associations of BCA, namely in performing activities commonly conducted by a bank as long as not contrary to the prevailing laws and regulations, including, among other measures for restructuring or rescuing loans including collateral purchase, either all or in part, by auction or otherwise, in the event the debtor does not fulfill its obligations to the bank, with the provision that the collateral purchased shall be disbursed;
  - d. Establishing a new company, conducting or releasing or reducing or increasing its equity capital, except:
    - i. Increase in capital from stock dividends of BCA, or;
    - ii. Equity in order to rescue credit; taking into account the prevailing laws;

- e. Borrowing money that is not included in point (a) paragraph 2 Article 3 of the Articles of Associations of BCA, namely collecting funds from the public through savings in the form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent forms;
- f. Transferring or releasing BCA's right to collect amounts written off, either in part or in whole, the amount to be determined from time to time by the Board of Commissioners;
- g. Selling or otherwise transferring or disposing of any rights, mortgages, property of BCA which is worth less than or equal to 1/2 (one half) of the total net assets of BCA as listed on the balance sheet of BCA, both in 1 (one) transaction or in multiple transactions which stand alone or are related to each other in one (1) fiscal year;
- h. Taking legal action or transactions that are strategic and can have a significant impact on the continuity of BCA's business, the type of legal action or transaction from time to time to be determined by the Board of Commissioners,

In carrying out its duties, responsibilities and authorities, the Board of Commissioners shall consider the Articles of Association of BCA, Guidelines and Code of Conduct of the Board of Commissioners, and the prevailing legislation.

#### **Number, Composition, and Criteria of Member of the Board of Commissioners**

As of December 31, 2013, the number of members of the Board of Commissioners of the BCA is 5 (five) persons, consisting of one (1) President Commissioner, one (1) Commissioner, and three (3) Independent Commissioners. The number

of members of the Board of Commissioners of BCA does not exceed the number of members of the Board of Directors of BCA. The number of Independent Commissioner of BCA is 60% of the total number of members of the Board of Commissioners of BCA.

All members of the Board of Commissioners of BCA have passed the Fit and Proper Test and have obtained approval letters from Bank Indonesia. All members of the Board of Commissioners of BCA are domiciled in Indonesia.

The term of office of members of the Board of Commissioners is 5 (five) years. The term of office of Board of Commissioner members for the current period will expire at the conclusion of the 2016 BCA Annual GMS, without prejudice to the authority of the General Meeting of Shareholders to dismiss one or more members of the Board of Commissioners at any time before the term ends.

The general criteria in the selection of members of the Board of Commissioners, among others are:

1. Have the expertise or experience in the field of his/ her responsibility;
2. Have good leadership;
3. Have good reputation in performing his/ her previous assignments;
4. Have good character and moral;
5. Be able to conduct legal actions;
6. Have never been declared bankrupt or a member of the Board of Commissioners/ Directors who were found guilty of causing a company to go bankrupt within 5 (five) years prior to appointment;
7. Have never been convicted of committing a crime in the financial sector within 5 (five) years prior to appointment.

### Composition of the Board of Commissioners of BCA as of 31 December 2013

(Based on the Deed of Minutes of the Annual General Meeting of Shareholders of BCA No. 143 dated 12 May 2011 and the Deed of Minutes of the Extraordinary General Meeting of Shareholders of BCA No. 206 dated 16 May 2012)

Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrellus Harinowo
Independent Commissioner	Raden Pardede
Independent Commissioner	Sigit Pramono

Profiles of members of BCA Board of Commissioners are presented in the Corporate Data section, page 470 of this BCA Annual Report.

### Nomination of members of the Board of Commissioners

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

### Independence of the Board of Commissioners

All members of the Board of Commissioners of BCA have no family connection to the second degree or financial relationships with fellow members of the Board of Commissioners, members of the Board of Directors or Controlling Shareholders.

All Independent Commissioners do not have financial, management, stock ownership or family relationships with fellow members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or a relationship with BCA which may affect their ability to act independently.

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

### Dual Functions of the Board of Commissioners

Members of the Board of Commissioners do not hold positions except on matters set out in Bank Indonesia Regulation on the Implementation of GCG for Commercial Banks, which restrict dual functions as members of a board of commissioners, the board of directors or executive officers:

- a) at 1 (one) institution/company that is not a financial institution; or
- b) in one (1) non-bank subsidiary controlled by the Bank in performing oversight functions;

Name	Position in BCA	Position in other Bank	Position in Company/Institution	Field of Business
Djohan Emir Setijoso	President Commissioner	–	–	–
Tonny Kusnadi	Commissioner	–	President Commissioner of PT Sarana Menara Nusantara	Telecommunication Tower Operator
Cyrellus Harinowo	Independent Commissioner	–	Independent Commissioner of PT Unilever Indonesia	Consumer Goods
Raden Pardede	Independent Commissioner	–	Independent Commissioner of PT Adaro Indonesia	Coal Mining
Sigit Pramono	Independent Commissioner	–	–	–

### Share Ownership of Members of the Board of Commissioners that amounts 5% or more of the Paid-up Capital

Name	Share Ownership of Members of the Board of Commissioners that amounts 5% or more of the Paid-up Capital			
	BCA	Other Bank	Non Bank Financial Institution	Other Company
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrellus Harinowo	-	-	-	-
Raden Pardede	-	-	-	√
Sigit Pramono	-	-	-	-

Note :

√ = Own shares that amounts 5% (five percent) or more of the Paid-up Capital

### Determination Procedures of Remuneration for the Board of Commissioners

Based on decision of the 2013 Annual GMS, the GMS has granted the power and authority to the majority shareholder to:

- (i) determine the distribution of bonus among the members of the Boards of Commissioners and Directors of BCA;
- (ii) determine the amount of honorarium and other benefits to the members of the Board of Commissioners;

In exercising the power and authority, the majority shareholder would take into consideration the recommendations of the Board of Commissioners, in which the Board of Commissioners will consider the recommendation of the Remuneration and Nomination Committee.

### Structure of Remuneration showing Remuneration Components and Nominal Amount per Component for all Members of the Board of Commissioners for 2013

Type of Remuneration and Other Facilities	Amount Received in 1 Year	
	BOARD OF COMMISSIONERS	
	Persons	In Million Rupiah
1. Remuneration (salary, bonus, routine allowance, tantiem and other non-natura facilities)	5	59,995.15
2. Other natura facilities:		
a. Business Travel Allowance	4	43.59
b. Health Benefits	5	1,202.32
<b>Total</b>		<b>61,241.06</b>

The amount of remuneration received in cash during 2013 for each member of the Board of Commissioners for one year is in excess of Rp 2 billion.

Decision-making is conducted through consensus agreement. In the event consensus agreement does not occur, decision-making is carried out based on majority vote.

#### Board of Commissioners Meetings

The Board of Commissioners meeting schedule was set at the beginning of the year. During 2013, the Board of Commissioners held 49 (forty nine) meetings. BCA is in compliance with Bank Indonesia regulation regarding minimum mandatory board meetings of four (4) times a year, with physical attendance of at least two (2) times a year.

All decisions taken in the meeting of the Board of Commissioners shall be binding. Differences of opinion (dissenting opinions) that occur in the Board of Commissioners meetings shall be clearly stated in the minutes of the meeting along with the reasons for dissent.

#### Meeting Frequency and Attendance of the Board of Commissioners for 2013

Name	Total Meetings	Attendance	Percentage
Djohan Emir Setijoso	49	46	94 %
Tonny Kusnadi	49	44	90 %
Cyrillus Harinowo	49	45	92 %
Raden Pardede	49	42	86 %
Sigit Pramono	49	41	84 %

#### Frequency of Joint Meetings of the Board of Commissioners and the Board of Directors and Attendance of the members of the Board of Commissioners for 2013

Name	Total Meetings	Attendance	Percentage
Djohan Emir Setijoso	20	18	90 %
Tonny Kusnadi	20	18	90 %
Cyrillus Harinowo	20	16	80 %
Raden Pardede	20	14	70 %
Sigit Pramono	20	19	95 %



### Orientation Program for New Members of the Board of Commissioners

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

The orientation program includes:

1. Information regarding BCA such as the vision, mission, strategy and medium and long term plans, performance, as well as finances of BCA.
2. Details of the duties and responsibilities as a member of the Board of Commissioners such as limits of authority, working time, the relationship with the Board of Directors, rules and regulations, and others.
3. Members of the Board of Commissioners who are participating in the orientation can:
  - a. Request presentations to obtain explanation of various aspects deemed necessary, involving the management under it.
  - b. Organize meetings with the Board of Directors to discuss issues in BCA or other information deemed necessary.
  - c. Conduct visits to various business locations of BCA with members of the Board of Directors/ Management.

### Training Programs to Improve the Competence of the Board of Commissioners

Training programs attended by members of the Board of Commissioners in 2013 are as follows:

Name	Training Program	Organizer	Location	Date
Djohan Emir Setijoso	Long Term Perspective/ Challenges for Banking in Indonesia	McKinsey	Jakarta	11 March
	APINDO National Seminar	APINDO	Jakarta	9 - 10 April
	Asian Banker Summit	Asian Banker	Jakarta	24 April
	Taxation System & Business Assurance	APINDO	Jakarta	27 August
	Building Leadership Trust	Institut Cerdas Investasi Indonesia	Jakarta	26 - 27 September
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December
Tonny Kusnadi	Long Term Perspective/ Challenges for Banking in Indonesia	McKinsey	Jakarta	11 March
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December

Name	Training Program	Organizer	Location	Date
Cyrillus Harinowo	Long Term Perspective/ Challenges for Banking in Indonesia	McKinsey	Jakarta	11 March
	Asset & Liabilities & Risk Management	Lembaga Sertifikasi Profesi Perbankan	Jakarta	28 March
	IIF Annual Membership Meeting	Institute of International Finance (IIF)	Washington DC - USA	11-12 October
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December
Raden Pardede	Long Term Perspective/ Challenges for Banking in Indonesia	McKinsey	Jakarta	11 March
	Re-thinking Macro Policy II: First Steps & Early Lessons	International Monetary Fund	Washington DC - USA	16 - 17 April
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December
Sigit Pramono	Enhancing Corporate Governance Disclosure Policy & Practice Base on ASEAN CG Scorecard	Indonesian Institute for Corporate Directorship	Jakarta	20 February
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December

### Recommendations of the Board of Commissioners

One of the duties and responsibilities of the Board of Commissioners is to provide advice to the Board of Directors for the benefit of the Company in accordance with the purposes and objectives of the Company.

In 2013, the advice and recommendations provided by the Board of Commissioners to the Board of Directors included:

1. Relating to business management in general:
  - In consideration of the rapid development of BCA's business and the increase in the number of BCA's subsidiaries, it is necessary to develop a consolidated integrated risk control.
  - Business programs/ targets carried in the Bank's Business Plan and Annual Budget Plan need to be disseminated to the branches and in its implementation must consider prudence and compliance.
2. Relating to credit risk:
 

In lending, a risk of high concentration of one group/ specific industry needs to be avoided.
3. Relating to liquidity risk:
 

Taking into account the tight liquidity conditions, competition in getting deposits, and high demand for credit, the availability of adequate liquidity of BCA should become a priority.
4. Relating to operational risk:
 

In terms of operational risk, the security of information technology in order to maintain excellence in BCA's transactional banking requires special attention.
5. Relating to reputation risk:
 

In the implementation of the development of wealth management business, the aspects of reputation risk should always be controlled and mitigated.

6. Relating to strategic risk:

In the future, availability of reliable and competent human resources will be crucial; therefore, it is necessary to develop a lean organization concept and planning for the availability of human resources in accordance with the requirements of BCA.

7. Relating to compliance risk:

The Board of Commissioners believes that regulatory compliance needs special attention from all ranks, especially in terms of internal control and Internal Audit in order to mitigate regulatory risk.

### Board of Commissioners Performance Assessment

Board of Commissioners performance assessment is carried out once every year, by using indicators (performance appraisal indicators) with the following outline:

1. Contribution and support of the Board of Commissioners to implement the vision and mission of BCA in the work program in the current year, adhering to the values of the BCA.
2. Monitoring for the creation of Good Corporate Governance.

The annual performance appraisal of members of the Board of Commissioners is carried out by the Controlling Shareholders.

### Board of Commissioners Charter

The Board of Commissioners has a Board of Commissioners Charter which regulates among others are:

- Composition, criteria, independence, and term of office;
- Dual Function;
- Obligations, duties, responsibilities, and authorizations;
- Transparency;
- Prohibitions;
- Ethics and working time;
- Meetings;

The Board of Commissioners Charter is in the BCA GCG Manual.

## BOARD OF DIRECTORS

The Board of Directors is the organ of the Company that has the fundamental duty to carry out the management of the interests and objectives of the Company in accordance with the purposes and objectives of the Company under the provisions of the Articles of Association and prevailing legislation.

### Duties and Responsibilities of the Board of Directors, among others are:

1. To lead and manage BCA in accordance with BCA's aims and objectives;
2. To control, maintain and manage BCA's assets for BCA's benefits;
3. To create an internal control structure, ensuring implementation of the internal audit function at each management level and follow up on Internal Audit findings in accordance with the policies or directives given by the Board of Commissioners.
4. To submit the Annual Work Plan including the Annual Budget to the Board of Commissioners for approval of the Board of Commissioners prior to the commencement of the forthcoming fiscal year, taking into account prevailing laws and regulations.
5. To implement the principles of GCG in each of BCA's business activities at all organizational levels of BCA.
6. To prepare and maintain the Register of Shareholders, Special Register, Minutes of the General Meetings of Shareholders and Minutes of the Board of Directors' meetings.
7. To prepare the Annual Report and other financial documents of the Company as set forth in the prevailing legislations.

8. To follow-up on audit findings and recommendations of External Auditors and the results of monitoring activities by the Financial Services Authority, Bank Indonesia and/or other authorities, including but not limited to the Indonesia Stock Exchange.
9. To be accountable for the performance of its duties and responsibilities to the shareholders through the General Meeting of Shareholders.

**Authorities of the Board of Directors, among others are:**

1. To act for and on behalf of BCA in and out of court on all matters and in any event, binding BCA with other parties and other parties with BCA, as well as carrying out all actions, both for management and ownership, with restrictions as listed in the Articles of Association of BCA.
2. For certain acts, the Board of Directors is entitled to appoint one or more persons with the authority and conditions determined by the Board of Directors in a special power of attorney.
3. To set policy in leading and managing BCA.
4. Set the rules of employment of BCA, including the determination of salary, pension or retirement benefits and other income for the employees of BCA, based on the prevailing legislation and/or decision of the General Meeting of Shareholders (if any).
5. Appoint and dismiss employees of BCA under BCA's employment rules and regulations.
6. Arrange the handover of authority of the Board of Directors to represent BCA within and outside the Court to one or several members of the Board of Directors specifically appointed for that matter or to one or several employees of BCA, either alone or together with other persons or entities.

7. Execute other actions, both on management and ownership, in accordance with the provisions stipulated by the Board of Commissioners with regard to prevailing legislative provisions.

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

Descriptions of the Duties and Responsibilities of Directors are as follows:

No.	Name	Position	Duties and Responsibilities	Alternate Director I	Alternate Director II
1.	Jahja Setiaatmadja	President Director (PD)	<ul style="list-style-type: none"> <li>Internal Audit</li> <li>Corporate Secretary</li> </ul>	WPD WPD	DMR DK
2.	Eugene Keith Galbraith	Vice President Director (WPD)	<ul style="list-style-type: none"> <li>Finance and Planning</li> <li>Credit Risk Analysis</li> <li>BCA Sekuritas *)</li> </ul>	PD PD PD	DMR DWP DMR
3.	Dhalia Mansor Ariotedjo	Corporate Banking Director (DBK)	<ul style="list-style-type: none"> <li>Corporate Banking</li> <li>Corporate Banking Branch</li> <li>Treasury</li> <li>International Banking</li> <li>BCA Finance Limited (Hongkong)*)</li> </ul>	DBC DBC PD PD PD	DIV DIV WPD WPD WPD
4.	Anthony Brent Elam	Risk Management Director (DMR)	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Credit Recovery</li> </ul>	DWP DWP	DTI DTI
5.	Suwigno Budiman	Retail and Commercial Banking Director (DBC)	<ul style="list-style-type: none"> <li>Retail and Commercial Banking</li> <li>Cash Management</li> <li>Transaction Services Development</li> <li>BCA Syariah*)</li> <li>Asuransi Umum BCA*)</li> </ul>	DBK  DBK DIV  DIV DIV	DIV  DIV DWP  DWP DWP
6.	Subur Tan	Compliance Director (DK)	<ul style="list-style-type: none"> <li>Compliance</li> <li>Legal</li> <li>Human Capital Management</li> <li>Learning and Development</li> </ul>	DMR DMR DMR DMR	WPD WPD WPD WPD
7.	Renaldo Hector Barros	Information Technology Director (DTI)	<ul style="list-style-type: none"> <li>Information Technology</li> <li>Enterprise Security</li> </ul>	DWL DWL	DMR DMR
8.	Henry Koenaifi	Individual Banking Director (DIV)	<ul style="list-style-type: none"> <li>Consumer Finance</li> <li>Wealth Management</li> <li>Individual Banking Marketing Support</li> <li>Individual Banking Business Support</li> <li>BCA Finance*)</li> </ul>	DBC DBC DBC  DBC  DBC	DBK DBK DBK  DBK  DBK
9.	Armand W. Hartono	Regional and Operation Strategy Director (DWL)	<ul style="list-style-type: none"> <li>Domestic Payment Services</li> <li>Electronic Banking Services</li> <li>International Banking Services</li> <li>Operation Strategy and Development</li> <li>Regional Offices Services (Non Jabodetabek)</li> </ul>	DWP DWP DWP  DWP  DWP	DTI DTI DTI  DTI  DBC
10.	Erwan Yuris Ang	Metro Banking Director (DWP)	<ul style="list-style-type: none"> <li>Procurement and Facilities Management</li> <li>Network and Regional Planning</li> <li>Metro Banking Services (Jabodetabek and Surabaya)</li> </ul>	DWL  DWL  DWL	DTI  DTI  DBC

Notes :

- \*) represents a monitoring function of business development with consideration that for a Limited Liability company, a Subsidiary is an independent/ separate legal entity. The accountability of Directors and/ or Commissioners of Subsidiaries is to the General Meeting of Shareholders (GMS) of these Subsidiaries. The Parent Company as a shareholder exercises its authority and function through the GMS of Subsidiaries.
- An Alternate Director reports to the respective (functional) Director all of actions/decisions made during the period of acting in place of the Director.



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

As at 31 December 2013, there were 10 (ten) members of the Board of Directors of BCA, comprising 1 (one) President Director, 1 (one) Vice President Director, and 8 (eight) Directors. 1 (one) member of the Board of Directors also serves as the Compliance Director. The President Director is an independent party to the controlling shareholders.

All members of BCA's Board of Directors have passed the Fit and Proper Test and have acquired Approval Letters of Bank Indonesia. All members of the Board of Directors reside in Indonesia.

The term of office of members of the Board of Directors is 5 (five) years. The current period will expire at the conclusion of the 2016 BCA Annual GMS, without prejudice to the authority of the General Meeting of Shareholders to dismiss one or more members of the Board of Directors at any time before the term ends.

The general criteria in the selection of members of the Board of Directors are, among others, to:

1. Have the expertise or experience in the field of his/ her responsibility;
2. Have good leadership;
3. Have good reputation in performing his/ her previous assignments;
4. Have good character and moral;
5. Be able to conduct legal actions;
6. Have never been declared bankrupt or become a member of the Board of Commissioners/ Directors who was found guilty of causing a company to go bankrupt within 5 (five) years prior to appointment;
7. Have never been convicted of committing a crime in the financial sector within 5 (five) years prior to the appointment

### Composition of the Board of Directors of BCA per 31 December 2013

(Based on the Deed of Minutes of the Annual General Meeting of Shareholders of BCA No. 143 dated 12 May 2011 and the Deed of Minutes of the Extraordinary General Meeting of Shareholders of BCA No. 206 dated 16 May 2012)

Position	Name
President Director	Jahja Setiaatmadja
Vice President Director	Eugene Keith Galbraith
Director	Dhalia Mansor Ariotedjo
Director	Anthony Brent Elam
Director	Suwignyo Budiman
Director	Renaldo Hector Barros
Director	Henry Koenaifi
Director (also Director of Compliance)	Tan Ho Hien/Subur atau Subur Tan
Director	Armand Wahyudi Hartono
Director	Erwan Yuris Ang

Profiles of members of BCA Board of Directors are presented in the Corporate Data section, page 472 of this BCA Annual Report.

### Nomination of Members of the Board of Directors

The Remuneration and Nomination Committee (KRN) recommends candidates for members of the Board of Directors to the Board of Commissioners. After considering this recommendation, the Board of Commissioners proposes the Director candidate(s) for appointment at the GMS. On such recommendation from the Board of Commissioners, the GMS appoint the Director candidate(s) as member of the Board of Directors.

### Independence of the Board of Directors

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

Name	Position	Family Relationship with						Financial Relationship with					
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jahja Setiaatmadja	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Eugene Keith Galbraith	Vice President Director	-	√	-	√	-	√	-	√	-	√	-	√
Dhalia Mansor Ariotedjo	Director	-	√	-	√	-	√	-	√	-	√	-	√
Anthony Brent Elam	Director	-	√	-	√	-	√	-	√	-	√	-	√
Suwignyo Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Renaldo Hector Barros	Director	-	√	-	√	-	√	-	√	-	√	-	√
Henry Koenafi	Director	-	√	-	√	-	√	-	√	-	√	-	√
Tan Ho Hien/ Subur Tan	Director (also Director of Compliance)	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Director	-	√	-	√	√	-	-	√	-	√	√	-
Erwan Yuris Ang	Director	-	√	-	√	-	√	-	√	-	√	-	√

### Dual Function of the Board of Directors

All members of the Board of Directors do not hold positions as a member of a board of commissioners, member of a board of directors, or executive officer at other bank, companies, and/ or institutions.

