

# Creating Growth, Providing Values



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# Creating Growth, Providing Values

PT Bank Central Asia Tbk has existed in Indonesia for 60 years, serving and giving meaning for the people. Entering this age, we wish to become more mature, while maintaining the humility, and striving to provide positive impacts for all stakeholders.

Learning Better, Giving Better, and Providing Better Service are BCA's credo in carrying out its role in the country's economy within the framework of sustainable development, by maintaining the balance between business goals, social development, environmental preservation, and prudent corporate governance. Sustainability is a part of the Bank's commitment to manifesting its vision to become the bank of choice and a major pillar of the Indonesian economy.



The 2017 BCA Sustainability Report is the third report we have published, which provides information on BCA's sustainability performance related to Profit-Planet-People principles. This report is intended for the stakeholders of BCA to learn about the Bank's performance and approach in managing corporate responsibility and sustainable finance implementation in Indonesia.

This report complements the 2017 BCA Annual Report, which discusses in details the aspects of business and governance. The implementation of social and environmental responsibility, meanwhile, is the focus of this document.

### Reporting Reference

This report was prepared pursuant to the "in-accordance" provisions in the Global Reporting Initiatives Sustainability Reporting Standards (GRI Standards) and the Financial Services Sector Disclosure (FSSD). The option selected in this report is the "core" option. [102-54]

BCA began this 2017 sustainability report in accordance with Attachment-II of the Financial Services Authority Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies.

### Scope of Report

The 2017 BCA Sustainability Report contains BCA's ongoing policy and performance information during the period from January 1, 2017 to December 31, 2017. [102-50]

This document reports on the businesses of BCA and its subsidiaries, except for the data and information on social and environmental responsibility management, which only include the activities and performance of the Bank, unless indicated otherwise. [102-45]



# About BCA's Sustainability Report

# Message from the President Director



**Jahja Setiaatmadja**  
President Director

## Respected Stakeholders,

In 2017, coinciding with the Bank's 60th anniversary, BCA opted for the theme #ToBeBetter through Better Learning, Better Giving, and Better Service. We are inspired by the customers' needs that we fulfill through product and service innovations.

It has been a 60-year journey filled with financial services for the community and supports for the country's economy, to realize the Company's vision of becoming the bank of choice and a major pillar of the Indonesia's economy.

### Implementing Sustainable Finance

Since 2015, the Government through the Financial Services Authority has initiated the implementation of Sustainable Finance. In that regards, BCA is involved in the pilot project of the "First Movers on Sustainable Banking" with seven other national banks. This initiative is intended to increase the resilience and competitiveness of Financial Services Institutions, to be able to grow sustainably and contribute in the attempts to reduce the impacts of climate change towards low carbon economy.

Within this framework, BCA is committed to implementing the principles of Sustainable Finance that integrates the environmental, social, and governance aspects into the Bank's daily operations. In the early stages, the principles were manifested through increasing the portion of eco-friendly financing, such as environmentally friendly products, energy conservation, and organic farming. In 2017, BCA's loan portfolio

on sustainable financing reached Rp27.15 trillion, an increase by 10.5 percent from the previous year of Rp24.56 trillion.

In addition to realizing sustainable finance, BCA is committed to supporting the Government's development programs, including financial inclusion. As of the end of 2017, BCA has disbursed KUR micro credit of Rp103.55 billion.

### Bakti BCA as Part of the Community

The sustainable growth of BCA is attributed to the public's support for the Bank. In line with our principle to grow with the community, we conduct various activities of social and environmental responsibilities through the Bakti BCA program that stands on the three pillars: Smart Solutions for education sector; Synergy Solutions in the fields of culture, health, sport, and empathy; as well as Excellent Business Solutions.

Smart Solution is the manifestation of BCA's responsibility in education. The program includes Bakti BCA Scholarship, Bakti BCA School Assistance as well as Accounting Education Program (PPA) Non-Degree, and Information Technology Education Program (PPTI) Non-Degree. We also share our values through Excellent Business Solutions, an attempt to support the development of tourism villages. In this program, BCA performs mentoring and capacity building of the community to transform local potentials into increased income and welfare.



**The year 2017 marked the 60<sup>th</sup> anniversary of BCA, indicating the Bank's maturity and continuous efforts to provide positive values for all stakeholders through better service. BCA always strives to be better by paying more attention to the community, in accordance with the principles of the Company to grow with the people, through a range of activities related to social and environmental responsibilities.**

## Message from the President Director

The expressions of gratitude for the 60-year journey has been manifested in the #GiveBetter commitment through blood drives, among others, which have been organized regularly since 1990. In November 2017, BCA sets the record of the Indonesian Museum of Record (MURI) as “The First National Private Bank that Organizes 100<sup>th</sup> Blood Drive”.

