

Network and Operations

Network expansion is a necessity to meet growing customer needs, capture new markets and open up new business opportunities

Innovation and Expanding the Network

In line with the Bank's aim of enhancing customer relationships and improving the Bank's ability to fulfill the growing needs of BCA's diverse customer base, BCA continued to expand its network both physically and electronically over the course of 2013.

In 2013, BCA opened 51 new branches across Indonesia, including 33 cash offices, as well as installing 2,022 ATMs, including 298 Cash Deposit Machines (CDMs). Aside from CDM, the Bank also introduced Cash Recycling Machine (CRM) for a more efficient cash handling solution. The CRM functions as an automated deposit and banknote recycling system, allowing the deposited cash to be used in subsequent withdrawal transactions. As of the end of 2013, the Bank managed 1,062 branches (including 109 cash offices), 14,048 ATMs (including 1,869 CDMs), and hundreds of thousands of Electronic Data Capture (EDC) machines.

Network expansion is done through a process of careful research and review of population trends, branch concentration and consumer needs to ensure that each installation is optimal for meeting existing demand, capturing new markets and opening up new business opportunities.

The review of branch locations takes into consideration traffic and the potential number of transactions conducted at each location to best enhance customer convenience and extend customer reach. As well as installing new branches, existing branches are consistently renovated and improved, ensuring the banking experience is always in line with customer preference.

Service Orientation for Stronger Sales Focus

As a part of the efforts to promote relationship banking, a theme introduced in 2010, the Bank has continued to develop the SMART SOLUTION program, an improvement on the previously

introduced SMART program, which has been implemented consistently over the last several years. "SMART" stands for Sigap (Swift), Menarik (Attractive), Antusias (Enthusiastic), Ramah (Friendly), and Teliti (Accurate), while "SOLUTION" is short for Simak (attentive); Open-minded; Lengkap (comprehensive);

Utamakan kebutuhan nasabah (prioritizing customers' needs); Telling solutions; Initiative; and ON-time follow up. In building a strong relationship with our customers, the Bank aims to improve its employees' ability in providing comprehensive and timely solutions to enhance customer engagement.



The SMART SOLUTION program creates an internal culture of customer engagement designed to increase competencies relating to all aspects of service, operations and human resources, both in the head office and at branch offices. The program has successfully improved customer engagement, service excellence and team engagement. BCA periodically measures success by customer satisfaction and the 2013 Gallup Engagement Ratings show continuing good results. These efforts have built a stronger sales focus among front line staff to provide added value for our customers.

With relationship banking in mind, the Bank always seeks new innovations to improve its network. A technology-driven and consumer-oriented branch concept was initiated by establishing a new main branch located in Alam Sutera (KCU Alam Sutera), a rapidly growing residential area in west of Jakarta. KCU Alam Sutera offers comprehensive services for individual/consumer banking needs including one-stop banking solution for transactional activities, mortgages, car loans and credit cards. The Alam Sutera pilot branch has been in operation since December 2012.

The Bank further invested in banking infrastructure and electronic delivery channels in line with technological developments and customers' growing needs for electronic banking services. BCA continues to deliver ease of access for its customers through the provision of internet and mobile banking services. The Bank has also increased the functionality of internet and mobile banking.

BCA revamped its Electronic Banking Centers (EBCs) in 2013, equipping existing ATM Centers with additional self-service facilities, such as touch-screen units with access to BCA product information, Call Center's "Halo BCA" pilot video conferencing, and Flazz Card dispensing machines. This new EBC concept can be found

in pilot branches in two malls, Ciputra World Surabaya and Gandaria City Jakarta. EBCs are open for business every day during mall operation hours and are expected to provide additional convenience and flexibility to customers and, ultimately, improved access to BCA. We expect further rollout of the EBC model in 2014.

BCA's award winning call center "Halo BCA" is experiencing increased demand year after year as customers look for convenient banking solutions, preferring to do more banking activities without visiting the branch. Halo BCA provides detailed information regarding the Bank's services and products and assists customers in choosing the right products for their needs. The vast majority of calls the call center received in 2013 were of this nature.

When a new service is implemented, or a customer tries a service for the first time, it is essential that customer service staff be available to support customers through any difficulties they might have. Halo BCA is available 24 hours a day, 7 days a week to handle customer enquiries and facilitate ease of use of services and delivery channels.

BCA considers its multichannel network a major and effective factor in maintaining and enhancing customer convenience. With this in mind, the Bank focuses on making sure that the multichannel network is both secure and reliable. BCA's online network runs on two mirrored data centers in Jakarta with a backup disaster recovery center in Surabaya to minimize the risk of network failure.

Process Efficiency

BCA Network and Operations is responsible for supporting the Bank's delivery of services to its customers. This involves a high level of interaction with all business units in the Bank, as well as managing network and back office activities and the Halo BCA contact center.

BCA Network and Operations continues to simplify, improve and streamline operational processes to prudently optimize efficiency across all businesses.

The Bank has undertaken development of a web-based account opening system to facilitate a hassle-free process for opening bank accounts and applying for mass market consumer loans such as mortgages, vehicle loans and credit cards. This innovation will improve efficiency and will help simplify the account opening and mass lending process.

The Bank continues to expand the CDM presence, which was designed to speed up the process of making deposits, thus reducing queues at branches. A new project currently underway is the development of CRM, which is expected to drive down associated costs with reduced cash replenishment, less cash storage and increased security. The Bank constantly reviews the overall cash-handing process, involving the Bank's regional offices, branches and cash-handling centers, to increase overall efficiency.

Meanwhile, the centralization of Credit Service Centers will assist in ensuring sound implementation of operational and administrative processes, thus maintaining the credit quality of BCA's loan portfolio.

Outlook

The Bank plans to develop and enhance its relationship banking capabilities. This will involve developing and employing more relationship officers at branches to better focus on managing clients as well as to identify and anticipate any existing and future needs.

The Bank will also continue to invest in banking infrastructure by adding and strategically positioning branches and electronic banking services. The Bank aims to innovate in line with the growing and evolving needs of its customers.