Name	Position in BCA	Position other Bank	Position in Company/ Institution	Field of Business
Jahja Setiaatmadja	President Director	-	-	-
Eugene Keith Galbraith	Vice President Director	-	-	-
Dhalia Mansor Ariotedjo	Director	-	-	-
Anthony Brent Elam	Director	-	-	-
Suwignyo Budiman	Director	-	-	-
Renaldo Hector Barros	Director	-	-	-
Henry Koenafi	Director	-	-	-
Tan Ho Hien/ Subur Tan	Director (also Director of Compliance)	-	-	-
Armand Wahyudi Hartono	Director	-	-	-
Erwan Yuris Ang	Director	-	-	-

### Share Ownership of Members of the Board of Directors that amounts 5% or more of the Paid-up Capital

Name of Director	Share Ownership of Members of the Board of Directors of 5% or more of the Paid-up Capital in:			
	BCA	Other Bank	Non Bank Financial Institution	Other Company
Jahja Setiaatmadja	-	-	-	√
Eugene Keith Galbraith	-	-	-	-
Dhalia M. Ariotedjo	-	-	-	-
Anthony Brent Elam	-	-	-	-
Suwignyo Budiman	-	-	-	-
Renaldo Hector Barros	-	-	-	-
Henry Koenafi	-	-	-	-
Tan Ho Hien/ Subur Tan	-	-	-	-
Armand W. Hartono	-	-	-	√
Erwan Yuris Ang	-	-	-	-

Note:

√ = Own shares that amounts 5% (five percent) or more of the Paid-up Capital

### Determination Procedures of Remuneration for the Board of Directors

Based on the decision of the 2013 Annual GMS, the GMS has granted the power and authority to:

- (i) The controlling shareholders to determine the distribution of tantiem among the members of the Boards of Commissioners and Directors of BCA;

- (ii) The Board of Commissioners to determine the amount of salary and other benefits to members of the Board of Directors;  
In exercising its power and authority, the Board of Commissioners will consider the recommendation of the Remuneration and Nomination Committee.

### Structure of Remuneration showing remuneration Components and nominal amount per Component for all the members of the Board of Directors during 2013

Type of Remuneration and Other Facilities	Amount Received in 1 Year	
	BOARD OF DIRECTORS	
	Person	In Million Rupiah
1. Remuneration (salary, bonus, routine allowance, tantiem, and other non-natura facilities)	10	210,250
2. Other natura facilities:		
a Business Travel Allowance	10	583.88
b. Health Benefits	10	740.36
c. Health Club Membership	5	203.55
<b>Total</b>		<b>211,777.79</b>

The amount of remuneration received in cash during 2013 for each member of the Board of Directors for one year is in excess of Rp 2 billion.

### Board of Directors Meetings

The Board of Directors meeting schedule was set at the beginning of the year. During 2013, the Board of Directors held 43 (forty three) meetings.

Decision-making is conducted through consensus agreement. In the event consensus agreement does not occur, decision-making is carried out based on majority vote.

All decisions taken in the meeting of the Board of Directors shall be binding. Differences of opinion (dissenting opinion) that occur in Board of Directors meetings shall be clearly stated in the minutes of the meeting along with the reasons for dissent.

### Meeting Frequency and Attendance for Board of Directors in 2013

Name	Total Meetings	Attendance	Percentage
Jahja Setiaatmadja	43	39	91 %
Eugene Keith Galbraith	43	31	72 %
Dhalia M. Ariotedjo	43	35	81 %
Anthony Brent Elam	43	35	81 %
Suwignyo Budiman	43	33	77 %
Tan Ho Hien/ Subur Tan	43	35	81 %
Renaldo Hector Barros	43	35	81 %
Henry Koenafi	43	34	79 %
Armand W. Hartono	43	30	70 %
Erwan Yuris Ang	43	31	72 %

### Board of Commissioners - Board of Directors Joint Meetings Frequency and Attendance for 2013

Name	Total Meetings	Attendance	Percentage
Jahja Setiaatmadja	20	17	85 %
Eugene Keith Galbraith	20	16	80 %
Dhalia M. Ariotedjo	20	17	85 %
Anthony Brent Elam	20	19	95 %
Suwignyo Budiman	20	16	80 %
Tan Ho Hien/ Subur Tan	20	14	70 %
Renaldo Hector Barros	20	12	60 %
Henry Koenafi	20	13	65 %
Armand W. Hartono	20	15	75 %
Erwan Yuris Ang	20	14	70 %

### Orientation Program for New Members of the Board of Directors

An orientation program is organized for new members of the Board of Directors, in order to help in carrying out the relevant duties and responsibilities as a member of the Board of Directors as well as possible.

The orientation program includes:

1. Information regarding BCA such as the vision, mission, strategy and medium and long term plans, performance, as well as finances of BCA.
2. Details of the duties and responsibilities as a member of the Board of Directors limits of authority, working time, the relationship with the Board of Commissioners, rules and regulations, and others.
3. Members of the Board of Directors who are participating in the orientation can:
  - a. Request presentations to obtain explanation of various aspects deemed necessary, by involving the management under it.
  - b. Organize meetings with fellow members of the Board of Directors and the Board of Commissioners to discuss issues in BCA or other information deemed necessary.
  - c. Conduct visits to various business locations of BCA with fellow members of the Board of Directors/ Management.

### Training Programs to Improve the Competence of the Board of Directors

Training programs attended by members of the Board of Directors in 2013 were as follows:

Name	Training Program	Organizer	Location	Date
Jahja Setiaatmadja	Seminar "Multiple-License Policy – Challenges for the Indonesian Banking Sector" Seminar	ISEI	Jakarta	7 February
	Big Ideas & Business Innovation Service Innovation Seminar	Harian Seputar Indonesia	Jakarta	12 February
	Integration of Financial Institution's Supervision in Indonesia	Financial Services Authority (OJK)	Batam	1 March
	Credit Suisse Conference	Credit Suisse	Hong Kong	18-19 March
	Macquarie ASEAN Corporate Days	Macquarie	Edinburgh & London	22-24 April
	The 2013 International Monetary Conference	IMC	Shanghai	2 - 5 June
	The Role of Banking in Developing the Media Industry in Indonesia	Forum Pemimpin Redaksi	Bali	13 June
	Staff Leader School Program BI (SESPIBI) Batch 31, the Development and Current Issues Towards Cashless Society	Bank Indonesia	Jakarta	19 June
	INDEF 2013 Yearly Review Seminar (Formulation of Economic and Political Policies Coming to the 2014 General Elections)	INDEF	Jakarta	2 July
	DBS Vickers POA Conference	DBS	Singapore	3-4 July

Name	Training Program	Organizer	Location	Date
	Talk Show	Financial Services Authority (OJK)	Lampung	5 July
	LPS' 8th Anniversary Seminar "The Future of Finance"	LPS	Jakarta	23 September
	APEC CEO Summit 2013	Indonesian Government	Bali	5 - 8 October
	Kompas 100 CEO Forum	Kompas	Jakarta	27 November
	International Financial Literacy Seminar	Financial Services Authority (OJK)	Bali	2 December
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3-4 December
Eugene Keith Galbraith	Nomura ASEAN All Access Conference 2013	ASEAN	London & USA	7 - 14 March
	Maybank Invest Malaysia	Maybank	Malaysia	13 - 14 June
	CLSA Investor Forum	CLSA	Hong Kong	23 - 26 September
	Asset & Liability Management	Amsterdam Institute of Finance	Amsterdam	4 - 8 November
	Credit Suisse APAC Financials Corporate Day	Credit Suisse	Singapore & Hong Kong	3 - 4 December
Dhalia M. Ariotedjo	2013 Economic Outlook	Kadin & Jakarta Post	Jakarta	30 January
	2013 Indonesia Summit	Economist Conference	Jakarta	28 February
	2013 ACI World Congress	ACI Singapore	Singapore	14 - 16 March
	Citibank Global Bank Forum	Citibank	USA	22 - 24 May
	SIBOS	SWIFT	Dubai	16 - 19 September
	Refresher Risk Management Certification	Bara	London	30 September - 1 October
Anthony Brent Elam	Basel III Implementation	The Asian Banker	Singapore	28 - 30 January
	Deutsche Bank Conference	Deutsche Bank	USA	4 - 5 June
	JP Morgan Conference	JP Morgan	London & USA	4-11 September
	Risk Management Banking Conference	Risk Minds Asia	Hong Kong	23 October
	Morgan Stanley Conference	Morgan Stanley	Singapore	13-15 November
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December
Suwignyo Budiman	Seminar: New Era of Chip Card Based Transactions Security, Electronic Payment and its Regulatory Provisions	Harian Bisnis Indonesia	Jakarta	23 January
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December
Subur Tan	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December



Name	Training Program	Organizer	Location	Date
Renaldo Hector Barros	Indonesia Banking Expo 2013 Session: "The Required Information Communication Technology (ICT) for Competitive Banking in the MEA Era"	PERBANAS	Jakarta	24 May
	7 <sup>th</sup> Annual Mobile Banking Commerce Summit	American Banker	Miami-Florida, USA	3 - 5 June
Henry Koenafi	Communication Strategies: Developing Leadership Presence	NYU-Stern	New York	25 - 26 April
	Business Analytics: Inside Out in Two Days	NYU-Stern	New York	29 - 30 April
	The 13 <sup>rd</sup> JCB World Conference	JCB	San Fransisco USA	14 - 21 October
Armand W. Hartono	Long Term Perspective/ Challenges for Banking in Indonesia	McKinsey	Jakarta	11 March
	APEC CEO Summit 2013	Indonesia Government	Bali	5-8 October
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December
Erwan Yuris Ang	Sound Practice in ICAAP Implementation: How To Pinpoint and Risk Management Process in The Bank	LSPP & Bara	Jakarta	17 June
	ASEAN Global Leadership Program	Cheung Kong Graduate School of Business	Beijing	21 - 25 October
	Indonesia Knowledge Forum	BCA Learning Center	Jakarta	3 - 4 December

### Board of Directors Performance Assessment

Board of Directors performance assessment is carried out once every year. Performance appraisal of members of the Board of Directors is performed by carrying out self-assessment and reviewed by the President Commissioner/ Board of Commissioners.

Overall, issues which become the base of the assessment of the members of the Board of Directors are as follows:

1. The performance of the Board of Directors in implementing the vision and mission of BCA in the work program of the current year, by adhering to the values of BCA.
2. GCG implementation.

### Board of Directors Charter

The Board of Directors has the Board of Directors Charter which regulates among other matters:

- Composition, criteria, independency, and term of office;
- Dual Function;
- Obligations, Duties, Responsibilities, and authorities;
- Transparency;
- Prohibitions;
- Ethics and working time;
- Meetings;

The Board of Directors Charter is in the BCA GCG Manual.

## COMMITTEES OF THE BOARD OF COMMISSIONERS

### AUDIT COMMITTEE

The Audit Committee was formed by and is responsible to the Board of Commissioners with the purpose of assisting the Board of Commissioners in order to support the effective implementation of the oversight/supervision duties and functions on matters related to financial reporting, internal control systems, the implementation of internal and external audits, implementation of good corporate governance (GCG), and compliance with applicable laws and regulations.

#### Membership of the Audit Committee

The Audit Committee of BCA comprises of 3 (three) members, consisting of a Chairman who is also an Independent Commissioner and 2 (two) Committee members who are Independent Parties. One independent party is an expert in finance/accounting and the other independent party is an expert in the field of banking.

#### Membership Composition of the Audit Committee as of 31 December 2013

Name	Position
Sigit Pramono	Chairman (concurrently as Independent Commissioner)
Inawaty Handoyo	Member (Independent Party)
Ilham Ikhsan	Member (Independent Party)

Appointment of members of the Audit Committee is conducted by the Board of Directors through the Decision No. 103/SK/ DIR/2011 dated 27 July 2011 based on the Board of Commissioners Meeting Decision No. 030/RR/KOM/2011 dated 23 June 2011.

Profiles of education, positions, and work experience of members of the Audit Committee can be viewed on the Corporate Data on page 476 of this BCA Annual Report.

#### Audit Committee Member Term of Office

The term of office for the Audit Committee members shall expire at the end of the term of the Audit Committee Chairman, who is also an Independent Commissioner. The Audit Committee term of office for this period will end at the close of the 2016 Annual GMS.

#### Audit Committee Independence and Member Requirements

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

Membership requirements that must be met by Audit Committee members are as follows:

1. The Chairman of the Audit Committee may hold office as a Committee Chairman of only 1 (one) other committee in BCA.
2. Audit Committee members who are Independent Parties may hold more than one position as an Independent Party at other Committees in BCA, other Banks, and/or other companies, as long as he/she:

- a. meets all the required competencies;
  - b. meets the independency criteria;
  - c. is able to keep BCA matters confidential;
  - d. observes the applicable code of conduct; and
  - e. does not neglect implementation of duties and responsibilities as a member of the Committee.
3. Members of the Audit Committee shall have good integrity, character, and morals.
4. Members of the Audit Committee shall have the ability, knowledge, and experience in accordance to his/her field of duties, as well as being able to communicate well.
5. Members of the Audit Committee must understand financial statements, the business of BCA as particularly related to services or business activities of BCA, audit processes, and legislation in the field of the Capital Markets as well as other relevant laws and legislations.
6. Members of the Audit Committee shall comply with BCA's Code of Ethics and the Audit Committee Code of Conduct established by BCA.
7. Members of the Audit Committee are willing to continuously improve competence through education and training.
8. The Audit Committee shall have at least one member whose educational background and expertise is in accounting and/ or finance.
9. Members of the Audit Committee do not work in a Public Accountant Firm, Law Firm, Public Appraisal Service Office or other parties that has provided assurance services, non-assurance services, appraisal services and/ or other advisory services to the Bank within the last six (6) months .
10. Members of the Audit Committee have not work or had the authority and responsibility for planning, directing, controlling, or supervising the activities of BCA in the prior 6 (six) months unless as an Independent Commissioner.
11. Board of Directors members of other Banks are prohibited from becoming a member of the Audit Committee.
12. Members of the Audit Committee do not have direct or indirect shareholdings in BCA.
13. In the case of members of the Audit Committee of BCA acquires shares either directly or indirectly as a result of a legal event, the shares shall be transferred to other parties within a maximum period of 6 (six) months after the shares were acquired.
14. Members of the Audit Committee have no Affiliation with fellow members of the Board of Commissioners, the Board of Directors or Majority Shareholders of BCA; and
15. Members of the Audit Committee have no business relationship, either directly or indirectly that is related to the business activities of BCA.

#### Audit Committee Duties and Responsibilities

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

1. Monitoring and evaluating the planning and implementation of audits as well as monitoring the follow-up actions of audit findings in order to assess the adequacy of internal controls including the adequacy of the financial reporting process.
2. In order to carry out the abovestated duties and to provide recommendations to the Board of Commissioners, the Audit Committee conducts monitoring and evaluation on:
  - a. The implementation of tasks by the Internal Audit Division (DAI).
  - b. The compliance of audit implementation by the Public Accountant Office to the prevailing auditing standards.
  - c. The compliance of Financial Statements with the prevailing accounting standards.
  - d. Provide independent opinion in the event of disagreements between the management and the Public Accounting Office for services rendered.

- e. The follow-up implementations by the Board of Directors on the findings of DAI, Public Accountants and Bank Indonesia (BI) supervision results.
3. Reviewing other financial information that will be issued by BCA to the public and/ or documents such as projections, and other reports relating to the financial information of BCA.
4. Reviewing the compliance of BCA with laws and regulations in the field of banking, Capital Markets, and other legislation and provisions relating to the business activities of BCA.
5. Providing recommendations to the Board of Commissioners on the appointment of a Public Accounting Office, which is based on independency, the scope of the assignment, and the fee to be submitted to the General Meeting of Shareholders.
6. Reviewing and reporting to the Board of Commissioners regarding complaints relating to accounting and financial reporting processes of BCA.

7. Reviewing and providing advice to the Board of Commissioners in relation to potential conflict of interest at BCA.
8. Reviewing and monitoring of the implementation of effective and sustainable GCG.
9. Performing other tasks relevant to the functions of the Audit Committee at the request of the Board of Commissioners.

#### Audit Committee Meetings

The Audit Committee holds at least 4 (four) meetings in one year as stipulated in the Audit Committee Charter. During 2013, the Audit Committee held 26 (twenty six) meetings.

In each Audit Committee meeting, minutes of the meeting were prepared which states the meeting date, the attendance of members of the Audit Committee, meeting agendas, and meeting materials.

#### Attendance of the members of the Audit Committee at the Audit Committee meetings during the year 2013 is as follows:

Name	Number of Meetings	Attendance	Percentage
Sigit Pramono	26	26	100 %
Inawaty Handoyo	26	26	100 %
Ilham Ikhsan	26	26	100 %

#### Report on the Implementation of Audit Committee Work Program in 2013

1. Conducted meeting with the Public Accounting Firm Siddharta and Widjaja to discuss the final audit results of BCA's Financial Statement for the 2012 fiscal year and its Management Letter.
2. Evaluated and approved the proposal for extending the contract with Siddharta and Widjaja Public Accounting Firm, which is affiliated with KPMG International

and recommended it to the Board of Commissioners to perform the audit for the BCA Financial Statements for financial year 2013.

3. Conducted meeting with the Public Accounting Firm Siddharta and Widjaja to discuss the plan and scope of the audit of BCA's Financial Statements for the 2013 fiscal year.
4. Conducted meeting with the Division of Finance and Planning to review the Financial Statements of BCA which will be published every quarter.

5. Assessed the analysis of financial realization with its budget.
6. Conducted 7 (seven) meetings with the Internal Audit Division to:
  - a) Evaluate the annual planning.
  - b) Evaluate the implementation of internal audit each semester.
  - c) Conduct discussions on audit results deemed significant.
7. Conducted 6 (six) visits to the Head Office and Branch Office work units to attend internal audit exit meetings.
8. Reviewed reports of internal audit results (over 167 reports) and monitored follow-ups.
9. Assessed the compliance of BCA with the prevailing legislation provisions in the field of banking through a review of the reports of compliance to the prudential provisions as reported every month.
10. Assessed credit portfolio reports issued every semester.
11. Monitored risk management implementation through quarterly reports of BCA's Risk Profile and monthly reports of the Operation Risk Management Information System (ORMIS).
12. Conducted discussions with related units to evaluate operational risk and internal control activities in strategic work units : IT Operations, Mortgage Business, Credit Card Business, Logistics, and Human Capital Management, in order to provide an opinion to the Board of Commissioners regarding the adequacy of mitigation efforts for the various existing risks.
13. Evaluated the relevant work units regarding the implementation of GCG in accordance with the ASEAN CG Score Card criteria.
14. Formulation of the Charter and Code of Ethics of Audit Committee as regulated in Bapepam-LK Regulation No.IX.I.5 on Establishment and Work Guidelines of Audit Committee - Attachment to the Decree of Chairman of Bapepam-LK No.Kep-643/BL/2012 dated December 7, 2012.

15. Discussed with External Consultant (Grant Thornton International Ltd) on the effectiveness of DAI's performance.
16. Conducted a review on:
  - a) The results of Bank Indonesia's examination and follow-ups.
  - b) Follow-ups on the management letter from the Siddharta and Widjaja Public Accountant Firm.
17. Reported the results of routine studies and evaluations to the Board of Commissioners on a quarterly basis.
18. Attended the GMS, Analyst Meetings, and the 2014 BCA National Work Meeting in the framework of GCG implementation.

#### Audit Committee Charter

In 2013, the Audit Committee Charter has been updated to conform with Bapepam-LK Regulation No.IX.I.5 on Establishment and Work Guidelines of Audit Committee - Attachment to the Decree of Chairman of Bapepam-LK No.Kep-643/BL/2012 dated December 7, 2012. The Charter is also published at BCA website ([www.bca.co.id](http://www.bca.co.id)).

#### RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee was established through a Decision Letter issued by the Board of Commissioners No.033/SK/KOM/2007 dated February 22, 2007 on the Structure of the Risk Oversight Committee.

The Risk Oversight Committee was formed to ensure that the enterprise wide risk management framework provides adequate protection against risks faced by the Bank.

#### Risk Oversight Committee Membership

BCA's Risk Oversight Committee comprises three (3) persons, consisting of a Chairman who is also an Independent Commissioner and two (2) independent parties one of whom is an expert in finance and the other in the field of risk management.

### Membership Composition of the Risk Oversight Committee as of 31 December 2013

Name	Position
Cyrillus Harinowo	Chairman (concurrently as Independent Commissioner)
Endang Swasthika Wibowo	Member (Independent Party)
Andreas E. Susetyo	Member (Independent Party)

Appointment of members of the Risk Oversight Committee was formalized by the Board of Directors through Decision No.131A/SK/DIR/2012 dated August 1, 2012 and by decision of the Board of Commissioners No. 37A/RR/KOM/2012 dated July 19, 2012.

The educational and work experience profiles of the members of the Risk Oversight Committee can be found on the Corporate Data page 478 of this Annual Report.

#### Term of Office of Risk Oversight Committee Members

The term of office of the Risk Oversight Committee members will expire at the expiration of the term of office of Risk Oversight Committee Chairman. The Risk Oversight Committee term of office for this period will end at the close of the 2016 Annual GMS.

#### Risk Oversight Committee Independence and Member Requirements

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

Requirements to be met by members of the Risk Oversight Committee of BCA are among others, as follows:

1. High integrity, ability, knowledge, experience in accordance with their field of work, and the ability to communicate well;

2. At least one independent party has an educational background and expertise in finance;
3. At least one independent party has an educational background and expertise in the field of risk management;
4. No affiliation with the Board of Commissioners, the Board of Directors, or the Controlling Shareholder of the Bank;
5. No business relationship, either directly or indirectly, related to the business activities of the Bank;
6. Not a member of a Risk Oversight Committee at any other company (issuers or public companies) during the same period;

#### Duties and Responsibilities of the Risk Oversight Committee

1. To be responsible for assisting and making recommendations to the Board of Commissioners in order to improve the effective implementation of tasks and responsibilities in the field of risk management and ensure that risk management policies are properly implemented.
2. The Risk Oversight Committee should:
  - a. Evaluate consistency between risk management policies and policy implementation.
  - b. Monitor and evaluate the implementation of risk management policies as promulgated by the Risk Management Committee and the Risk Management Unit.



### Risk Oversight Committee Meetings

The Risk Oversight Committee meetings are held at least four (4) times a year as stipulated in the Risk Oversight Committee Charter. During 2013, the Risk Oversight Committee held 10 (ten) meetings.

Minutes of Meetings are maintained by the Risk Oversight Committee and include such information as the meeting date, the attendance of members of the Risk Oversight Committee, meeting agendas, and meeting materials.

### Attendance of the Members of the Risk Oversight Committee at the Risk Oversight Committee Meetings during the year 2013 is as follows:

Name	Number of Meetings	Attendance	Percentage
Cyrillus Harinowo	10	10	100 %
Endang Swasthika Wibowo	10	10	100 %
Andreas E. Susetyo	10	9	90 %

### Report on the Implementation of the Risk Oversight Committee Work Program in 2013

#### 1. Conducted:

- Monitoring of risk by reviewing and evaluating risk reports produced by the risk control units. The Risk Oversight Committee gives opinions and suggestions in written form and can request further clarification or explanations through special meetings arranged to discuss the topic.
- Monitoring quarterly stress test results.
- Monitoring of all risks by means of a risk dashboard.
- Reporting on progress of monitoring to the Board of Commissioners.

#### 2. Conducted special monitoring on:

- Operational risk, particularly the risk of Information Technology (IT) to ensure that the risks attached to internet banking and mobile banking are controlled.
- Analysis of the stress test results specifically on the aspects of:
  - Liquidity risk (general market stress test scenarios).
  - Market risk, particularly and interest rate risk and foreign exchange risk.
  - Capital Allocation and Reverse.
  - Secondary Rupiah Reserve Limits.

#### 3. Evaluated treasury activities, including foreign exchange transactions.

#### 4. Evaluated the implementation of good corporate governance by evaluating the work documents of SKMR and the Risk Management Committee.

#### 5. Provided input to the Board of Commissioners on the implementation and development of the risk management process regarding:

- IT Architecture and Planning
- Security aspects, potential IT system vulnerabilities and their risk mitigation efforts.
- DRC testing, development Disaster Recovery Plan (DRP) and Business Impact Analysis (BIA).

#### 6. Ensured that the BCA has a good infrastructure for controlling risk, for the provision and evaluation of the work done by:

- Reviewing the rules and guidelines for risk management.
- Evaluating the methods, indicators and measurement of risk.

#### 7. Attended:

- The General Meeting of Shareholders, Analyst Meetings and the 2014 national work meeting in the framework of GCG implementation.
- Workshop, to discuss the quality development in the risk management implementation.

### Risk Oversight Committee Charter

The Risk Oversight Committee adheres to an Occupational Risk Oversight Committee Charter prepared in accordance with Bank Indonesia Regulation on the Implementation of Good Corporate Governance for Banks. Guidelines and Procedures for the Risk Oversight Committee Charter are contained in the BCA GCG Manual and posted on the BCA website ([www.bca.co.id](http://www.bca.co.id)).

### REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee was established by Board of Commissioner Decision No. 118/SK/KOM/2007 dated May 30, 2007 regarding the structure of the Remuneration and Nomination Committee.

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

### Membership of the Remuneration and Nomination Committee

BCA's Remuneration and Nomination Committee consists of 3 (three) persons, a Chairman who is also an Independent Commissioner and 2 (two) members, one of whom is an Executive Officer in charge of the Division of Human Capital Management (Human Resources).

Remuneration and Nomination Committee members have the knowledge of remuneration systems and/or nominations.

#### Membership Composition of the Remuneration and Nomination Committee as of 31 December 2013

Name	Position
Raden Pardede	Chairman (concurrently as Independent Commissioner)
Djohan Emir Setijoso	Member (concurrently as President Commissioner)
Lianawaty Suwono	Member (concurrently as the Head of Human Capital Management)

The appointment of members of the Remuneration and Nomination Committee is undertaken by the Board of Directors through Decision No. 123/SK/DIR/2011 dated 19 September 2011 and by decision of the Board of Commissioners No. 027A/RR/KOM/2011 dated May 30, 2011.

The educational and work experience profiles of the members of the Remuneration and Nomination Committee can be viewed on the Corporate Data page 479 of this Annual Report.

### Term of Office of Remuneration and Nomination Committee Members

The term of office of the members of the Remuneration and Nomination Committee will expire at the expiration of the term of office of the Chairman of the Remuneration and Nomination Committee. The term of office of the members of the Remuneration and Nomination Committee during this period will expire at the close of the Annual General Meeting 2016.

### Remuneration and Nomination Committee Independence and Membership Requirements

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

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

1. High integrity, ability, knowledge, experience in accordance with their field of work and the ability to communicate well;
2. Remuneration and Nomination Committee members have knowledge of terms of remuneration and/or nominations;
3. No affiliation with the Board of Commissioners, the Board of Directors, or the Controlling Shareholder of the Bank;
4. No business relationship, either directly or indirectly, related to the business activities of the Bank.

### Duties and Responsibilities of the Remuneration and Nomination Committee include:

1. Evaluate the remuneration and nomination policies of BCA.
2. Recommend to the Board of Commissioners:
  - a. Remuneration policy for the Board of Commissioners and Board of Directors to

be submitted to the General Meeting of Shareholders of the Bank.

- b. Remuneration policy for all executive officers and employees to be delivered by the Board of Commissioners to the Board of Directors.
3. Develop and recommend to the Board of Commissioners regarding election systems and procedures and/or replacement of members of the Board of Commissioners and the Board of Directors to be submitted to the AGM.
4. Ensure remuneration policies of BCA are compliant with prevailing legislation.
5. Recommend to the Board of Commissioners on prospective members of the Board of Commissioners and /or prospective members of the Board of Directors to be submitted to the AGM.
6. Recommend independent parties as prospective members of the Audit Committee and the Risk Oversight Committee to the Board of Commissioners.
7. Assess the feasibility of the facilities policy provided to the Board of Commissioners and Board of Directors and give recommendations on the required improved/additional explanation.
8. Carry out other duties assigned by the Board of Commissioners regarding remuneration and nomination in accordance with applicable regulations.
9. Report the results of assessments and recommendations with respect to the duties of the Remuneration and Nomination Committee to the Board of Commissioners when required.

### Remuneration and Nomination Committee Meetings

The Remuneration and Nomination Committee holds meetings in accordance with BCA requirements, at least 1 (one) time a year as stipulated in the Remuneration and Nomination Committee Work Charter. During 2013, the Remuneration and Nomination Committee held 3 (three) meetings.

Minutes of meeting of the Remuneration and Nomination Committee include the meeting date, attendance of members, meeting agenda, and meeting materials.

**Attendance of the member of the Remuneration and Nomination Committee at the Remuneration and Nomination Committee meetings during the year 2013 is as follows:**

Name	Number of Meetings	Attendance	Percentage
Raden Pardede	3	3	100 %
Djohan Emir Setijoso	3	3	100 %
Lianawaty Suwono	3	3	100 %

**Report on the Implementation of Remuneration and Nomination Committee Work Program in 2013**

During 2013 the Remuneration and Nomination Committee outlined a work program focusing on the following activities:

1. Recommended to reestablish adjustment level of ranks in BCA in regards to changes in employment policy.
2. Formulated the basic principles of overall remuneration and nomination policy:
  - a. The basic principle in setting remuneration policy
    - Valid conditions of employment (compliance).
    - Competitive in its industry (positioning and competitiveness).
    - Classification/type and job weight.
    - Link between the individual and performance (performance driven) to encourage employee performance and risk awareness.
    - Policies in accordance with the Company's performance and capabilities.
    - Review cost of living (Decent Living Wage/KHL, the movement of inflation) indicators.

- b. The basic principles for selecting members of the Boards and Bank executives nomination considers:

- Fulfills the Articles of Association, GCG, and Bank Indonesia Regulation (BIR/PBI).
  - Company need.
  - Qualifying candidates (competence, experience and achievements, personality in accordance to the corporate values, a clean track record)
  - Prioritize internal development, but considering external recruiting to enrich management and decision making points of views for the company.
  - Perceived alignment of the candidate's career plan.
3. Recommended further studies of remuneration policy to anticipate aggressive decision making that may overlook risk factors.
  4. Recommended to the Board of Commissioners the division of the 2012 fiscal year bonus to all members of the Board of Commissioners and the Board of Directors presented by the Board of Commissioners to the General Meeting of Shareholders (AGM) on May 6, 2013 for approval.

5. Recommended to the Board of Commissioners several components of remuneration adjustments required in connection with the Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting of Shareholders (EGM) on May 16, 2012 regarding changes in term of office of the Board of Commissioners and Board of Directors from 3 (three) years to 5 (five) years.

#### Remuneration and Nomination Committee Charter

The Remuneration and Nomination Committee has a Remuneration and Nomination Committee Charter prepared in accordance with Bank Indonesia Regulation on the Implementation of Good Corporate Governance for Commercial Banks. The Remuneration and Nomination Committee Charter is included in the BCA GCG Manual, and posted on the BCA website ([www.bca.co.id](http://www.bca.co.id)).

#### EXECUTIVE COMMITTEE DIRECTORS

The Board of Directors is assisted by six (6) Executive Committees which are charged with providing an objective opinion to the Board of Directors and helping to systematically improve the effectiveness of the Board of Directors in initiatives and policy implementation.

Executive Committee members are appointed by the Board of Directors with members selected based upon their work experience and required background to meet the Executive Committees staffing needs.

The six (6) Executive Committees under the Board of Directors are:

1. Asset & Liability Committee (ALCO)
2. Risk Management Committee (KMR)
3. Credit Policy Committee (KKP)
4. Credit Committee (KK)
5. Information Technology Steering Committee (KPTI)
6. Personnel Case Advisory Committee (KPKK)

#### 1. ASSET & LIABILITY COMMITTEE

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

##### ALCO Main Functions

- Establish policies and liquidity management strategies to meet the liquidity needs of the Bank while minimizing non-productive idle fund balances.
- Establish and evaluate policies and strategies related to market risk including interest rate risk and foreign exchange risk.
- Establish policies and pricing strategies (pricing policy) for liability, including third party funds, products, loans, and inter-office accounts.
- Establish and evaluate policies and strategies for managing the investment portfolio.
- Establish and evaluate policies and balance sheet structuring strategies by anticipating changes in interest rates to achieve an optimum net interest margin.

##### ALCO Authority

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

- Establish deposit rates, savings, and checking account interest rates;
- Establish lending rates;
- Establish funding and investment strategies;
- Establish hedging strategy where necessary;
- Establish limits relating to liquidity risk, interest rate risk, foreign exchange risk and appropriate risk-taking policy for treasury and asset liability management.

### ALCO Membership and Voting Rights Status

Position	Filled By	Voting Rights Status
Chairman (concurrently as member)	President Director	Reserve Voting Rights
Member	• Vice President Director	
	• Individual Banking Director	
	• Risk Management Director	
	• Corporate Banking Director	
	• Retail and Commercial Banking Director	
	• Regional and Operation Strategy Director	
	• Metro Banking Director	
	• 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 Commercial Business and SME Division	
	• Head of Transaction Services Development	
	• Head of Consumer Card Business Group	
	• Head of Consumer Credit Business Unit	
	• Head of Risk Management Unit	
Secretary (concurrently as Member)	Senior Advisor at Risk Management Division on Assets Liability Management (ALM)	No Voting Rights

### Duties and Responsibilities of ALCO

ALCO focuses primarily on establishing policy and liquidity management strategies to meet the liquidity needs of the Bank and to minimize non-productive idle funds. Additionally ALCO establishes policies and strategies related to market risk, pricing strategy and the structuring of the investment portfolio and balance sheet structuring strategies to anticipate market rate movements and to optimize the net interest margin (net interest margin - NIM). ALCO reports initiatives and activities through regular monthly meetings with special smaller meetings held to discuss specific issues.

### Main Duties of ALCO Members

Voting ALCO members are responsible for:

- Providing input to the ALCO secretary for the preparation of the agenda and meeting materials.
- 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 loan fund products.
  - Strategies of Bank competitors.
  - Constraints, if any, in the implementation of ALCO decisions.
  - The behavior of customers and market changes.



### ALCO Meetings

- ALCO meetings are held as needed and at least once every month.
- ALCO meetings are valid if attended by at least ½ (half) of the members plus one member of ALCO including the Chairman or replacement, or attended by 5 (five) Directors, including the Chairman or replacement.

### Decision Making

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

### Frequency and Attendance at ALCO Meetings in 2013

Name of Directors	Number of Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja) <sup>*)</sup>	12	12	100 %
Vice President Director (Eugene Keith Galbraith)	12	9	75 %
Corporate Banking Director (Dhalia M. Ariotedjo)	12	10	83 %
Risk Management Director (Anthony Brent Elam)	12	10	83 %
Retail & Commercial Banking Director (Suwignyo Budiman)	12	9	75 %
Individual Banking Director (Henry Koenafifi)	12	6	50 %
Regional & Operation Strategy Director (Armand W. Hartono) <sup>**)</sup>	12	6	50 %
Metro Banking Director (Erwan Yuris Ang) <sup>**)</sup>	12	8	67 %
<b>Members Head of Divisions or Officials Representing</b>			
Treasury Division	12	12	100 %
International Banking Division	12	12	100 %
Finance and Planning Division	12	11	92 %
Corporate Banking and Corporate Finance Group	12	11	92 %
Commercial Business and SME Division	12	12	100 %
Fund Development and Services Division	12	12	100 %
Credit Consumer Business Unit	12	12	100 %
Consumer Card Business Group	12	7	58 %
Risk Management Unit	12	12	100 %

<sup>\*)</sup> Chairman

<sup>\*\*)</sup> Regional and Operation Strategy Director and Metro Banking Director are members of ALCO since 11 November 2013

Note :

Non member Directors also attend ALCO Meetings as resource persons.

Staff from the Head Office, Regional or Branch Offices, or external party are routinely invited to ALCO meetings as resource persons to provide input on issues.

### Accountability

Realization of the Committee's work was reported by:

- Minutes of regular meetings.
- Minutes of special meetings held to discuss specific issues.
- Data and information related to the areas covered.

- Notes and ALCO opinions regarding minutes of meetings and related data and information.

### ALCO Activity Program during 2013

During the year 2013, ALCO held 12 (twelve) meetings with the following agenda:

- Report follow up earlier ALCO meeting decisions.
- Economic parameters including inflation rates, Bank Indonesia Term Deposit interest rate, yield curves of Rupiah and USD, Rupiah & USD market liquidity and exchange rate of Rupiah.
- Liquidity reserves comprising the Reserve Primary and Secondary Rupiah and Foreign Exchange and Foreign Exchange Reserve Dollar, Euro and Currency Fund Structure, Credit Projection, Projection Liquidity and losses due to liquidity risk.
- Interest rate risk analysis including repricing gap and Sensitivity Analysis, both Rupiah and Foreign Exchange.
- Foreign Exchange Risk and the development and monitoring of the Net Open Position (NOP).
- Overall loan portfolio and outstanding loans by sector and usage.
- Yield and Cost of Funds in Rupiah and foreign currencies.
- Analysis of Asset/Liability Management.
- Development of Bank Funds to Total Banking.

- Discuss and decide changes in interest rates and Credit Funds, Prime Lending Rate and limits relating to the Asset Liability Management (ALM).
- To review the results of the simulations of profit/loss in accordance BCA's ALM strategy.

## 2. RISK MANAGEMENT COMMITTEE

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

### Main Functions of KMR

- Develop policies, strategies, and guidelines for the implementation of enterprise wide risk management.
- Improve the implementation of risk management based on the results of evaluations of the implementation process and effective risk management system.
- Establish limits and review of business decisions that deviate from normal procedures (irregularities).

### KMR Authority

KMR has the authority to review and make recommendations on matters relating to risk management as mandated by the Board of Directors.

### Membership and Voting Rights of Risk Management Committee

Position	Filled By	Voting Rights Status
Chairman (concurrently as Permanent Member)	Risk Management Director	Reserve Voting Rights
Permanent Members <sup>1)</sup>	<ul style="list-style-type: none"> <li>• All members of the Board of Directors</li> <li>• Executive Vice President of Credit Risk Analysis Group</li> <li>• Head of Compliance Unit</li> </ul>	
Non Permanent Members <sup>2)</sup>	All Heads of Division/Unit/Group/Business Unit, outside the Permanent Members	
Secretary (concurrently permanent member)	Head of the Risk Management Unit / Alternates	

Note :

1) Each member only has 1 (one) vote.

2) In accordance with the topics discussed.

### Duties and Responsibilities of KMR

- Provide input to the secretary of KMR in the form of an agenda and meeting material to be discussed by the KMR.
- Provide input in the form of information and analysis related to the topics discussed at the KMR meeting. KMR topics discussed at the meeting include:
  - Direction and objectives of BCA in formulating policies, strategies, and guidelines for risk management with recommendations for improvement or adjustment of policies as necessary.
  - Assessment of the effectiveness of the implementation of the risk management framework.
  - The development and trend of the total risk exposure of the Bank and proposing an overall risk tolerance level (risk appetite).
  - Monitoring of the total risk exposure faced by the Bank and its possible impact.
  - Assessment of the capital adequacy of the Bank and impact on capital/profitability of the bank under different stress test scenarios.
  - Development of risk measurement methods including contingency plans for abnormal conditions (worst case scenario) as well tools to effectively monitor and improve risk management techniques.

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

### KMR Meetings

The KMR is required to :

- Meets as needed and at least once every three (3) months or four (4) times in one (1) year; and
- KMR meetings are valid if attended by at least 2/3 (two thirds) the number of permanent members, or ½ (half) of total number of permanent members but with the approval of all permanent members.

### Decision Making

- Decision-making in relation to the use of KMR authority will only be taken through valid KMR meeting decisions.
- KMR meeting decisions are valid and binding if approved by more than half the number of members present.

### KMR Meeting Frequency and Attendance of the Board of Directors and Other Members in 2013

Name	Number of Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja)	4	4	100 %
Vice President Director (Eugene Keith Galbraith)	4	2	50 %
Director (Dhalia M. Ariotedjo)	4	4	100 %
Risk Management Director (Anthony Brent Elam) <sup>1)</sup>	4	4	100 %
Director (Suwignyo Budiman)	4	4	100 %
Director (Subur Tan)	4	3	75 %
Director (Renaldo Hector Barros)	4	3	75 %
Director (Henry Koenafi)	4	3	75 %
Director (Armand W. Hartono)	4	3	75 %
Director (Erwan Yuris Ang)	4	3	75 %

**KMR Meeting Frequency and Attendance Directors and Other Members in 2013 (continued)**

Name	Number of Meetings	Attendance	Percentage
Executive Vice President Credit Risk Analysis Group	4	3	75 %
Head of Compliance Unit	4	3	75 %
Head of Risk Management Unit (Secretary)	4	3	75 %
Head of Commercial Business and SME Division (Non Permanent Member) <sup>2)</sup>	1	1	100 %
Head of Credit Risk Analysis Group (Non Permanent member) <sup>2)</sup>	1	1	100 %
Head of Corporate Business and Corporate Finance Group (Non Permanent member) <sup>2)</sup>	1	1	100 %

Note :

<sup>1)</sup> Chairman<sup>2)</sup> The number of Non Permanent members for the meeting is in accordance with the invitation for discussion of related topics**Accountability**

Accountability and realization of KMR work reported by:

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

**KMR Work Program of 2013**

Throughout 2013, the KMR held 4 (four) KMR meetings with the following discussion topics:

- Reviewed the limit of Rupiah secondary reserves.
- Simulated capital allocation.
- Conducted stress tests for credit risk and reverse stress tests and stress tests for liquidity risk as well as general market stress scenarios.
- Conducted a review of the provision of credit to the property and hospitality industries
- Developed mRAROC (modified risk adjusted return on capital) and performed enhancement to its implementation.

- Monitored and proposed policies on high growth SME loan branches.
- Reviewed provisions of the Short-Term Financing Facility (FPJP) for Commercial Banks.

**3. CREDIT POLICY COMMITTEE**

The Credit Policy Committee (KKP) was formed to direct credit lending through the formulation of credit policies in order to achieve credit targets in accordance with prudence in lending.

**KKP Main Functions**

- Assist the Board of Directors in formulating credit policies, especially with regard to the principle of prudence in lending.
- Monitor and evaluate the implementation of credit policies to be implemented consistently throughout the bank.
- Conduct periodic reviews of BCA's Basic Credit Policy (KDPB).
- Monitor the progress and the condition of the credit portfolio.
- Provide advice and steps to improve capacity for credit monitoring and evaluation.

### KKP Authority

KKP has the authority to provide advice to the Board of Directors regarding remedial measures associated with the credit policy.

### KKP Membership and Voting Rights

Position	Filled By	Voting Rights Status
Chairman (concurrently Member)	President Director	Reserve Voting Rights
Members <sup>1)</sup>	• Vice President Director	
	• Risk Management Director or Substitute Director	
	• Corporate Banking Director or Substitute Director <sup>2)</sup>	
	• Retail and Commercial Banking Director or Substitute Director <sup>2)</sup>	
	• Individual Banking Director or Substitute Director <sup>2)</sup>	
	• Executive Vice President (EVP)	
	• Head of Credit Risk Analysis Group and/or Head of Business Commercial & SME Division and/or Head of Corporate Banking and Corporate Finance Group and/or Head of Consumer Credit Business Unit and/or Head of Consumer Card Business Group and/or Substitute Officer <sup>2)</sup>	
	• Head of Internal Audit Division or Substitute Officer <sup>2)</sup>	
Secretary (concurrently as Member)	Head of Risk Management Unit or Substitute Officer	

Note :

<sup>1)</sup> Additional Director entitled to attend KKP meetings, but without voting rights

<sup>2)</sup> In accordance with the agenda

### KKP Members Main Duties

- Provide input to the secretary of the KKP in the preparation of the agenda and meeting materials.
- Provide input in the form of information and analysis on the meeting of KKP to make a KKP decision, regarding:
  - Development of lending policy (corporate, commercial, SME, consumer, and credit cards) in accordance with the Bank's mission and business plan.
  - Compliance to the provisions of law in granting credit.
  - The development and the overall quality of the credit portfolio.
  - Implementation of loan approval authority.
  - Integrity of granting process, the development and the quality of loans to related parties and certain large borrowers.

- Legal Lending Limit (LLL) implementation.
- Handling of non-performing loans in accordance with credit policies.
- Adequacy of the allowance for Bank loan losses.
- Results of the implementation and oversight of the implementation of KDPB.

### KKP Meetings

Below are some of the provisions of KKP meetings.

- KKP meetings are held as needed and at least once within 1 (one) year.
- KKP meetings are valid if attended by at least 2/3 (two thirds) the number of members.

### KKP Decision Making

- Policy Committee authority is conducted via circular memorandum to the members or through physical KKP meetings.
- KKP meeting decisions are valid and binding if approved by more than half the number of members present.

### Attendance of Directors and Other Members of the KKP During 2013

Name	Number of Meetings	Attendance	Percentage	Information
President Director	1	1	100 %	
Vice President Director	1	0	0 %	Unable to attend
Risk Management Director	1	1	100 %	
Corporate Banking Director <sup>1)</sup>	1	1	100 %	
Retail & Commercial Banking Director <sup>1)</sup>	1	0	0 %	Unable to attend
Individual Banking Director <sup>1)</sup>	1	1	100 %	
Compliance Director <sup>2)</sup>	1	1	100 %	Speaker
Information Technology Director <sup>2)</sup>	1	1	100 %	Speaker
Regional & Operation Strategy Director <sup>2)</sup>	1	1	100 %	Speaker
Executive Vice President (EVP)	1	0	0 %	Unable to attend
Head of Credit and Risk Analysis Group <sup>1)</sup>	1	1	100 %	
Head of Business Commercial and SME Division <sup>1)</sup>	1	1	100 %	
Head of Corporate Banking and Corporate Finance Group <sup>1)</sup>	1	1	100 %	
Head of Consumer Credit Business Unit or substitute officials <sup>1)</sup>	1	1	100 %	
Head of Internal Audit Division	1	1	100 %	
Head of Risk Management Unit	1	1	100 %	
Head of Credit Rescue Bureau	1	1	100 %	Speaker
Head of Compliance Unit	1	1	100 %	Speaker

Note :

<sup>1)</sup> According to the topics covered

<sup>2)</sup> Not a member

### Accountability

- Written reports regularly to the Board of Directors with a copy to the Board of Commissioners regarding the results of surveillance, monitoring, and evaluation of the implementation of the Basic Policy Credit Bank (KDPB), as well as suggestions for needed improvements.
- Data and other information related to the results of observation, monitoring, and evaluation activities.

### KKP Work Program in 2013

1. Recommended credit policy
2. Reviewed the Policy Manual and Removal of Credit by among other measures :
  - Determination of the credit quality of debtors declared bankrupt.
  - Definition and policy for small business loans.
  - Handling Critically Exposed (CE) Commercial, SME and small business credit.
  - Handling return of restructured credits to the business unit.

- Authority of KCU head for lending and/or restructuring.
  - Loan rescheduling for borrowers who have productive credit facilities and mortgages.
  - Setting of auction limits below appraised liquidation value.
  - Loan restructuring and write off procedures.
3. Drafted a KKP Accountability and Work Realization Report and submitted it to the Board of Directors with a copy to the Board of Commissioners.

#### 4. CREDIT COMMITTEE

The Credit Committee was established to assist the Board of Directors in making loan evaluations and/or loan approval decisions within the authorized limits set by the Board of Directors as stipulated in the Company's Articles of Association.

##### Main Functions of Credit Committee

- Provide credit guidance and to conduct a more intensive and comprehensive credit analysis where necessary.
- Provide decisions or recommendations on credit approval proposals
- Review of specific loan types and in particular:
  - Large loans
  - Uncommon industries for BCA

The Credit Committee also coordinates with the Asset & Liability Committee (ALCO) on funding and adjustments of interest rates for corporate loans.

In the implementation of its activities, the Credit Committee (CC) groups loans based on business lines with two Credit Committees:

1. Corporate Credit Committee
2. Commercial Credit Committee

##### Credit Committee Authority

The authority of the Credit Committee includes making credit decisions or recommendations within draft decisions, referring to policies that regulate Authority to Terminate Credit as contained in the Corporate Credit Policy Manual and Commercial Credit Policy Manual.

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

- The Credit Committee has the authority to terminate credit in accordance with the authorized maximum amounts specified for each type of borrower.
- The Credit Committee has the authority to make credit decisions including:
  - Giving credit decisions for corporate and commercial categories above a certain value.
  - Providing a decision on proposed credit facilities.
  - Taking on credit either through the acquisition/purchase of loans from other financial institutions that have or have not been restructured.



### Membership and Voting Rights of Corporate Credit Committee

Position	Filled By	Voting Rights Status*)
Chairman (concurrently as Permanent Member)	Executive Vice President (EVP)	Reserve Voting Rights
Permanent Members	• President Director	
	• Vice President Director or Substitute Director	
	• Corporate Banking Director or Substitute Director	
	• Risk Management Director or Substitute Director	
Non Permanent Members	Other Directors with loan approval authority	No Voting Rights
Secretary (concurrently as Member)	Head of Credit Risk Analysis Group	

\*) Decision making through meetings conducted by voting mechanism

### Memberships and Voting Rights of Commercial Credit Committee

Position	Filled By	Voting Rights Status*)
Chairman**) (concurrently as Permanent Member)	Head of Group Credit Risk Analysis	Reserve Voting Rights
Permanent Members	• Retail & Commercial Banking Director (DBC) or Substitute Director	
	• Executive Vice President	
	• Head of Credit Risk Analysis Group based on conformity with handled commercial credit exposures	
	• Head of Regional Office	
Secretary (concurrently as Permanent Member)	Credit Adviser	No Voting Rights

\*) Decision making through meetings conducted by voting mechanism

\*\*) Duties of Committee Chairman may be alternated among Group Heads based on the relevant commercial loan exposure handled

### Main Tasks of Credit Committee Members

- Provide direction for more comprehensive credit analysis of a specific credit should information presented be insufficient for decision-making.
- Give consideration to draft decisions, proposals and recommendations submitted by business units
- Decide on credit based on professional skills in an honest, objective, accurate, and thorough fashion.
- Provide input to the Credit Committee secretary regarding meeting needs.

### Credit Committee Meetings

- Credit Committee Meetings are held as required with at least 2 (two) meetings per year.
- Meetings can be held and declared valid if attended by at least three (3) Permanent Members.
- Meetings can be conducted through teleconference.
- For the Corporate Credit Committee, the Compliance Director or his replacement shall attend every Credit Committee meeting.
- Commercial Credit Committee meetings can be done both at the head office and Regional Offices.
- Details of each Credit Committee meeting must be noted in minutes of meetings.

### Decision Making

The following are provisions on decision-making:

- Decision making on credit can be made via the approval for the draft decision, which is circulated in writing or approval confirmation via email (memo circulation) to the members of the Committee or through Credit Committee meetings. If a circulated draft decision is not approved by one member of the Committee, then the secretary has to schedule a Credit Committee meeting to discuss the credit.

- For Corporation Credit Committee, if the credit decision that was taken at a Credit Committee meeting that has not complied with the authority of the Board of Directors in the loan approval; therefore, the draft decision is circulated to seek credit approval from other Directors and/or Board of Commissioners.
- Monitoring and Resource Persons do not have voting rights in the credit decision.

### Accountability

Accountability meetings of Credit Committee can be delivered through the minutes of committee, circulated memorandum decisions, and periodic Committee reports.

### Frequency and Attendance of Corporate Credit Committee Meetings in 2013

Name	Number of Meetings	Attendance	Percentage
President Director (Jahja Setiaatmadja) <sup>2)</sup>	5	3	60 %
Vice President Director (Eugene Keith Galbraith) <sup>2)</sup>	5	3	60 %
Corporate Banking Director (Dhalia M. Ariotedjo) <sup>2)</sup>	5	5	100 %
Risk Management Director (Anthony Brent Elam) <sup>2)</sup>	5	4	80 %
Director (Suwignyo Budiman) <sup>3)</sup>	5	4	80 %
Director (Subur Tan) <sup>4)</sup>	5	4	80 %
Director (Henry Koenafi) <sup>3)</sup>	5	2	40 %
Director (Armand W. Hartono) <sup>4)</sup>	5	4	80 %
Director (Erwan Yuris Ang) <sup>5)</sup>	5	1	20 %
Executive Vice President (Rudy Susanto) <sup>1)</sup>	5	4	80 %

<sup>1)</sup> = Chairman (concurrently permanent member)

<sup>2)</sup> = Permanent Member

<sup>3)</sup> = Non Permanent Member

<sup>4)</sup> = Other Board of Directors Members

<sup>5)</sup> = Substitute Risk Management Director

### Frequency and Attendance of Commercial Credit Committee Meetings in 2013

Name	Number of Meetings	Attendance	Percentage
Retail & Commercial Banking Director (Suwignyo Budiman) <sup>2)</sup>	6	3	50 %
Vice President Director (Eugene Keith Galbraith) <sup>3)</sup>	6	3	50 %
Executive Vice President (Rudy Susanto) <sup>2)</sup>	6	5	83 %
Head of Credit Risk Analysis Group B (Rickyadi Widjaja) <sup>1)</sup>	6	5	83 %
Head of Other Credit Risk Analysis Group <sup>2)</sup>	6	5	83 %
Head of Small and Medium Business Division <sup>4)</sup>	6	2	33 %
Head of Compliance Unit <sup>5)</sup>	6	5	83 %
Head of Region <sup>2)</sup>	6	5	83 %

<sup>1)</sup> = Chairman (concurrently permanent member)

<sup>2)</sup> = Permanent Member

<sup>3)</sup> = Non Permanent Member

<sup>4)</sup> = Source

<sup>5)</sup> = Oversight

### Activity/Realization of Work Program of Corporate Credit Committee and Commercial Credit Committee in 2013

During 2013, the Corporate Credit Committee held 5 (five) meetings, while the Commercial Credit Committee held four (4) meetings .

### 5. INFORMATION TECHNOLOGY STEERING COMMITTEE (KPTI)

KPTI was established to ensure the implementation of an information technology (IT) system in line with Bank strategy. The KPTI mission is to improve the Company's competitive advantage through the utilization of appropriate IT.

### Main Functions of KPTI

- Reviewing and recommending an IT strategic plan in line with the Company's business plan.
- Conducting regular evaluations for IT support of BCA business activities.
- Ensuring that IT investments add value to BCA.

### Information Technology Steering Committee Membership and Voting Rights

Position	Filled By	Voting Rights Status
Chairman (concurrently as Member)	Information Technology Director	Reserve Voting Rights
Secretary (concurrently as Member)	Head of IT Management Office	
Members	• Risk Management Director	
	• Compliance Director	
	• Regional & Operation Strategy Director	
	• Metro Banking Director	
	• Head of Infrastructure & Service Delivery Management	
	• Head of Delivery Channel & Middleware Application Management	
	• Head of Database Application Management	
	• Head of Core Application Management (I & II)	
	• Head of Enterprise Security Unit (SKES)	
	• Head of Risk Management Unit	
	• Head of Compliance Unit	
	• Head of Operation Strategy & Development Division	
	• Head of Primary User IT Work Unit *)	
	• Head of Internal Audit Division	No Voting Rights

\*) Participation in meetings depends on meeting topics relevant to the work units concerned

### Authority and Responsibility of KPTI

KPTI has the authority and responsibility as follows:

- Provide recommendations to the Board of Directors for the IT strategic plan in line with the Bank's business activities and strategic plan.
- Review and make recommendations on the feasibility of IT investments as contributing to achievement of business objectives.
- Review and recommend steps to minimize the risk of IT investments.
- Review and provide recommendations on major IT policies and procedures.

### KPTI Meetings

- KPTI meetings are conducted as needed and at least 4 (four) times a year.
- KPTI meeting can only be conducted if attended by at least 2/3 (two thirds) of the members with voting rights.

### Decision Making

- Decision-making in relation to KPTI authority can only be made from decisions of legitimate KPTI meetings.
- Decisions of KPTI meetings are valid and binding if approved by at least 1/2 (half) plus 1 (one) of the members with voting rights present.

### Accountability

KPTI Work Realization is reported through the minutes of meetings with the following provisions:

- Attendance of KPTI members in meetings of the KPTI are in quorum.
- Results of KPTI meetings shall well-documented in the minutes of meetings.
- Minutes of meeting will be made by the KPTI secretary and signed by the KPTI chairman.

### Frequency and Attendance of Information Technology Steering Committee Meetings in 2013

Name	Total Meeting	Attendance	Percentage
Information Technology Director (Renaldo Hector Barros)*	4	4	100 %
Risk Management Director (Anthony Brent Elam)	4	4	100 %
Compliance Director (Subur Tan)	4	4	100 %
Regional & Operation Strategy Director (Armand W. Hartono)	4	4	100 %
Metro Banking Director (Erwan Yuris Ang)	4	3	75 %
Head of IT Management Office	4	4	100 %
Head of Infrastructure & Service Delivery Management	4	3	75 %
Head of Delivery Channel & Middleware Application Management	4	3	75 %
Head of Database Application Management	4	3	75 %
Head of Core Application Management I	4	3	75 %
Head of Core Application Management II	4	4	100 %
Head of Enterprise Security Unit	4	3	75 %
Head of Risk Management Unit	4	4	100 %
Head of Compliance Unit	4	3	75 %
Head of Operation Strategy & Development Division	4	4	100 %
Head of Internal Audit Division **	4	2	50 %

\* = Chairman

\*\* = Without voting rights

### Realization of Work in 2013

- Evaluated and monitored that implementation of strategic information technology (IT) project aligned with BCA business development and strategic corporate objectives.
- Evaluated the existing IT architecture including evaluation of the implementation of process and the technology used.
- Monitored the use of the 2013 IT budget.
- Monitored and evaluated IT human resource allocation in contributing to IT project implementation.
- Assessed and monitored the strategic steps to minimize the risk of IT investments.

### Work Programs in 2014

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

### 6. PERSONNEL CASE ADVISORY COMMITTEE

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

#### Main Functions of KPKK

- Review cases of violations and/or crimes committed by employees which require decision by the Board of Directors for follow-up settlement.
- Give consideration to the Board of Directors in determining follow-up settlement of cases of violations and/or crimes, which include the imposition of sanctions, revamping operational procedures and systems and processing legal cases if necessary.
- Periodically, review the settlement of violations and/or crimes that were implemented by the Heads of Branch Offices and Regional Office.
- Provide advice and guidance (if needed) to branches and regions in handling cases of violations and/or crimes.

#### KPKK Authority

KPKK has the authority to make suggestions/recommendations to the Board of Directors concerning the settlement of violations and/or crimes committed by employees.

### Membership and Voting Rights of KPKK

Position	Filled By	Voting Rights Status
Chairman (concurrently as Member)	Head of Human Capital Management Division	Reserve Voting Rights
Permanent Members	• Head of Internal Audit Division	
	• Head of Legal Group	
	• Head of Operation Strategy & Development Division	
Non Permanent Members	• Head of Network Management Unit and Regional Planning	No Voting Rights
Secretary	Head of Sub - Division of Audit Branch	

### Main Duties of KPKK

KPKK members have voting rights, with the main tasks to provide analysis and consideration at meetings in order to formulate suggestions/recommendations regarding:

- Imposition of sanctions;
- Improving systems and operational procedures;
- Processing of legal cases.

If KPKK members are unable to attend the meeting they can be represented by other officials (the Deputy Head or Division Head) appointed by the member concerned.

### KPKK Meetings

- KPKK meetings are held as necessary.
- Voting rights are held by members.
- KPKK meetings are legitimate if attended by at least 2/3 (two thirds) of the number of members.

### Decision Making

- Decision-making in relation to the use of authority of the committee can only be taken for decisions from legitimate KPKK meetings.
- Decisions of KPKK meetings can be:
  - A recommendation to the Board of Directors agreed upon by all members, or
  - More than one recommendation (if consensus not reached).

### Accountability

Realization of KPKK work reported by:

- Minutes of regular meetings.
- Minutes of a special meeting held to discuss specific issues.

### Frequency and Attendance of KPKK Meetings in 2013

During 2013 the KPKK conducted nine (9) meetings. The Chairman and members of KPKK are Executive Officers under the Board of Directors.

### Following is KPKK member attendance in 2013

Name	Number of Meetings	Attendance	Percentage
Head of Human Capital Management Division <sup>*)</sup>	9	9	100 %
Head of Internal Audit Division	9	9	100 %
Head of Legal Group	9	8	89 %
Head of Operation Strategy & Development Division	9	9	100 %
Head of Network Management Unit and Regional Planning	9	9	100 %

<sup>\*)</sup> Chairman

### Realization of KPKK Work Program for 2013

Throughout 2013, KPKK held 9 (nine) meetings where the work program provided input in the form of information, analysis and judgment to make recommendations to the Board of Directors on several offenses committed by employees

that required the Board's decision for follow-up settlement, including the imposition of sanctions and/or improvement of systems and operational procedures and/or processing of legal cases.

## CORPORATE SECRETARY

The main responsibilities of the Corporate Secretary are to maintain the image and protect the interests of the Bank through the establishment of good communication and relationships with stakeholders as well as supporting the implementation of the company policy and strategy as directed by the Board of Directors and Board of Commissioners.

### Corporate Secretary Position and Officers

The Corporate Secretary, who is appointed by the Board of Directors, holds a position equivalent to Division Head reports to the President Director.

Currently, the Corporate Secretary of BCA is Inge Setiawati who has served in this position since August 1, 2011 based on Directors Decision No. 1289/SK/DHR/A/2011 dated August 1, 2011.

The Corporate Secretary's educational and professional background can be viewed on the Corporate Data page 480 of this Annual Report.

### Description of duties and responsibilities of the Corporate Secretary

- Represent the Board of Directors in conjunction with outside agencies/institutions, both public and private, as requested by the Board of Directors.
- Monitor compliance of the Bank to banking regulations.
- Support the implementation and enforcement of Good Corporate Governance in the Bank.
- Manage and develop a positive image of the Bank through the development of internal and external relationships through public relations activities.
- Supporting adherence by the Board of Directors and Board of Commissioners to the Articles of Association and regulations of OJK and other relevant regulators.
- Monitor the activities of the corporate secretariat and protocol and correspondence relating to the Board of Directors and Board of Commissioners.
- Manage and monitor the implementation of corporate social responsibility (CSR), social awareness programs as well as corporate sponsorship activities and stakeholder engagement.
- Establish communication and good working relationships with internal and external parties and business partners.
- Implement and oversee regulations relating to corporate actions, good corporate governance and compliance with capital markets regulations.
- Organize GMS, corporate actions and public exposes (along with the Investor Relations).
- Coordinate with related internal work units and external parties/agencies in an effort to facilitate BCA activities and increase the effectiveness of work procedures related to Board and Committee activities.
- Coordinate/monitor activities related to the receipt and delivery of corporate information as well as the implementation of Board of Directors and Board of Commissioners meetings.
- Provide services to stakeholders for information needed regarding the condition of the Bank.
- Liaise between BCA and the Financial Services Authority, Indonesia Stock Exchange, other capital market authorities, and communities.
- Perform activities that support the implementation of transparency especially regarding BCA performance through communication with interested parties.



### Brief Description of Duties Undertaken by Corporate Secretary in 2013

During 2013 the Corporate Secretary undertook the following activities:

1. Organized the Annual General Meeting of Shareholders 2013.
2. Conducted GCG Implementation Self Assessments in the First Half and Second Half of 2013.
3. Prepared GCG Implementation Report 2013.
4. Disclosed Corporate Governance and Corporate Social Responsibility contained in the 2013 Annual Report.
5. Customized the implementation of corporate governance in accordance with the provisions of the ASEAN Corporate Governance Scorecard.
6. Organized BCA's 56<sup>th</sup> anniversary celebration in February 2013 involving 600 athletes and 1,500 employee athletes from various branches of the Bank and the Jabodetabek Region.
7. Carried out Public Expose (along with the Investor Relations).
8. Organized quarterly Press Conferences & Analyst Meetings.
9. Organized National Meeting (along with other work units).
10. Developed and implemented a program of corporate social responsibility activities, as described on chapter of Corporate Social Responsibility of this BCA Annual Report.
11. Developed press releases related to BCA's performance and development.
12. Developed corporate communications materials such as BCA publications of financial statements through the mass media, advertising in holidays, and others.
13. Developed and implemented activities in line with BCA sponsorship policy.
14. Organized, developed and implemented several internal employee and customer relations events.

### INVESTOR RELATIONS FUNCTION

The main task of Investor Relations is representing the Board of Directors in relations with investors, capital markets, and shareholders including:

1. Formulating a communication strategy specifically to investors, potential investors, analysts, fund-managers, and the capital markets.
2. Preparing materials and conducting road shows, analyst meetings, and conference calls.
3. Communicating various aspects related to BCA shares and share performance and Financial Statements to parties such as fund - managers, investors, and potential investors.
4. Managing the relationships with the fund - managers, research analysts, and economists (especially stock market players).
5. Monitoring and analyzing data on the performance and stock price of BCA.
6. Coordinating the preparation, publication and distribution of the Annual Report to investors/ analysts.
7. Providing data and financial information about BCA to investors and the capital markets.

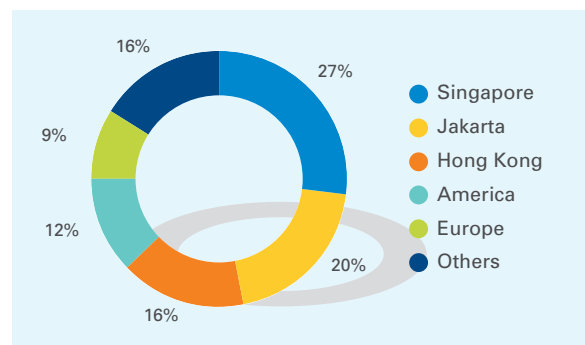
### BCA Investor Relations Activities in 2013

	2013	2012
Analyst Meeting <sup>*)</sup>	5	5
Non-deal road show	1	7
Conference <sup>**)</sup>	15	13
Investor Visit	171	153
Conference call	37	28
<b>Total</b>	<b>229</b>	<b>206</b>

<sup>\*)</sup> Including one Public Expose

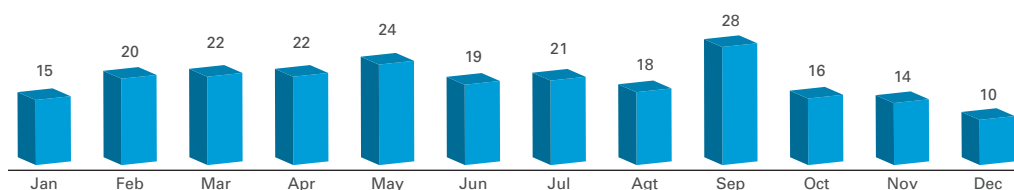
<sup>\*\*)</sup> Including five conferences in Jakarta each in 2013 and 2012

A total of 345 visits and conference calls with Investors and Analysts, with the composition of origin as follows:



Others came from Japan, Malaysia, India, Africa, Thailand, Brunei, Australia, and Dubai

### The Frequency of Monthly Investor Relations Activities



### INTERNAL AUDIT DIVISION

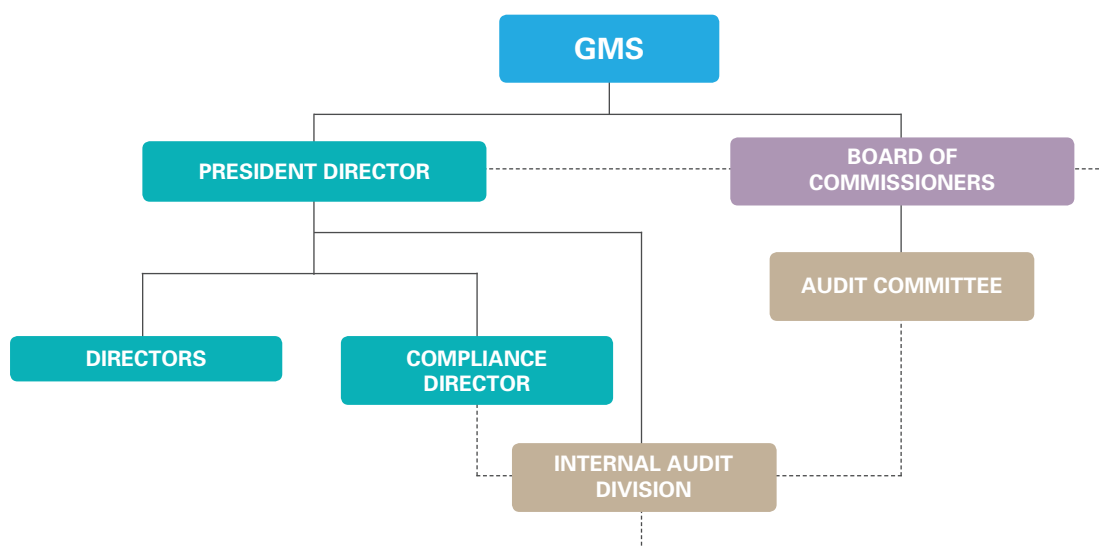
The Internal Audit Division is established to generate value and improve the operations of BCA through independent and objective assurance and consulting activities.

In performing its function, the Internal Audit Division evaluate the adequacy and effectiveness of risk management, internal control, and governance processes, and provide consulting services to internal customers at BCA.

### Structure and Position of Internal Audit Division

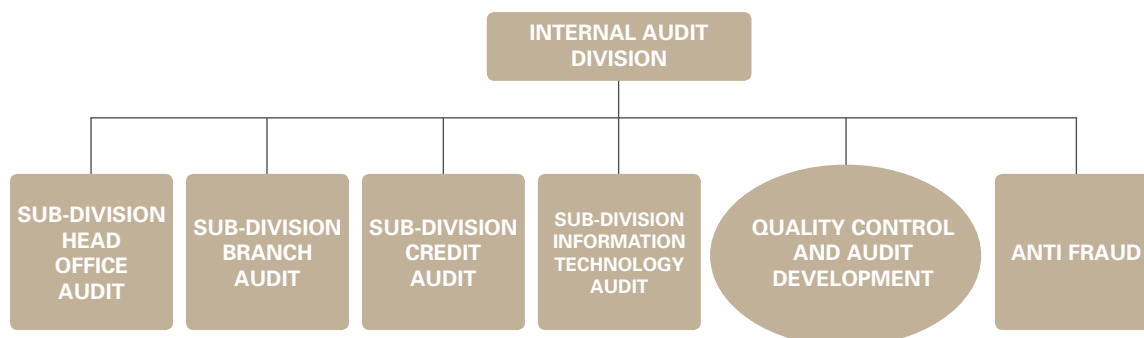
The Head of Internal Audit Division is responsible to the President Director. To assure that the Division is independent and to ensure smooth audits and promote authority in monitoring implementation of audit recommendations, the Head of the Internal Audit Division can communicate directly with the Board of Commissioners and the Audit Committee to inform matters relating to audits. Provision of such information must be reported to the President Director with a copy to the Compliance Director.

### The Position of Internal Audit Division in the Bank's organizational structure



Note: ----- = Communication/information line

### Internal Audit Division Organization Chart



### Duties and Responsibilities of the Internal Audit Division

1. Develop and implement a risk-based annual audit plan and report realization of then plan.
2. Test and evaluate the risk management process (risk management), internal control (internal control), and governance processes (governance) to assess the adequacy and effectiveness of policies and procedures.
3. Carry out an assessment of credit quality.
4. Provide recommendations for improvements and information on the activities examined.
5. Carry out investigations / special examination upon request of the Board of Commissioners, Audit Committee, Board of Directors, work units or based on specific audit requests.
6. Monitor, analyze and report on the follow-up of the implementation of audit recommendations.
7. Act as a consultant for internal BCA units as required and especially concerning the internal audit scope of duties.
8. Compile a program to evaluate the quality of internal audit activities.

### Internal Audit Implementation Standards

Activities of the Internal Audit Division are guided by the Internal Audit Division Work Manual and the Internal Audit Charter as set forth in Directors Decision No. 074A/SK/DIR/2012 dated 30 April 2012 and prepared in accordance with the Standard Implementation of Internal Audit for Banks issued by Bank Indonesia and regulations on the Preparation Guidelines and Establishment of Formulating the Internal Audit Charter by Bapepam-LK. As a reference towards global best practices, the Internal Audit Division also uses proscribed standards and the code of ethics issued by the Institute of Internal Auditors (IIA) and the Information System Audit & Control Association (ISACA).

The effectiveness of the Internal Audit Division and its compliance with Internal Audit Function Implementation Standards in Banking (SPFAIB) is reviewed by an independent third party at least once every 3 (three) years. The most recent review was undertaken at the end of 2013.

### Internal Audit Scope

The scope of internal audit covers all the activities of the Branch Offices, Regional Offices, Divisions, Units and Head Office Business and support Units, Subsidiaries and banking activities that are outsourced to third parties.

### Internal Audit Independence

Internal Audit is independent from the operational work units. The Internal Audit Division Head reports directly to the President Director and has a direct communication line with the Board of Commissioners and the Audit Committee.

Internal Audit holds meetings with the President Director and Audit Committee every month and with the Board of Commissioners every semester.

Appointment, replacement, or dismissal of the Head of Internal Audit Division is conducted by the President Director with the approval of the Board of Commissioners and is reported to Bank Indonesia and the OJK.

Currently, the Head of Internal Audit Division is Jacobus Sindu Adisuwono who was appointed on November 1, 2008 as determined in Staffing Decision No. 1390/SK/DHR/A/2008 dated October 24th 2008 signed by the President Director and approved by the Board of Commissioners. Mr. Adisuwono has strong experience in the field of internal audit and has obtained internal audit professional certifications including as a Certified Internal Auditor (CIA) and a Qualified Internal Auditor (QIA). His work experience in the field of banking includes audits of information technology, general branches, development, general headquarters, and credit.

The Internal Audit Division is supported by 185 (one hundred eighty five) staff members (as of December 31, 2013) with qualifications as follows:

#### Position within the Bank :

• Head of Division	1	persons
• Deputy Head of Division	3	persons
• Audit Adviser	16	persons
• Audit Senior Officer	31	persons
• Audit Officer	40	persons
• Associate Audit Officer	76	persons
• Assistant Audit Officer	15	persons
• Senior Staff	3	persons

#### Experience:

• 0 - < 3 years	60	persons
• 3 - < 9 years	47	persons
• 9 - < 15 years	23	persons
• ≥ 15 years	55	persons

#### Academic Education:

- Masters Degree or the Equivalent 13 persons
- Bachelors Degree or the Equivalent 168 persons
- Diploma Degree 4 persons

#### Professional Certification:

- Qualified Internal Auditor 45 persons
- Certified Information System Auditors 3 persons
- Certified Internal Auditor 2 persons
- Certified Fraud Examiners (CFE) 1 person

### Reporting

The Internal Audit Division submits reports to:

1. Board of Commissioners, the Audit Committee and Board of Directors consisting of:
  - a. Audit Report
  - b. Summary Report of the Audit Follow-up and implementation
  - c. Realization of Audit Reports
2. Bank Indonesia concerning the implementation of the Internal Audit function which consists of:
  - a. Implementation Report and the Fundamentals of Internal Audit.
  - b. Special reports on any findings of Internal Audit that may impact the Bank's business.
  - c. Reports on external party's review including opinions about the work of the Internal Audit Division and its adherence to the SPFAIB as well as possible improvements to be made.

### Audit Implementation in 2013

Internal Audit Division activities in 2013 focused on the following:

1. Implemented auditing processes related the activities of: e-channel development, procurement of IT goods and services, social media, development of customized branch format and branch offices network, system development life cycle, cash office and cash car.

2. Carried out audits on outsourced activities, records management and cash replenishment and management of ATMs.
3. Implementation of 26 continuous auditing programs within the scope of branch operations & lending, operation centers, IT security.
4. Enhanced electronic working paper applications to improve utilization of information technology in audits (completed the user acceptance test phase).
5. Made adjustments (alignments) with the Risk Management Unit on the use of risk scale and risk grading in branch operations.
6. Implemented audit quality development project in the implementation of risk based audits for the audit execution and audit reporting phases through training programs as well as interactive meetings with the help of consultants.

### Focus of Audit Plan in 2014

1. Focuses for 2014 audits are on the business strategies of the Bank related to maintaining BCA's position in DPK specifically CASA, fee based income improvement and efficiency as well as overall optimization of payment settlement cost.
2. Approach to implement end-to-end audit process of: APU/ PPT provisions application, implementation of corporate social responsibility, foreign exchange transaction process, development of partnership credit scheme, activities of the Branch Internal Supervision function, branch cash management, and ATM management by branches.
3. Implement audit on outsourced activities specifically activities which support transaction banking, such as: management of ATMs and EDCs.
4. Implement audit on the activities of the subsidiaries: BCA Sekuritas, BCA Finance Limited Hongkong, BCA Syariah.

5. Improve the audit result reports and implementing the enhanced RBA approach on all assignments as well as implementing the new audit rating.
6. Implement new application of enhanced electronic working paper at all assignments.
7. Follow up external reviewer's recommendations on the 2013 quality assurance review activities on the Internal Audit Division.

### **PUBLIC ACCOUNTANT (EXTERNAL AUDIT)**

In order to fulfill the implementation of External Audit functions in accordance with Bank Indonesia Regulation No. 14/14/PBI/2012 on Bank Transparency Reports and Publications and Bank Indonesia Circular Letter No. 3/32/DPNP regarding the relationship between the Bank, the Office of Public Accountants and Bank Indonesia, the Bank has implemented the following:

1. BCA Financial Statements have been audited by independent Certified Public Accountants who are competent, professional, and objective.
2. Public Accountant appointed by the Bank conducted an audit in accordance with professional standards, employment agreements, and the scope of the audit.
3. The appointment of the Public Accountant Firm and the determination of its fees have been performed by the Board of Commissioners in accordance with the Annual General Meeting of Shareholders' decision. The appointment considered the recommendation of the Audit Committee.

4. The appointment of the Public Accounting Firm was conducted in accordance with the applicable rules and regulations, among others:

- The Public Accountant Firm and Certified Public Accountants (partner in charge) are registered at Bank Indonesia. BCA only considers the 4 (four) largest Public Accountant Firms registered at Bank Indonesia as being acceptable to audit BCA.
- The Public Accountant Firm will not provide other services to BCA for the years in which the firm is auditing the bank thus avoiding the possibility of conflict of interest.
- The Public Accountant Firm provides audit services for no more than 5 (five) years in a row.

The Public Accountant Firm Siddharta & Widjaja, affiliated with KPMG International, was appointed as the auditor of the Bank to audit its financial statements for the fiscal year ended December 31, 2013, with an estimated fee of USD 498,000 (excluding VAT).

5. BCA grants power to the Public Accountant Firm to submit audited financial statements (audit report) accompanied by a Management Letter to Bank Indonesia no later than 4 (four) months after the fiscal year.

### Public Accountant Firms and Certified Public Accountants who have audited BCA financial statements of BCA

	2013	2012	2011
Public Accountant Firm	Siddharta & Widjaja	Siddharta & Widjaja	Purwantono, Suherman & Surja
Public Accountant	Elisabeth Imelda	Elisabeth Imelda	Peter Surja

Public Accountant Firm Siddharta & Widjaja and Elisabeth Imelda, the Public Accountant, audited the Annual Financial Report for the second time in the year 2013 after doing the previous audit of the Annual Financial Statements in 2012.

### COMPLIANCE FUNCTION

In conducting its business, the Bank has a strong commitment to comply with the applicable laws and rules and regulations as promulgated by Bank Indonesia and other governing entities. In order to implement these commitments, the establishment of a strong Compliance Division is an important element in minimizing compliance risks and establishing a culture of compliance.

BCA has established a Compliance Unit that is independent and free from the influence of other work units. The Compliance Unit was established to assist in the implementation of the duties of the Director of Compliance. The Compliance Unit is at the same level as a Division and is directly responsible to the Director of Compliance.

In order for the compliance function to work well, the Board of Commissioners and Board of Directors perform active supervision conducted in the form of, among others, approval of policies and procedures, periodic reporting, and requesting explanations from the Compliance Unit.

The Compliance Unit has established policies and procedures in order to minimize compliance risk. In addition, the Compliance Unit also conducts socialization and training and is involved in the approval of new products and activities,

approval of the issuance of internal regulations, reviews of the releases of large amounts of credit, compliance tests of internal controls, and compliance tests of Bank's commitments to commitments to regulators.

The Compliance Unit is responsible for the implementation of the compliance function and is also responsible for the application of the provisions of the Anti-Money Laundering and Prevention of Terrorism Financing (AML and PTF). Application of AML and PTF is an international standard that must be applied in order to prevent using the Bank as an instrument or a target of crime.

### Compliance Activities in 2013

- Performed gap analysis and impact on new provisions of BCA and operational adjustments for necessary internal policies.
- Performed risk assessment and prepared quarterly compliance reports and a risk profile in order to minimize compliance risk.
- Conducted socialization and training to new and existing employees as part of efforts to realize a culture of compliance.
- Provided approval for new product plans and activities, to ensure that new products and activities will adhere to prevailing regulations.
- Provided approval for draft internal regulations.
- Reviewed compliance with the release of corporate credit.
- Provided consultative function with other work units associated with the implementation of regulations.



- Monitored compliance with reporting obligations to external parties.
- Ensured adherence to the commitments made by BCA to Bank Indonesia and/or other regulatory authorities.
- Coordinated to conduct a risk-based assessment of Bank soundness.

#### Implementation of Anti-Money Laundering and Preventing Terrorism Financing (AML and PTF) during 2013:

- Adjusted policies and procedures of the AML and PTF in accordance with Bank Indonesia Regulation No. 14/27/PBI/2012 dated December 28, 2012, and the SE of BI No. 15/21/DPNP dated June 14, 2013 concerning the Implementation of Anti-Money Laundering and Prevention of Terrorism Financing Program for Commercial Banks.
- Conducted training and socialization of AML and PTF.
- Ensured new products and activities adhered to AML and PTF regulations.
- Monitored suspicious financial transactions by using application of Suspicious Transaction Identification Model (STIM).
- Reported suspicious financial transactions and cash transactions to the Financial Transaction Reporting and Analysis Center (INTRAC).
- Improving STIM application parameters for identifying suspicious financial transactions.
- Coordinated the implementation of customer data updating through target preparation and monitoring of the realization of the targets.
- Increased reporting under the STIM application to be completed in 2014

#### Compliance Indicators

Compliance indicators at year end 2013 are reported as:

- Capital Adequacy Ratio (CAR) including credit risk, market risk and operational risk was 15.7%, above the prevailing Bank Indonesia regulation of a minimum CAR of between

9% and 10% for a category 2 risk profile bank.

- NPL ratio (net) of 0.2%, well below the maximum allowed by Bank Indonesia regulation of 5%.
- The Bank did not exceed nor violate the Legal Lending Limit (LLL), either to related parties or to business groups.
- Accounted for Rupiah Account Mandatory Minimum (GWM) primary reserve of 8.30% and Secondary reserves of 20.45%, in conformity with the provisions of the Bank regarding primary Rupiah reserves.
- Foreign Currency Account Mandatory Minimum reserve of (GWM) 8.54%, in conformity with the provisions for a Foreign Exchange Bank for required reserve levels.
- Net Open Position (NOP) at 0.24%, within the Bank Indonesia regulation of 20% of capital.
- All commitments to Bank Indonesia and other supervising authorities were fulfilled.

#### IMPLEMENTATION OF RISK MANAGEMENT

Board of Commissioners and Board of Directors are responsible for the implementation of risk management and internal control systems in BCA. Application of risk management and internal control systems BCA include:

- Active supervision by the Board of Commissioners and the Board of Directors.
- Review of risk management policies, procedures and limits.
- Effectiveness of the process of identification, measurement, monitoring and control of risk and the risk management information system.
- The system of internal controls.

BCA implements risk management and internal control systems which are effectively tailored to the goals and policies of the business lines and the size and complexity of the business activities of the Bank in accordance with Bank Indonesia

regulations and with reference to best practice through the following actions:

1. Identifying and mitigating all risk factors including those arising from new products or activities
2. Establishing a Risk Oversight Committee tasked with ensuring that the risk management framework provides adequate protection against all risks faced by the Bank. The Risk Oversight Committee also provides advice and an independent opinion regarding the appropriateness of policy and implementation of risk management policies to the Board of Commissioners, as well as to monitor and evaluate the implementation of the Risk Management Committee (KMR) and the Risk Management Unit (SKMR).
3. Establishing the Risk Management Committee (KMR) charged with developing policies, strategies and guidelines for risk management and to enhance the implementation of risk management based on the results of the evaluation of the implementation process and effectiveness of risk management system while monitoring and opining on matters related to business decisions that deviate from normal procedures (irregularities)
4. Establishing the Risk Management Unit (SKMR) designed to ensure that the risks faced by the Bank can be identified, measured, monitored, controlled, and properly reported through the appropriate application of the risk management framework.
5. The monitoring and renewal of risk policies and the establishment of risk limits that are supported by procedures, reports, and information systems to provide accurate and timely information and analysis to management, including the development of measures to deal with changes in market conditions.
6. Ensuring that work systems and procedures have been developed with due consideration to operations and business activities as well as the level of risk that may exist in a respective work unit
7. Ensuring that there are clearly defined reporting lines and segregation of functions between operational work units and the work units in charge of risk and control functions. The Risk Management Unit, the Legal and Compliance Unit and the Internal Audit Division cooperate and work together in exercising control functions.
8. Ensuring that the Internal Audit Division has regularly performed independent and objective reviews on Bank procedures and operations. Internal Audit submits its review results to the Board of Directors, Board of Commissioners and Audit Committee in the form of an Audit Result reports and Audit implementation reports.
9. Monitoring the Bank's conformity with sound banking principles and prevailing regulations with the Compliance Unit.
10. Ensuring that Branch Internal Control, Regional Internal Control, and the Internal Audit Division have implemented their evaluation functions on the systems and procedures applied at BCA. Evaluation results by Branch Internal Control, Regional Internal Control, and Internal Audit serve as benchmarks to measure the compliance level of work units based on prevailing systems and procedures.
11. Preparing and submitting quarterly Risk Profile and the Consolidated Risk Profile Reports to Bank Indonesia in a timely manner.

Based on the results of Bank Indonesia's assessment of BCA's risk profile, the composite risk of BCA is Low to Moderate, the result of the inherent risk assessment is Low to Moderate and quality of risk management is Satisfactory.

### Implementation of Risk Management and Internal Control

Based on the results of the assessment of BCA's risk profile, the Bank has a risk level that supports an effective bank-wide risk-based supervision framework.

The risk profile assessment includes a review of the eight (8) major risks faced by the Bank: credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk. BCA also has compiled written policies and procedures to manage the risks inherent in new products and new activities.

### Risk Management System

In order to control risk, the Bank has implemented an integrated Risk Management Framework set forth in the Basic Policy on Risk Management (KDMR). The framework is used as an instrument for the determination of strategy, organization, policies and guidelines, as well as BCA's risk management infrastructure to ensure that all risks faced by the Bank can be identified, measured, controlled and reported.

In order for the application of risk management to be carried out effectively and optimally, BCA has a Risk Management Committee that works to address issues of risk faced by the Bank as a whole and recommend risk management policies to the Board of Directors.

In addition to the above Committee, the Bank has formed several other committees assigned to deal with specific risks faced by the Bank including the Credit Policy Committee, the Credit Committee and the Asset and Liability Committee (ALCO).

BCA continues to do a thorough risk assessment on the proposed issuance of new products and activities according to the type of risk and as detailed in PBI No. 5/8/PBI/2003 dated May 19, 2003 and its amendments, among others, PBI

No. 11/25/PBI/2009 dated July 1, 2009 and the SEBI No. 11/35/DPNP dated December 31, 2009.

### 8 (eight) types of risk that must be proactively managed by the Bank:

#### 1. Credit Risk

- Organization of credit continues to be refined based on the application of the "four eyes" principle whereby credit decisions are taken based on the consideration and analysis of both the business and credit risk analysis sides of the Bank.
- BCA has developed a Bank Basic Credit Policy (KDPB) that is continually refined and developed in line with BCA's growth, Bank Indonesia Regulations and developments in "International Best Practice".
- Integrating procedures and the credit risk management system is conducted through the development of the "Loan Origination System" including loan processing "start to finish" workflow standards to allow for an efficient and effective loan approval process. Development of risk profile measurement systems continues to be modified and improved in line with the enhancement of the Bank's lending data base.
- To properly maintain credit quality, the risk management group monitors credit quality on a regular basis including detailed analysis of loans by credit category (Corporate, Commercial, Small & Medium Enterprise (SME), Consumer and Credit Card) and on an overall loan portfolio basis.
- BCA regularly stress tests the loan portfolio, analyzing and monitoring the results under various stress scenarios. In response to changes in market conditions and economic turmoil, the Bank conducts stress-testing analysis

on a regular basis. Stress testing is beneficial to the Bank as a tool for estimating the impact of risk in “stressful conditions” so that the Bank can make appropriate strategies mitigating these risks as part of the implementation of proactive risk management contingency plans.

- In order to monitor and control credit risk that occurs in subsidiaries, the Bank conducts monitoring of subsidiary credit risk on a regular basis, while ensuring that subsidiaries have sound and effective Credit Risk Management policies and procedures.

## 2. Market Risk

- In managing foreign exchange risk, the Bank centralizes the net open position at the Treasury Division, which combines daily reports of net open positions from all branches. Each branch is required to cover their total foreign exchange risk at the end of each working day in line within the maximum net open position allocated to that branch based on the average volume of foreign exchange activity in the transacting branch. The Bank creates a net open position report that combines daily net open positions in the consolidated statements of financial position (balance sheet) and off-balance sheet accounts to the Board of Directors.
- To measure foreign exchange risk the Bank uses the Value at Risk (VaR) methodology with Historical Simulation approach for internal reporting purposes, while reporting BCA’s compliance with Minimum Capital Requirements for Bank Indonesia using the standard reporting methodology.
- BCA reviews and adjusts customer deposits and floating rate loans in line with market interest rate conditions. Most

fixed rate government bonds and other fixed rate securities are held in the Hold to Maturity account on the balance and do not mark to market. Fixed rate loans, mostly housing loans, do not mark to market. ALCO regularly monitors market developments and adjusts interest rates on deposits and loans.

- BCA determines the interest rates on deposits based on market conditions and competition by monitoring the movement of the benchmark interest rate and the interest rates offered by Bank competitors.

## 3. Liquidity Risk

- BCA attaches great importance to maintenance of adequate liquidity to meet its commitments to its customers and other parties within the framework of the provision of credit, repayment of customer deposits, and meeting operational liquidity needs. The function of managing the overall bank liquidity is undertaken by ALCO and implemented by the Treasury Division.
- Measurement and control of liquidity risk is done by monitoring the liquidity reserves and the loan to deposit ratio (LDR), maturity profile analysis and cash flow projections while conducting periodic stress tests to measure possible impact on Bank liquidity in the face of extreme conditions. BCA also has a contingency funding plan to deal with the extreme conditions.
- BCA has followed the provisions relating to liquidity as stipulated in Bank Indonesia Regulation which requires the Bank to maintain Rupiah liquidity (Statutory Reserves) on a daily basis, which consists of Primary GWM, and GWM LDR in Rupiah deposits at Bank Indonesia as well as secondary reserves consisting of SBI, SDBI, SUN, and excess reserves, and reserve currency in the foreign currency current accounts with Bank Indonesia.

#### 4. Operational Risk

- The Basel II Accord requires the Bank to include operational risk as a component in the calculation of capital adequacy. In connection with this, the Bank implemented preliminary Risk Control Self Assessment (RCSA) guidelines beginning in 2002 for all major BCA branches. One goal of this implementation is to embed a RCSA risk management culture and increase risk awareness, the main requirement in risk management in the branches.
- BCA maintains a database of cases/operational risk losses known as the Loss Event Database (LED). LED aims to assist the Bank in recording and analyzing cases or problems, so that corrective action can be taken and measure implemented to prevent the recurrence of similar cases. The ultimate purpose of the LED is to understand and measure and minimize the risk of operational losses that may occur in the Bank. In addition, LED is also a method of collecting data of operational losses risk to be used in calculating capital charge and continuously monitoring cases that might lead to operational losses such as those that have taken place in BCA.
- BCA has implemented Key Risk Indicator (KRI) identification system as an application used to provide early warning signals on the possibility of an increased risk within a work unit's operations.
- BCA calculates the Bank's capital adequacy for operational risk based on the Basic Indicator Approach and in line with existing Bank Indonesia guidelines on calculating operational risk. Currently the Bank implements the relevant Bank Indonesia regulations related to the inclusion of operational risk, as well as credit and market risk, in the calculation of risk capital adequacy ratio (CAR)

#### 5. Legal Risk

- Inherent legal risk can be assessed as potential losses based on current court cases occurring against the Bank and subsidiaries which could negatively affect the earning capacity or the equity level of the Bank. The parameters used to calculate the potential losses of court cases are the basis of a lawsuit, the value of the case, and legal documentation.
- To identify, measure, monitor and control legal risks, the Bank has established a dedicated Legal Group at Headquarters and legal units in most of the Regional Offices.
- In order to mitigate legal risks, the Legal Group has taken proactive steps to minimize legal risk including :
  - Establish Legal Risk Management Policy, having internal regulations which govern the organizational structure and the job description of the Legal Group as well as establishing legal document standardization.
  - Organize legal forums to improve the competence of the legal staff.
  - Conduct socialization on the impacts of prevailing regulations on the banking activities of BCA and various modus operandi of banking felony as well as the legal handling guidelines for concerned branch or unit officers.
  - Conduct legal defense on civil and criminal cases that involve BCA which are in the courts, as well as monitoring the progress of the cases.
  - Develop a loan security strategy (in collaboration with other work units, among others the Credit Settlement Bureau) in relations to issues of poor credit.
  - Register to the authorized institutions assets belonging to BCA, among others, intellectual property (HAKI) on banking products and services and land and building rights of BCA.

- Monitor and conduct legal actions for violations of BCA's assets including violations on BCA's intellectual property (HAKI).
- Monitor and analyze court cases faced by BCA and Subsidiary Entities.
- Conduct an inventory, monitor, analyze, and calculate loss potentials which may arise related to pending legal cases.

## 6. Reputation Risk

- Assessment of reputation risk is performed using parameters such as frequency of complaints and negative publicity as well as the achievement of complaint resolution. An assessment report is compiled in a quarterly reputation risk profile.
- To manage and control the reputational risk, the Bank is supported by HaloBCA, a 24-hour telephone hot line service for information, suggestions, and complaints.
- Reputation Risk management is carried out based on:
  - Bank Indonesia Regulation. 7/7/PBI/2005 dated January 20, 2005 on the Settlement of Customer Complaints.
  - Bank Indonesia Circular Letter No. 10/13/DPNP dated March 6, 2008 concerning Amendments to Bank Indonesia Circular Letter No. 7/24/DPNP dated July 18, 2005 concerning Settlement of Customer Complaints.
  - Bank Indonesia Circular Letter No. 7/24/DPNP dated July 18, 2005 concerning Settlement of Customer Complaints.

## 7. Strategic Risk

- Assessment of inherent strategic risk is performed using parameters such as

the fit between bank strategy and the business environment, low-risk strategy versus high-risk strategy, positioning of the Bank's business and achieving of BCA's Business Plan

- Assessment of the quality of strategic risk management is done by using parameters such as risk governance, the risk management framework, risk management processes, MIS and human resources, as well as the adequacy of the risk control system.

## 8. Compliance Risk

- In accordance with applicable Bank Indonesia provisions, the Bank has appointed a Director in charge of compliance. In the performance of duties, the Compliance Director is supported by the Compliance Unit and is responsible for managing BCA's compliance risk.
- BCA has developed complete compliance policies and procedures. These policies address the process of adjusting applicable internal system of rules and regulations and communicating relevant provisions to employees in line with new Bank Indonesia or OJK guidelines. The Bank also has implemented compliance guidelines for the reviews of new products/activities, periodic compliance testing and training of employees and the issuance of monthly compliance reports to the Board of Directors and Board of Commissioners.
- BCA has applied Bank Indonesia and international policies and regulations for Anti-Money Laundering and for Preventing the Financing of Terrorism. BCA has also developed applications to identify suspicious financial transactions in accordance with applicable regulations.



BCA's composite risk in the fourth quarter of 2013 was "Low to Moderate". This arises from an assessment of inherent risk as "Low to Moderate" with an assessment of quality of risk management as "Satisfactory".

The risk of the composite of eight (8) types of risk are assessed as follows :

- Risks that have a composite risk "low" are Market Risk, Liquidity Risk and Legal Risk.
- Risks that have a composite risk "low to moderate" are Credit Risk, Operational Risk, Reputation Risk, Strategic Risk and Compliance Risk.

The "Low to Moderate" composite risk level was achieved based on the Bank's continuing effective and efficient implementation of an enterprise wide risk management framework.

The trend of the Bank's inherent risks in Quarter I of 2014 remains stable, since based on projection result, the Bank predict there will be no significant changes in inherent risks. The trend of the quality of the risk management implementation for the first quarter of 2014 remains stable. Those things are attributable to the Bank's continuous improvement on the implementation of risk management in all of its activities so that the Bank is able to identify, to measure, to monitor, and to control any existing risks.

### INTERNAL CONTROL SYSTEM

BCA's internal control system includes five (5) components:

- Supervision by management and a risk control culture
- Identification and assessment of risk
- Control activities and segregation of duties
- Accounting, information, and communication systems
- Monitoring and corrective action against deviations from policy.

In addition, BCA has developed a thorough business continuity plan and disaster recovery plan allow for continued operations in the event of a disaster.

All management and employees of the Bank have a role and responsibility in improving the quality and implementation of the Bank's internal control system.

The parties involved and responsible for the implementation of the Bank's internal control system include the Board of Commissioners, the Audit Committee, the Board of Directors, the Internal Audit Division, officers and employees of the Bank, Internal Control Branch, Internal Control of Regional Office and Internal Control of Specified Work Unit at Headquarters.

#### 1. Internal controls are implemented through:

##### a. Financial control, with:

- A Business Plan that details BCA's overall strategy, including business development direction.
- Development of a strategy that takes into account impacts on the Bank's capital, including projected capital and the Bank's CAR (Capital Adequacy Ratio).
- Directors actively engage in discussions, providing input and monitoring internal conditions and external factors that directly or indirectly could affect the Bank's business strategy.
- BCA has established procedures for performance monitoring and assessment on a monthly, quarterly, half-yearly and annual basis.
- A financial control processes where results are compared with financial budgets and reports are periodically generated and used for follow-up remedial action by Directors.



b. Operational control, with:

- Standard operating procedures/ operating manuals detailing working procedures of each transaction type are applied to BCA products and activities, including mitigation of related operational risks. Working procedures are prepared by the Division of Operations and Service Development (DPOL) and are reviewed by various related work units to ensure that any operational risk that may exist in such activities has been properly mitigated.
- Restrictions on authority and limits set on Bank officers in conducting transactions as well as access restrictions of employees to computer and IT requiring user ID, passwords and finger scans.
- An established organizational structure and a well-equipped internal control unit that acts as the 2nd and 3rd line of defense to support the operational units' 1st line of defense.
  - Separation of functions that can give rise to conflict of interest.
  - Branch supervisor daily overseeing the functioning of internal controls at Branches.
  - Internal Oversight Branch (PIC) periodically overseeing the functioning of internal controls at Branches.
  - Regional Office of Internal Oversight (PIKW) overseeing the functioning of internal controls in Regional Offices.
  - Internal Oversight oversees the functioning of internal control specifically at work units at Headquarters.

- Risk Management Unit (SKMR), Legal Group, Compliance Unit (SKK).
- Internal Audit Division (DAI):
  - (i) Independent of the risk-taking unit.
  - (ii) Checking and assessing the adequacy/effectiveness of the internal control system, risk management and corporate governance.

c. Compliance with other laws and regulations:

- BCA has a strong commitment to comply with the prevailing rules and regulations and take steps to rectify shortcomings, if any.
- BCA has a Compliance Unit (SKK) that is independent of operational units in carrying out compliance functions.
- Monthly compliance monitoring of BCA's Precautionary Provisions submitted to the Board of Commissioners and Board of Directors.
- It is BCA policy to always comply with applicable regulations and take proactive preventive action in order to minimize occurrence of violations and curative action in order to repair shortcomings.

2. BCA has implemented an effective internal control system which is in line with the size and complexity of the Bank's business activities and based on the requirements and procedures as set out by Bank Indonesia Regulation as well as with reference to best practice through the following actions:

- Determination of reporting lines and a clear separation of functions between the operating units and control units which carry out risk control and monitoring functions.

Control Unit functions are performed by the Risk Management Unit (SKMR), Law Group (GHK), Compliance Unit (SKK) and the Internal Audit Division (DAI).

- The Internal Audit Division independently, objectively and regularly reviews Bank procedures and operational activities. All DAI review results are presented in Audit Reports and Audit Follow-up Reports to the Board of Directors.

- Branch Internal Oversight (PIC), Regional Office Internal Oversight (PIKW) and DAI conduct evaluation functions of systems and procedures implementation in BCA. The results of PIC, PIKW and DAI evaluations serve as a benchmark for adherence to systems and procedures in place.

## IMPORTANT CASES AND ADMINISTRATIVE SANCTIONS

Civil and criminal cases with a value of more than Rp 100,000,000 (One hundred million Rupiah) which have been settled (legally binding) or are in the process of settlement as at December 31, 2013 are detailed below;

Legal Matters	Civil Case	Criminal Case
Have been settled (legally binding)		
• Rp 101 million – Rp 500 million	0	0
• Above Rp 500 million	2	0
<b>Total</b>	<b>2</b>	<b>0</b>
In process of settlement		
• Rp 101 million – Rp 500 million	47	1
• Above Rp 500 million	2	1
<b>Total</b>	<b>49</b>	<b>2</b>
<b>Total Cases</b>	<b>51</b>	<b>2</b>

During 2013, there were no significant legal/regulatory cases faced by the Bank, subsidiaries of the Bank, the Board of Commissioners and/or the Board of Directors who served during the period of this Annual Report. There is no expectation of any material adverse impact on the Bank's operation that may arise from existing and unsettled legal cases.

During the year 2013 there were no material administrative sanctions, imposed by Bank Indonesia, the Financial Services Authority or other agencies on BCA or BCA subsidiaries, the Board of Commissioners, and/or the Board of Directors.

## ACCESS TO INFORMATION AND COMPANY DATA

### Access to Information

BCA always facilitates stakeholders access to information and Bank data, among others, the financial condition of the Bank, products, and corporate actions undertaken by the Bank. BCA also produces press releases that are published in print and electronic media.

For more information, please contact the following:

- Customers may contact the Call Center HaloBCA (021) 500 888.
- Media may contact the Corporate Secretary or Public Relations through [humas@bca.co.id](mailto:humas@bca.co.id)
- Investors can contact Investor Relations via [investor\\_relations@bca.co.id](mailto:investor_relations@bca.co.id)

### Website and Social Media

#### Launching BCA Corporate Website

In an effort to improve stakeholder and general public access to complete information on BCA products, services and corporate activities, on April 17, 2012 BCA launched a corporate website with a new address at [www.bca.co.id](http://www.bca.co.id). This website is the first website in Indonesia with the banking concept of “Base Solution”, emphasizing BCA’s solutions to address the financial needs of the Indonesian banking community. The website is also a representation of BCA’s ‘Always by Your Side’ motto for overall banking and financial services. The [www.klikbca.com](http://www.klikbca.com) website remains focused on internet banking transactions to serve customers.

#### Launching BCA Social Media

As a concrete manifestation that BCA is “Always on Your Side”, BCA is active in social media through a variety of popular social media channels including Facebook, Twitter, Youtube, Kaskus, Mindtalk, and Slideshare. These official accounts provide two main functions:

1. To provide information and referral to the public in accordance with the interests and needs of our customers based on:
  - a. Young person segment: account name XpresiBCA (Facebook and Twitter).
  - b. Business segment: account name BizguideBCA (Facebook and Twitter).
  - c. Lifestyle segment: account name GoodlifeBCA (Facebook and Twitter).
2. Provide 24/7 contact center services via the official Twitter account @halobca.

A full description of the name, URL address, and information provided by each of the official accounts can be seen in [www.bca.co.id/socialmedia](http://www.bca.co.id/socialmedia).

BCA’s social media activities will continue to evolve and follow local and global trends in digital and social media in a networked world that is rapidly changing.

### List of BCA Press Releases in 2013

During 2013, BCA issued 101 (one hundred and one) press releases as follows:

No.	Subject	Date
<b>January</b>		
1	BCA through Bakti BCA Provides Aid To Jakarta Flood Victims	21
2	BCA Becomes the First and Only Private Bank to Successfully Implement TransJakarta E-ticket Application	22
3	President Director BCA: Jahja Setiaatmadja, Receives The Amazing Stars award: Men's Obsession's 9 Tough CEO's 2012 - 2013	29
4	BCA named Infobank Digital Brand Of The Year 2012	30
5	BCA Receives Asia Money Award : Corporate Governance Poll 2012	31
<b>February</b>		
6	BCA Obtain Positive Recognition from the Public in the Marketeers Award Event : Indonesia's Brand Champion Award 2013	01
7	BCA named Top Brand Award 2013	07
8	BCA wins Excellence in Service Experience Award for providing a positive customer experience	08
9	BCA Organizes Exhibition and Announces the Winners of World of Wayang (WOW) Photography Contest	21
10	BCA Organizes a Series of Events for its 56th Anniversary on the topic a Reflection of Corporate Values and Corporate Culture	21
<b>March</b>		
11	President Director of BCA named as One of Indonesia's Most Admired CEOs	04
12	BCA's Savings and Internet Banking wins Consumer 3000 Award 2013	04
13	BCA Becomes the Only Indonesia Brand Selected in the Top 10 Socially Devoted Worldwide Brands On Twitter	08
14	BCA Solitaire & Priorities Conduct Franchise Financing Partnership with Alfamart	19
15	BCA In Collaboration with Teater Koma Supports the Sampek Engtay Theater Show to preserve Indonesian Culture	20
16	BCA named Best Retail Bank in Indonesia by The Asian Banker	22
17	PT Bank Central Asia Tbk Publishes Financial Results for 2012	28
<b>April</b>		
18	BCA Repeats Season 3 of World of Wayang (WOW) Educational Show due to request from the public	05
19	BCA Fosters Younger Generation' Love of Wayang' with an Educational Roadshow & Appreciation of the Nation's Culture (WAYANG) event	08
20	BCA Give Appreciation award To KOSTRAD Members	08
21	BCA Supports returning Orangutans to the wild in The Kehje Sewen Forest Area, East Kalimantan	15
22	BCA wins the IBLA Award 2013	18
23	BCA Supports 'Pop Up Market 2013' to encourage the development of local brands	19
24	BCA Supports the Master Journey in Management (MJM) & Doctoral Journey in Management Competition at the Faculty of Economics, University of Indonesia (UI)	24
25	BCA Inaugurates Electronic Banking Center (EBC) Interactive Services in Surabaya	26
26	BCA Inaugurates the Goa Pindul Tourism Village	29
27	PT Bank Central Asia Tbk publishes First Quarter 2013 Financial Statements	29

No.	Subject	Date
<b>May</b>		
28	BCA Customers Participate In Unicef's Early Childhood Development Program (PAUD)	01
29	BCA is Included In top 20 of Fortune Indonesia's Most Admired Companies of 2013	06
30	BCA Holds its Annual General Meeting of Shareholders	06
31	BCA Obtained the Most Favorite Youth Brand Award 2013	07
32	BCA Syariah Provides Financing Facilities to the BMT - UGT Sidogiri Cooperation	16
33	BCA In Collaboration With BPD DIY Launches the Wayang version of Flazz	23
34	BCA wins the Service Quality Award 2013	29
35	BCA Achieved Recognition as the Most Desirable Indonesian Company in 2013	29
<b>June</b>		
36	BCA Organizes "BCA Autoshow 2013"	03
37	BCA Facilitates mass Transportation Payment in Palembang	03
38	BCA wins the "Investor Best Bank 2013" Award	05
39	BCA Presents Mountain Jazz 2013	11
40	KPR BCA Achieved the Property Indonesia Awards 2013	17
41	BCA Mobile and Internet Banking receive Awards for excellence	17
42	Close of the WAYANG Roadshow	17
43	HaloBCA 30 Awards including The Best Contact Center Indonesia 2013	20
44	HALOBCA wins 6 Gold Medals in the Contact Center World Awards APAC 2013	20
45	BCA wins the Human Resources Excellence and Human Resources Future Leader Awards 2013	20
46	Signing of Mutual Fund Autodebit Transactions Between PT Panin Asset Management and PT Bank Central Asia Tbk	21
47	BCA Wins the Property & Bank Award 2013	21
<b>July</b>		
48	BCA Achieves Top Ranking I in Wealth Added Creator Award 2013	01
49	BCA Organizes Soft Skill HR Training in the Goa Pindul Tourism Village	02
50	BCA supports the Healthy Family program by lactation Education with UNICEF	04
51	BCA wins Awards from Finance Asia for Best Managed Companies 2013	04
52	BCA wins the Infobank Award 2013	05
53	BCA supports Pilot Programs for Child-Friendly Education with Unicef	25
54	BCA wins the Award for Indonesia's Most Favorite Women's Brand 2013	26
55	PT Bank Central Asia Tbk Published First Half 2013 Financial Statements	29
<b>August</b>		
56	BCA Prepares for Hari Raya Idul Fitri 1434 H	1
57	BCA Establishes Overseas Student Package (OSP) in Cooperation With Fortrust	2
58	BCA Provides Assistance for Cataract Surgery in Sanggau, West Kalimantan	21
59	Inauguration of Electronic Banking Center (EBC) Interactive Service in Jakarta	28

No.	Subject	Date
<b>September</b>		
60	BCA Organizes the Wayang World Puppet Carnival	02
61	BCA Organizes a Series of Events for National Customer Day	04
62	BCA Selected As The Only Indonesian Company in the 50 Best Companies in Asia List	06
63	Launching of BCA Blood Drive	06
64	BCA Invites 500 Elementary School Students to 'Get To Know About Banking' Through a Fun Event	11
65	BCA Receives the "Best Bank in Indonesia" Award during the Finance Asia Country Awards 2013	12
66	BCA Facilitates Transactions at Tanah Abang Market	13
67	BCA Provides Assistance for Free Cataract Surgeries in Sangihe, North Sulawesi	19
68	BCA BIZZ Expo 2013	20
69	BCA Participates in the Construction of Nusa Dua – Ngurah Rai – Benoa Toll Way	23
70	BCA supports the Bali Puppetry Festival & Seminar 2013 with Performances from Various Countries	24
71	BCA wins three Awards from Asiamoney	26
72	BCA wins the 'The Indonesian Best Brand Award 2013'	27
<b>October</b>		
73	BCA provides Bakti BCA Scholarships To University Students	02
74	BCA wins the First Rank Award for the "Best Private Bank" in the Indonesia Banking Award 2013 Ceremony	03
75	BCA Supports the Cash-Less Society Experiment	03
76	BCA on the Forbes Global 2000 List in 2013	03
77	BCA Provides Free Cataract Surgery in Lahat, North Sumatra	07
78	BCA Held KKB BCA Auto Carnival Makassar	11
79	Joint Leisure Walk "Langkah Ceria" BCA	11
80	BCA supports the release of Orangutans in the Kehje Sewen Forest Area, East Kalimantan	16
81	BCA Synergizes Banking Services with the Telecommunication Industry	18
82	Watch Together El Clasico in 11 Cities & the Launching of Xpresi Komunitas BCA	24
83	BCA Cares for Mothers and Children of Pindul	25
84	BCA wins Various Awards in Indonesia's Most Favorite Netizen Brand Awards 2013	28
85	PT Bank Central Asia Tbk releases Third Quarter 2013 Financial Statements	30
86	BCA an Achievement Award in the IICD Conference and Corporate Governance Awards 2013	31
87	BCA named the Preferred Bank in the Indonesia Middle Class Banking Consumer 2013 Event	31
88	BCA wins the Platinum Brand Champion for Preferred Mortgage Provider and Brand in Marketeers Award	31

No.	Subject	Date
<b>November</b>		
89	BCA Organizes Media Sharing in Welcoming Indonesia Knowledge Forum II	6
90	BCA Wins 5 Awards in Digital Marketing Awards 2013	
91	BCA In Collaboration With Teater Koma Presents a Cultural Event through the Play Performance "Ibu"	12
92	BCA Wins Warta Ekonomi eCompany Series: Banking IT Excellence Award 2013	13
93	BCA Named World Champion In The Contact Center World Awards 2013	15
94	BCA is the Only Company in Indonesia to be named in Forbes Asia magazine "Fabulous 50"	19
95	BCA Provides Free Cataract Surgeries in Bajawa, East Nusa Tenggara	19
96	BCA wins Five Awards in the 15th Indonesian Customer Award 2013 Event	22
97	BCA Rehabilitates the Upstream Ciliwung Forest & Land area with WWF Indonesia	28
<b>December</b>		
98	Indonesia Knowledge Forum II Prepares the People to Face the Indonesian Economic Scene in 2014	4
99	Jahja Setiaatmadja, 2013's Indonesia Leading Financial Figures	4
100	Flazz BCA Card opened for use on greater Jakarta Commuter Lines	8
101	BCA Supports the Development of Bleberan Tourism Village	11

### Correspondence with the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX)

During 2013, BCA submitted 53 (fifty three) pieces of correspondence to the Financial Services Authority (OJK) as Capital Market Supervisory:

No.	Date	Subject
1	23 January 2013	Report of the Board of Directors Shareholding in accordance with Bapepam-LK Regulation No. X.M.1
2	23 January 2013	Report of the Board of Directors Shareholding in accordance with Bapepam-LK Regulation No. X.M.1
3	23 January 2013	BCA Award
4	6 February 2013	Report of the Board of Directors Shareholding in accordance with Bapepam-LK Regulation No. X.M.1
5	7 February 2013	Sales of Treasury Shares of PT. Bank Central Asia
6	13 February 2013	Report of the Board of Directors Shareholding in accordance with Bapepam-LK Regulation No. X.M.1
7	26 February 2013	Report of the Board of Directors Shareholding in accordance with Bapepam-LK Regulation No. X.M.1
8	27 March 2013	Report of Transactions with Transaction Value Not Exceeding 0.5% of the Bank's Fully Paid Capital and not exceeding Rp 5 Billion
9	27 March 2013	Report of the Agenda for the 2013 Annual General Meeting of Shareholders of PT BCA Tbk
10	28 March 2013	Submission of the 2012 Annual Financial Statements of PT BCA Tbk (audited)
11	1 April 2013	Submission of Proof of Advertisement of Condensed Financial Statements of 2012 (2012) of PT BCA Tbk



No.	Date	Subject
12	4 April 2013	Submission of Proof of Advertisement of Announcement to Shareholders on Annual General Meeting of Shareholders of PT BCA Tbk
13	18 April 2013	Submission of the 2012 Financial Statements of PT Bank Central Asia Tbk
14	19 April 2013	Submission of Announcement for the 2013 BCA AGM
15	22 April 2013	Invitation for the 2013 PT Bank Central Asia Tbk AGM
16	30 April 2013	Submission of Notification Proof of Condensed Financial Statements for the First Quarter 2013
17	30 April 2013	Report of Transactions with Transaction Value Not Exceeding 0.5% of the Bank's Fully Paid Capital and Not Exceeding Rp 5 Billion
18	1 May 2013	Information Disclosure Related to PT Central Sejahtera Insurance Stock Purchase Plan
19	6 May 2013	Submission of Results of 2013 PT Bank Central Asia Tbk AGM
20	8 May 2013	Submission of Proof of Advertisement of Results of 2013 AGM and Notification on Cash Dividend Distribution of PT BCA Tbk
21	8 May 2013	Report and Announcement of PT BCA Tbk 2013 Fiscal Year Cash Dividend Distribution Schedule
22	5 June 2013	Report of Shareholding by member of the Board of Directors – Mr. Eugene Keith Galbraith
23	5 June 2013	Report of Shareholding by member of the Board of Directors – Ms. Dhalia M. Ariotedjo
24	5 June 2013	Report of Shareholding by member of the Board of Directors – Mr. Suwignyo Budiman
25	5 June 2013	Report of Shareholding by member of the Board of Directors – Mr. Henry Koenaifi
26	5 June 2013	Report of Shareholding by member of the Board of Directors – Mr. Armand W. Hartono
27	5 June 2013	Report of Shareholding by member of the Board of Directors – Mr. Erwan Yuris Ang
28	5 June 2013	Report of Shareholding by member of the Board of Commissioners – Mr. Djohan Emir Setijoso
29	5 June 2013	Report of Shareholding by member of the Board of Commissioners – Mr. Tonny Kusnadi
30	5 June 2013	Report of Shareholding by member of the Board of Commissioners – Mr. Sigit Pramono
31	5 June 2013	Report of Shareholding by member of the Board of Commissioners – Mr. Raden Pardede
32	5 June 2013	Report of Shareholding by member of the Board of Commissioners – Mr. Cyrillus Harinowo
33	7 June 2013	Report of shareholding by member of the Board of Directors – Mr. Jahja Setiaatmadja
34	7 June 2013	Report of shareholding by member of the Board of Directors – Mr. Subur Tan
35	10 June 2013	Report of shareholding by member of the Board of Directors – Mr. Renaldo Hector Barros
36	10 June 2013	Report of shareholding by member of the Board of Directors – Mr. Eugene Keith Galbraith
37	10 June 2013	Report of shareholding by member of the Board of Directors – Mr. Eugene Keith Galbraith
38	14 June 2013	Report of shareholding by member of the Board of Directors – Mr. Anthony Brent Elam
39	27 June 2013	Information Disclosure Related to PT Central Sari Finance Stock Purchase Plan

No.	Date	Subject
40	2 July 2013	Information Disclosure Related to Lease Transaction Plan of BCA Training Center Building in Sentul City, Bogor, West Java
41	2 July 2013	Information Disclosure Related to PT Central Sejahtera Insurance Stock Purchase
42	9 July 2013	Report on Corporate Governance
43	30 July 2013	Submission of the 2013 Half-Yearly Financial Statements of PT BCA Tbk
44	31 July 2013	Submission of Proof of Advertisement of the 2013 Condensed Half-Yearly Financial Statements (Unaudited) of PT BCA Tbk
45	3 September 2013	Report of Shareholding by the Board of Directors
46	3 September 2013	Submission of Questionnaires related to Regulation No. X.K.6 on Submission of Annual Report of Publicly Listed Companies
47	4 September 2013	Report of Shareholding by the Board of Directors
48	19 September 2013	Information Disclosure Related to Effective Assignment of Right of PT Central Sejahtera Insurance Shares
49	30 October 2013	Report of Transactions with Transaction Value Not Exceeding 0.5% of the Bank's Fully Paid Capital and Not Exceeding Rp 5 Billion
50	31 October 2013	Submission of Notification Proof of Condensed Financial Statements for the Third Quarter 2013 (unaudited) of PT BCA Tbk
51	7 November 2013	Report of Transactions with Transaction Value Not Exceeding 0.5% of the Bank's Fully Paid Capital and Not Exceeding Rp 5 Billion
52	11 November 2013	Submission of Advertisement Notice to Shareholders on Interim Cash Dividend Distribution for the 2013 Fiscal Year of PT BCA Tbk
53	11 November 2013	Report of Transactions with Transaction Value Not Exceeding 0.5% of the Bank's Fully Paid Capital and Not Exceeding Rp 5 Billion

During 2013, BCA submitted 18 (eighteen) letters to the Indonesia Stock Exchange (IDX/BEI):

No.	Date	Subject
1	20 January 2013	Confirmation of Criteria Compliance on One Corporate Group with other listed companies
2	27 March 2013	Information Publication of Summary Annual Financial Statements 2012 (Audited) of PT Bank Central Asia Tbk
3	1 April 2013	Change of Public Accounting Office (Non Published Form)
4	29 April 2013	Information Publication of Summary First Quarter 2013 Financial Statements (Unaudited) of PT Bank Central Asia Tbk
5	30 April 2013	Submission of the 2013 First Quarter Financial Statements
6	5 July 2013	Submission of website Ownership Confirmation
7.	29 July 2013	Information Publication of Summary Half-Yearly-2013 Financial Statements (Unaudited) of PT Bank Central Asia Tbk
8	15 August 2013	Report of Securities Registration as of July 2013
9	6 September 2013	Clarification on Customer Complaint Reporting in the Media
10.	16 September 2013	Report of Securities Registration
11	1 October 2013	Explanation on Land Issues HGB 847/ Karet a.n PT Bank Central Asia Tbk
12	17 October 2013	BCA Securities Registration as of September 2013
13	30 October 2013	Information Publication of Summary Third Quarter 2013 Financial Statements (unaudited) of PT Bank Central Asia Tbk
14	31 October 2013	Submission of the 2013 Third Quarter Financial Statements of PT BCA Tbk (unaudited)
15	7 November 2013	Report on the Announcement of Schedule and Procedures of Interim Cash Dividends Distribution of PT BCA Tbk

No.	Date	Subject
16	18 November 2013	Implementation Plan of Public Expose BCA "Investor Summit and Capital Market Expo"
17	22 November 2013	<i>Submission of Investor Summit Materials</i>
18	2 December 2013	Submission of Issuer Presentation and Press Conference at the 2013 Investor Summit Implementation Results

### Internal Communication

Internal communication plays a central role in building corporate character and culture as well as strengthening teamwork throughout the Bank. Smooth, intensive and effective internal communications in disseminating Company information will accelerate understanding of the Bank's mission and vision while strengthening corporate culture. Achievement of overall Company performance goals is inseparable from a robust and active and internal corporate communications capacity.

The content of information and the choice of communication media are key to internal communications success. These complementary aspects merge allowing a flow of information to the employees that is easily digested and understood and then acted upon.

### Internal Communication Media at BCA includes:

#### 1. InfoBCA

InfoBCA is a monthly internal magazine that serves as a medium for education, socialization, entertainment, and as a means to share knowledge, experiences, and activities about BCA for all employees. InfoBCA magazine contains company information, products, services, networks, programs, awards, technological innovation and highlights specific activities in various business units and branches throughout Indonesia. The magazine also contains news on subsidiaries and business partners as well as articles on the culinary arts, book reviews, movies, music, tourism, learning modules and other useful information for employees. From time to time, InfoBCA publishes a

Special Edition containing information and activities related to services. In 2013, 3 Special Edition and 10 regular edition of InfoBCA were published.

#### 2. BCA Update

Summary statements of BCA's Financial Performance are published on a quarterly basis and are distributed to all management, Regional offices and Branch offices, as well as to relevant institutions.

#### 3. MyBCA

MyBCA is an intranet-based BCA internal communication media only accessible by employees and staff of BCA. MyBCA is managed jointly by the Information Technology and Public Relations Groups with input from the various groups and Divisions at BCA headquarters. Each Business and support unit has a dedicated portal that can be accessed via the main page of MyBCA. The internal web serves as a means to convey Company information and business strategies, including product socialization, services, programs, education and learning facilities, as well as a variety of other important information, throughout the Bank. Through MyBCA, employees can also download data such as system applications, text, images and videos that are useful to support work activities. Furthermore, MyBCA has been developed for human resources administration services and online filing and information for medical expenses, filing leave, overtime, business travel, employee data, compensation and employee appraisals.

#### 4. Cable Television

Television screens are used for internal communications and are mounted in strategic places within BCA offices. This audio-visual electronic media broadcast internal information about the Company, products, services, and other relevant information.

#### 5. E-mail

BCA uses email extensively for internal communications. BCA utilizes e-mail blasts to disseminate Company information, products, programs or events, as well as for confirming large transactions with clients as part of the risk management process. Dissemination of information for management forums is also done via email.

#### 6. Microsoft Lync

Through Microsoft Lync, employees can send data or information via a PC and communicate with each other using chat facilities. Microsoft Lync is tremendously useful, especially for matters that are urgent because the incoming message instantly appears on the screen along with the incoming message alert. Furthermore, the Microsoft Lync facility can be used to transmit large data or files.

#### 7. Internal Events

Internal communication is also facilitated through a variety of internal events, such as:

- a. BCA Anniversary
- b. Analyst Meetings
- c. Branch Openings
- d. Lunch with Management
- e. Gatherings: Christmas/New Year, Eid al-Fitr and Purnabhakti BCA
- f. National Work Meeting: Bringing together all Commissioners, Directors, Regional Heads, Division Heads, Deputy Division Heads, and Branch Managers
- g. Lobby decorations in the banking hall at the Head Office for: Chinese New Year, Eid al-Fitr, Christmas and New Year
- h. Bakorseni
- i. Work unit annual recreation events, COP

#### Bakorseni

Bakorseni (coordinating board for sports, arts and hobbies) is an informal forum established to facilitate sports, arts and hobbies for BCA employees.

Bakorseni is based in Jakarta, and assisted by the Bakorseni Regional units (Bakorwil) and dedicated Head Office staff. Bakorseni coordinates sporting, arts and various hobbies with teams and clubs in the head office and in the branches.

Bakorseni is intended to foster a sense of togetherness and familiarity, as well as to develop employee potential in the arts, sports and in various hobbies, as well as to create a work-life balance. At BCA we believe it is important that employees are not only busy with work, but have a variety of activities outside of work aimed to improve productivity and employee morale.

Bakorseni activities include:

1. Sports: Soccer, volleyball, futsal, table tennis, tennis, basketball, badminton, cycling and bowling.
2. Arts: vocal group, choir, band, dance, and puppet (wayang).
3. Hobby: photography, fishing, chess.

Bakorseni holds a national competition every 3 (three) years called Porseni National, and Regional Jabodetabek activities each year. Outside Jabodetabek a regional Porseni is conducted every 1-2 years.

Bakorseni coordinates with various internal business units of BCA and relevant institutions outside BCA, such as other with banking

institutions or sport, arts and hobby organizations, engaging employees in various games or championships such as the Interbank Sports Week (Porbank) organized by Bank Indonesia, or sporting events organized by the National Association of Private Banks (PERBANAS), as well as the Regional Banking Consultative Body (BMPD), and others.

#### Bakorseni activities during 2013:

1. Held National Porseni for the 56<sup>th</sup> anniversary of BCA in February 2013 which involved 600 athletes and 1,500 employees from various Regions and branches of BCA in Jabodetabek.
2. Competed in the Bankers Performance Competition 2013 activities organized jointly by Bank Indonesia, Perbanas, Indonesian Bankers Association (IBI), Abisindo, and Asbanda.
3. BCA Futsal Team participated in the Malindo Futsal Championship 2013 Tournament winning first place.
4. Routine intramural Sports practices and events.
5. Routine art exhibitions and contests
6. Various friendly competitions and routine get togethers with 'hobby clubs'.

### CODE OF ETHICS

BCA Code of Behavior and Ethics consists of:

1. Complying with and obeying the existing laws and regulations.
2. Maintaining BCA's reputation and safe keeping of BCA property.
3. Keeping confidential customer and BCA data.
4. No personal conflict of interest of BCA or customers.
5. Recording accurately all transactions in accordance with applicable regulations.
6. Maintaining and cultivating a harmonious working environment and fair competition.
7. Not abusing his/her position and authority for his/her personal or family interests.

8. Not committing misconduct which can be detrimental to the image of his/her profession and the reputation of BCA in general.
9. Keeping away from any form of gambling or speculative actions.
10. Constantly improving his/her knowledge and insights, by following the developments in the banking industry in particular and the business world in general.

Based on the Directors Decision No. 778/SK/DIR/95, the BCA Ethics Code applies for members of the Board of Commissioners, Board of Directors, and employees of BCA.

#### Ethics Code Socialization and Enforcement

All BCA staff and employees have been given a BCA Bankers' Code of Ethics paperback guide which includes a signed statement from employees that they understand and promise to obey and execute the BCA Bankers' Code of Ethics as a guide to good behavior both inside and outside of work. Violations of the BCA Bankers' Code of Ethics may result in penalties in accordance with prevailing regulations.

BCA Bankers' Code of Ethics is published on BCA's website.

### CORPORATE CULTURE

BCA has distributed several publications on BCA's vision, mission and values to all staff and employees.

#### 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 BCA's corporate franchise and stakeholders' value.

## Values of BCA

### 1. Customer Focus

Understanding, exploring and meeting the needs of the customer with the best way.

### 2. Integrity

Honest, sincere, and straight.

The Customer has a Bank that can be trusted.

Trust is built through actions which reflect integrity and high business ethics consistently.

### 3. Team Work

Team is a set of people who have distinctive affinity, commitment, ordinances, and synergy to achieve one goal.

### 4. Continuous Pursuit of Excellence

Always do the best with the the best quality.

## Vision, Mission, and Values of BCA

The Vision and Mission of BCA provide a foundation, direction, and guidance to staff and employees at all levels of BCA.

The Values of BCA provide the moral guide for all staff and employees of BCA in achieving the Vision and Mission of the Company.

Socialization programs for the dissemination of BCA's Vision, Mission, and Values :

1. All Division and Work Unit Heads/sub-Heads from echelon 1 to 3 participate in regular seminars on BCA's Vision, Mission and Values.
2. Coordination meetings at all BCA's Regional Offices.
3. Career development programs (MDP, P2M) and specific forums, such as the AO Forum, and Special groups within the bank are given specific training on ethics and values.

Introduction to the culture of BCA is given at the induction program for all new employees. The introduction program includes a special section on BCA's Vision, Mission and Values.

The Vision, Mission, and Values of BCA are also disseminated through:

- BCA Info Bulletin (internal monthly magazine).
- Employees PC's screen saver and mouse pads.
- Internal training.
- Internal Culture Video Clips.
- BCA Handbook.
- Comic Books.
- Games.
- Other media.

Understanding of BCA's Mission is intended to:

1. Build an institution that excels in the field of payment settlement and financial solutions for business and individual customers meaning that BCA builds a superior institution for banking transaction services.
2. Understand diverse customer needs and provide the right financial services to optimize customer satisfaction meaning that BCA can deliver products and services accordance with the requirements of customers.
3. Enhance BCA's corporate franchise and stakeholders' value with a broad sense of the totality of the Company's values, both tangible and intangible, while balancing the interests of various stakeholders.

The vision and mission of BCA shall be reviewed and evaluated once every 5 years. In 2013, the vision and mission of BCA were evaluated by BCA's Board of Commissioners and Board of Directors and have been reconfirmed for an additional 5 years.



## WHISTLEBLOWING SYSTEM

Whistleblowing policy is designed as a front line defence against fraud and as part of international Good Corporate Governance procedures. The policy must be clear and easy to understand and should provide a mechanism for employees and officers of BCA to report fraud, violations of the law or company regulations, and infractions of the BCA code of conduct or potential conflicts of interest that may occur.

The whistleblowing system is a means of communication for internal parties within BCA to report the actions/behaviors/events related to possible fraud, etc. without going through the normal structural reporting channels. Complaints and reports must be based on good faith and not a personal complaint or bad will/defamation.

### Fraud

Fraud is an aberrant action or the allowing of something intentionally done to trick, deceive, or manipulate BCA, BCA customers, or other parties and using BCA facilities or BCA's name designed to result in financial benefit, either directly or indirectly, to the perpetrator of the fraud.

Types of actions considered fraudulent are:

- Cheating;
- Lying;
- Asset embezzlement;
- Unauthorized disclosure of information;
- Banking criminal offense (bank criminal action); and
- Other actions equivalent to the above.

### Conflict of Interest

Conflict of interest is a condition in which an individual in performing their duties and obligations have an interest outside the Company's interest, either personal or for other parties, so that the individual loses his/her objectivity in making decisions and/or policy in accordance with the authority which has been granted to him/her by the Company.

## Purposes of the Whistleblowing System

- Confidentiality is guaranteed so that the whistleblower can report fraud, violation against law, company regulation, code of conduct, and conflict of interest without fear or worry of retribution.
- So that the fraud occurring can be detected and prevented as quickly as possible.

## Means of Complaint Submission of Violation Reports

The following are the means and addresses which can be used by a whistleblower to submit his/her complaint.

MEANS	ADDRESS
E-mail	bcabersih@bca.co.id
SMS	0818-0818-1909*)
Direct Telephone	021-2358-8008
VSAT – Extension	VSAT 89000 Extension 22888
Letter	PO BOX 1189, JKS 12011

\*) This number can only be used for SMS

## Matters that Must be Reported by the Whistleblower

The following items must be completed by the whistleblower to simplify and accelerate the process of reporting and follow-up;

- Provide information on the identity of the whistleblower, at a minimum least:
  - Name of whistleblower (allowed to use anonymous);
  - Telephone number/e-mail address that can be contacted.
- Must provide an indication of what the report concerns:
  - Problem reported (What);
  - Parties involved (Who);
  - Time of occurrence (When);
  - How it happened (How).



- Reports submitted must relate to:
  - Fraud;
  - Violation against law;
  - Violation against Company regulation;
  - Violation against code of conduct;
  - Violation of conflict of interest;
  - Other matters equivalent to the above.

#### Party Managing the Complaint

Follow-up on a complaint registered by a whistleblower is handled carefully with reference to the applicable provisions of BCA and the laws of Indonesia. BCA has formed a special internal team to handle whistleblower complaints.

#### Protection for Whistleblower

BCA will provide protection to the whistleblower, including:

- Confidentiality guarantee of the whistleblower's, identity and the content of the report which has been submitted;
- Protection guarantee against treatment which harms the whistleblower;

#### Report Complaints Recapitulation up to 31 December 2013 is as follows :

Report	Total	Remark
Total reports received	27	
Followed-up	17	<ul style="list-style-type: none"> <li>- 3 cases proven (3 cases subject to sanction)</li> <li>- 8 cases not proven</li> <li>- 6 cases submitted to other work units</li> </ul>
Not followed-up	10	<ul style="list-style-type: none"> <li>- 5 cases data were not fulfilled and complainant cannot be contacted</li> <li>- 5 cases were reported outside BCA</li> </ul>

#### Provision of Sanctions

If the reported person is proven to have committed fraud/breach of trust, an authorized bank officer shall impose sanctions in accordance with applicable regulations.

#### STOCK OPTIONS

In 2013, BCA did not have a Stock Option Program

#### LENDING TO RELATED PARTIES AND LARGE EXPOSURES

BCA has strict policies on limiting and monitoring lending to related parties and limits on maximum lending exposure to non-affiliated third parties. The policies contained in the Credit Manual are regularly evaluated and updated as necessary. Lending to related parties and large exposures to debtors are undertaken with due consideration of prudent banking principles and always in compliance with Bank Indonesia regulations and other prevailing laws and regulations, particularly Legal Lending Limit (LLL) for related party lending. Total exposure including a special LLL summary are routinely reported to Bank Indonesia in line with Bank Indonesia requirements. There were no violations of LLL guidelines in 2013.

### Lending to Related Party and to Core Debtors (Individual and Group) in BCA During 2013.

No	Lending	Total	
		Number of Debtors	Amount (million Rupiah)
1	Related Parties	195	2,963,487
2	Core Debtors		
	a. Individual	50	66,081,139
	b. Group	30	88,471,810

## CORPORATE STRATEGIC PLAN

In anticipation of the dynamic changes in external business environment, BCA continues to review its short, medium and long-term strategies in its strategic plan, as covered in the Bank Business Plan and the Annual Budget and Work Plan. The formulation of the Bank Business Plan is undertaken with reference to Bank Indonesia Regulation No. 12/21/PBI/2010 dated 19 October 2010 on Business Plan for Commercial Banks and the provisions on Bank Indonesia Circular Letter No. 12/27/DPNP dated 25 October 2010 on Business Plan for Commercial Banks.

As part of its policy direction and strategic initiatives towards its vision and mission statements, BCA has developed a number of business initiatives that are specifically designed to accommodate the growing and changing customer needs.

### BCA Strategic Plan in 2014

Overall, BCA sees the Indonesian economy and banking sector on solid footing to face any economic slowdown in 2014. BCA supports Bank Indonesia's efforts to manage national loan growth at a sustainable level as well as to maintain healthy banking sector capital and liquidity.

In the long term, BCA is optimistic about the prospects for the Indonesian economy and the domestic banking industry. The solid economic growth in Indonesia over the past decade has produced a GDP per capita of approximately USD 3,500 accompanied by a growing middle-class which serves as a magnet for investment flows and supports an expanding domestic economy.

With the support of the Bank's healthy capital and liquidity position, BCA is committed to continue making sound investments in 2014 in order to maintain and increase the Bank's franchise value. BCA will continue to support customers with established good relations in meeting their credit needs, transaction requirements, funds placement options and other banking services. BCA will work to strengthen the Bank's customer network by redefining and differentiating its approach to different customer segments.

Strategic priorities in 2014 will remain focused on the sustainable development of customer relationships by providing increased payment settlement services; maintaining prudent lending; and developing new businesses. Both lending opportunities and new business development will continue to leverage the Bank's strength in payment settlement services. The three main business objectives are elaborated as below:

- **Enhancing payment settlement services**

BCA will focus on funding with particular emphasis on further strengthening transactional accounts (current and savings accounts) by continuing to improve payment settlement services and introducing new transaction related products and services. The Bank will expand its network with increased branch numbers and electronic banking delivery channels, supported by the development of greater capability and capacity within the Bank's IT infrastructure. The Bank will also continue to upgrade its cash management platform.

In an environment of tightening market liquidity and rising interest rates, the Bank will continuously review and make necessary adjustments to its time deposit rates in order to maintain sustainable overall third party funds and a strong and healthy liquidity position.

- **Lending**

The Bank will provide lending to all segments with a priority towards business customers who have built good relationships with the Bank and those with solid business track records. The Bank believes that fostering customer relationships through consistent lending, especially with our CASA customers, is one key to maintaining the loyalty of qualified borrowers. In this year of lending consolidation the Bank will continue to review and improve credit infrastructure to support short-term and long-term growth and to further streamline the credit process. The Bank will continue to focus on sustaining a healthy loan portfolio by adhering to disciplined risk management, and maintaining a well-diversified loan portfolio in prospective and growing industries.

- **Development of new businesses**

The Bank will continue to develop new businesses through subsidiaries in the field of consumer finance, insurance, securities and Sharia banking, all designed to complement the Bank's main business. In 2014, the Bank will explore the life insurance business through a new subsidiary being set up for this purpose. Development of new businesses is expected to provide more comprehensive financial solutions to our customers.

Faced with the challenges of the current macro-economic environment, the Bank believes our near-term strategy will enable BCA to enhance the Bank's long-term competitive advantages. The

Bank also believes that this strategic approach will consistently build a quality customer base even with increasing banking competition in Indonesia.

## **TRANSPARENCY OF BANK FINANCIAL AND NON FINANCIAL CONDITIONS NOT DISCLOSED IN OTHER REPORTS**

Information on the financial conditions of BCA has been disclosed in a transparent manner in:

1. Annual Report.
  - a. Financial highlights including stock performance, reports of the Board of Commissioners and Board of Directors, Company profile, management analysis and discussion on business and financial performance, corporate governance, and corporate social responsibility.
  - b. The Annual Financial Statements that have been audited by a Public Accountant and Public Accountant Firm that is registered at Bank Indonesia. The annual Financial Statements cover a period of 1 (one) fiscal year with comparison to the previous fiscal year.
  - c. Statement of responsibilities of the Board of Commissioners and Board of Directors regarding the accuracy of the contents of the Annual Report. The statements are set forth in the statement letter, which is signed by all members of the Board of Commissioners and Board of Directors.
2. Quarterly Published Financial Reports
 

BCA releases Quarterly Published Financial Reports in accordance with the prevailing regulations. The Published Financial Reports are signed by 2 (two) members of the Board of Directors. The Published Financial Reports are published in 3 (three) major daily newspapers, 2 (two) in Indonesian language and 1 (one) in English, which have a wide circulation in the location of BCA's Head Office.

### 3. Monthly Published Financial Reports

BCA prepares and submits a monthly financial report in the Commercial Bank Monthly Report format in accordance with Bank Indonesia regulations. This report in turn forms the basis for Bank Indonesia to prepare the monthly financial reports for banks published on its website.

### Transparency of Non-Financial Conditions

BCA provides clear, accurate and up-to-date information on its banking products and services. The information can be easily obtained in the form of leaflets, brochures and other written materials at each BCA branch in easily accessible locations, and/or in the form of electronic information provided through the hotline service, contact center, or on the website.

In addition, BCA also upholds the transparency principle in the handling of customer complaints and the settlement of disputes with customers in accordance with Bank Indonesia regulations concerning customer complaints and banking mediation.

In relation to the above, BCA has conducted the following:

1. Transparently published the financial and non-financial conditions to stakeholders, among others in the form of Periodic Financial Reports, and the submission of Routine Legal Lending Limit Reports to Bank Indonesia, Quarterly Published Financial Reports, as well as publishing on BCA's website in accordance with the prevailing regulations.
2. Preparation and presentation of reports in a manner, type and scope stipulated in Bank Indonesia regulations on Transparency of Bank Financial Conditions.
3. The disclosure of information regarding BCA's products in accordance with Bank Indonesia regulations on Transparent Information of Banking Products and on Utilization of Customer's Personal Data.
4. The transparent disclosure of information on the handling of customer complaints and the settlement of disputes with customers, in accordance with Bank Indonesia regulations on Customer Complaints and Banking Mediation.
5. The submission of Annual Report to Bank Indonesia, other regulatory bodies, and other institutions as required by the relevant regulations or as deemed necessary.
6. Publishing the Ownership Structure in the Annual Report and the BCA website.

## HIGHEST AND LOWEST SALARY RATIO

Every employee is entitled to a fair salary. Salary received and expressed in monetary terms and is provided by BCA as the employer to the employees as is determined by specific employment contracts, agreements or laws, including benefits for employees and their families, for the task and/or services which has been conducted.

The following is the highest and lowest salary ratio in comparison scale.

Ratio	Comparison Scale
Ratio of highest and lowest salaries of employees	47.52
Ratio of highest and lowest salaries of Directors	2.19
Ratio of highest and lowest salaries of Commissioners	1.63
Ratio of highest salaries of Director and employees	4.87

Salaries that are comparable in salary ratio referred to above is the consideration received by the members of the Boards of Commissioners and Directors and employees per month. The definition of employee is a permanent employee of BCA.

## INTERNAL FRAUD

Internal fraud is defined as a violation/fraud conducted by the management, permanent employees and non-permanent employees with regards to a work process or operational activity of BCA.

Throughout 2013, there were internal fraud cases with a nominal amount each above Rp 100 million (one hundred million rupiah) conducted by permanent employees of 2 (two) internal fraud cases and have been resolved, and 1 (one) internal fraud conducted by non permanent employee and was referred to the Indonesian legal authorities (legal procedures action). Details are as follows:

Internal Fraud in 1 Year	Number of Fraud Cases by:					
	Management		Permanent Employee		Non-Permanent Employee	
	Prior Year (2012)	Current Year (2013)	Prior Year (2012)	Current Year (2013)	Prior Year (2012)	Current Year (2013)
Total Fraud	-	-	5	2	-	1
Resolved	-	-	5	2	-	-
Internal resolution	-	-	-	-	-	-
Not yet processed	-	-	-	-	-	-
Legal procedures action	-	-	-	-	-	1

## TRANSACTIONS WITH CONFLICT OF INTEREST AND AFFILIATED TRANSACTIONS

BCA is committed to ensuring that all transactions with potential conflict of interest are resolved in accordance with related applicable laws and regulations, among others, Bank Indonesia and OJK.

BCA has an internal policy whereby all members of the Board of Commissioners and the Board of Directors, and all bank officers from grade level 1 (S1) to grade level 5 (S5) shall prepare an annual disclosure report describing all conditions or situations that may lead to a conflict of interest. Such reports are updated annually. There were no transactions with conflict of interest in 2013.

### Anti-Gratuity

The confidence of the general public and market performers in the Bank is influenced by the ethical behavior of all employees, Directors and staff of the Bank. This trust is particularly important for fostering and nurturing business relationships with customers and other third parties.

In banking there is the potential for personal interests not to be in line with the Bank's best interests.

In minimize the possibility of conflicts of interest, BCA's Board of Directors implements specific policies regarding conflict of interest that are intended to provide guidelines for all employees within the Bank in their dealings with customers, counterparties, and colleagues.

The purpose of these provisions is to provide guidelines for reasonable behavior and create trustworthiness across all ranks of the Bank

in conducting relationships with customers, associates and fellow workers, while not interfering with private lives of Bank employees.

Such provisions, among others, stipulate that:

- No employee or staff of the Bank may solicit or accept, allow or agree to accept a gift or compensation from third parties that obtain or attempt to obtain facilities from the Bank in the form of credit facilities or any other facilities related to the activities of the Bank.
- Employees and staff of the Bank are prohibited from asking for, or accepting, or allowing or approving anyone to accept a gift or compensation from a third party that seeks to get a facility of the Bank in the form of credit facilities and/or other facilities related to Bank activities.
- If customers, counterparties, or other parties present a gift to employees or staff at certain occasions such as holidays or other national or religious celebrations, then
  1. the gift must be reported to the staff member's immediate superiors and the gift can not be seen as attempting to influence a bank business decision, and;
  2. the value of the gift cannot be beyond a reasonable limit.

If the above is violated, then the Bank employee or staff member who received the gift must immediately return the gift politely accompanied by an explanation that BCA employees are not permitted to accept gifts.

### Sanctions Violation:

These provisions are binding and must be understood and implemented fully by all ranks of Bank. Violators will be subject to sanctions in accordance with degree of violation.

**Transactions with Related Parties in 2013 are as follows:**

No.	Type of Transaction	Affiliated Party	Amount of Transaction	Reason and Explanation of Affiliated Transaction
1	Room rent for Quarter IV 2012 Analyst Meeting	PT Grand Indonesia	Rp 66,792,000.-	Room location is close to BCA's office and used as meeting area for coordination of the event
2	Room rent for Quarter I 2013 Analyst Meeting	PT Grand Indonesia	Rp 66,792,000.-	Room location is close to BCA's office and used as meeting area for coordination of the event
3	- Training center building rent in Sentul City, Bogor	Dana Pensiun BCA	Rp 881,624,700,000.- (for a rent period of 20 years)	The affiliated party plans to construct buildings that are equipped with facilities necessary for BCA education and training activities
	- Training center furniture rent in Sentul City, Bogor	PT Sentral Layanan Prima	Rp 74,862,736,727 (for a rent period of 5 years)	Furniture that is integrated with the training center with facilities of a 4 star hotel
	- Contract for the management of the training Center in Sentul City, Bogor	PT Sentral Layanan Prima	Rp 15,869,224,600.- (for the first year)	Building management indirectly controlled by the Developer (PT Dana Pensiun)
4	Sale and purchase of shares in the amount of 6,750 shares (BCA as buyer of 6,750 shares/75% of issued and paid-up capital by Dana Pensiun BCA to CSI)	Dana Pensiun BCA (seller of 75% of issued and paid-up capital by Dana Pensiun BCA to CSI)	Rp 102,000,000,000.-	BCA purchase of shares of vehicle finance company
5	Room rent for Quarter III 2013 Analyst Meeting	PT Grand Indonesia	Rp 66,792,000.-	Room location is close to BCA's office and used as meeting area for coordination of the event
6	Room rent for gathering with export-import customers	PT Grand Indonesia	Rp 83,099,957.-	Room location is close to BCA's office and used for client event
7	Room rent for GCG in BCA observation	PT Grand Indonesia	Rp 8,905,600.-	Room location is close to BCA's office and used as meeting area for coordination of the event

All affiliated transactions have been conducted according to prevailing regulations.

## SHARE BUY BACK

In 2013, there were no corporate actions of share repurchase (share buy back) conducted by BCA.



## DONATION FOR SOCIAL ACTIVITIES

BCA actively contributes to the improvement of public welfare and environmental causes through various corporate social responsibility activities. Under the 'Bakti BCA' program, social activities are focused in the area of education and health throughout the country.

Overall, BCA Social Work Program during 2013 focused on several activities, among others:

1. Education Sector
  - a. PPA non degree (Accounting Education non-degree Program).
  - b. Bakti BCA Internship.
  - c. Bakti BCA.
  - d. Partnership with educational institutions.
  - e. Integrated Bakti BCA.
  - f. Banking educations and donations to other educational institutions.
2. Cultural Sector
  - a. BCA For Wayang Indonesia.
  - b. Partnership with charitable organizations.
3. Health Sector
  - a. Cataract Surgery Services – Bakti BCA.
  - b. Blood Drive Bakti BCA.

- c. Partnership on Health Services Bakti BCA.
- d. Assistance Bakti BCA.
- e. Sports.
4. Conservation Sector
5. Participation in other social institutions, in the form of donations or contributions to Social Institutions and in the form of Donations to Natural Disaster Victims.

Total funds disbursed for social activities conducted by BCA in 2013 as described in the section on Corporate Social Responsibility in this Annual Report.

More details on the activities of the Company's social care during 2013 can be found in the Corporate Social Responsibility Chapter of this Annual Report.

## FUND PROVISION FOR POLITICAL ACTIVITY

BCA did not provide funds disbursement for political activities.

## RESULT OF SELF ASSESSMENT OF GCG IMPLEMENTATION AT BCA

	Rating	Rating Definition
Individual	1	Overall, implementation of Good Corporate Governance (GCG) by the Management of BCA is rated excellent, as reflected in the very adequate fulfilment of GCG principles. Any remaining weaknesses in the implementation of GCG principles is considered not significant as a whole, and should soon be corrected by the Management of BCA.

Analysis
<p>The analysis of the self assessment on aspects of governance structure, governance process and governance output as applied to each of the GCG Implementation Assessment Factor can be summarized as follow:</p> <ol style="list-style-type: none"> <li>1. The governance structure of all the GCG Implementation Assessment Factors is very adequate and comprehensive.</li> <li>2. The governance process in most of the GCG Implementation Assessment Factors is very effective, supported by a very adequate governance structure.</li> <li>3. The governance output in most of the GCG Implementation Assessment Factors is of high-quality, resulting from governance processes that are mostly very effective with the support of a very adequate governance structure.</li> </ol>