BCA actively supports financial literacy program to improve the financial literacy and inclusion index, by providing trainings for more than 2,000 students of assisted elementary schools, more than 1,600 people from eight cities joining OJK’s SiMOLEK program, and 150 Indonesian migrant workers and families or communities of migrant workers. BCA has distributed public donations for the Book for Indonesia program at 60 locations. In addition, BCA also held charity programs at two assisted clinics, organized free cataract surgery, and conducted Indonesian Fintech educational seminar, as well as a variety of other activities with the objective to provide social and environmental benefits.

### Achievement of the Bank’s Business Performance

Entering 2017, we were re-reminded that the Indonesian economic development was not unaffected by the global economy that showed positive trend, although the recovery process is not as fast as previously estimated. The national economy grew by 5.07 percent in 2017, driven by improved export performance and investment activities. It was also reflected in the banking industry, in which credit growth in 2017 reached 8.2 percent, mainly for working capital, and not as much for investment credit.

Amid this condition, BCA remained the preferred Bank of the Indonesian community, with the total assets reaching Rp750.3 trillion, growing by 10.9 percent year on year. Outstanding banking loans increased by 12.4 percent to Rp467.5 trillion, while Third Party Fund grew by 9.6 percent to Rp581.1 trillion.

BCA continues to implement the principle of prudence in managing the Bank’s business, and strives to achieve the long-term strategic goals. With this approach, BCA was able to gain net profit of Rp23.3 trillion in 2017 with the capital adequacy ratio (CAR) of 23.1 percent and a loan to funding ratio (LFR) of 78.2 percent, while the non-performing loan (NPL) ratio in 2017 increased from 1.3 percent to 1.5 percent that was properly managed.

Prudent business oversight and internal development conducted by BCA are the implementation of good corporate governance as well as the key to business success. The consistent implementation of governance allows BCA to be recognized as a leading bank in governance practices with awards in this field every year.

### Utilizing Future Opportunities

We observed closely and adapted to the latest developments in banking landscape, namely digital technology, which in a short period of time has brought a major change in people’s preferences. Currently, more customers are using digital channels, leaving only 3 percent transactions conducted at the Bank’s office. BCA also made adjustments in terms of business structure, in which one organizational unit works for one customer segment. Therefore, customers will receive a very personal service and get the specific financial products and services as needed.

The future of a more inclusive digital financial services is drawing high. In the last few years, BCA has improved the learning of financial technology, come up with digital services innovations, and established a venture capital subsidiary that will allow the bank to tap into a broader technology-based financial services to various segments of the society.

In regards to sustainable finance initiative, BCA and the stakeholders will develop financial products and services, as well as internal business processes that are in favor of the principles of governance, environment, and social, in accordance with Indonesia’s sustainable finance roadmap.



### Appreciation to All Stakeholders

The entire employees and management of BCA hope to continue to provide banking services and to always be on your side, now and in the future. We extend our appreciation to our customers who continue to build their trust upon us, and the regulators who continue to oversee the Bank's sustainability, as well as to the employees of BCA who relentlessly devote their might to serve better.

Finally, the support of all stakeholders will help BCA to remain optimistic in embracing the future. [102-14]

Jakarta, March 2018



**Jahja Setiaatmaja**

President Director



# BCA at a Glance



**17+ million**  
Number of Accounts



**1,200+**  
Branch Offices



**17,600+**  
ATMs



**25,000+**  
Employees

Established in 1957, PT Bank Central Asia Tbk (BCA) is currently one of the largest private banks in Indonesia. With its superiority in transaction banking, BCA serves a diverse range of customers, both individuals and businesses, through the networks of electronic banking and branch offices that reach nearly all major cities across Indonesia.

For more than 60 years, BCA has served over 17 million customer accounts with the support of over 25,000 employees through convenient, secure, and reliable transaction network, which also allows the Bank to offer quality services.

BCA's superiority in transactional banking enables the Bank to secure a sustainable source of low-cost funding in the form of transaction funds, namely Current Accounts and Savings Accounts (CASA), which make up for the lion's share of BCA's total third party fund. BCA actively disbursed loans in Indonesia with a diversified portfolio in the corporate, commercial & SME, and consumer segments. The loan portfolio quality is maintained at a sound level by applying prudent risk management.

To facilitate BCA's core business line, BCA provides a comprehensive financial solutions for customers through eight subsidiaries engaging in six lines of business, which are six automotive financing through BCA Finance and CS Finance, insurance through BCA Insurance and BCA Life, securities through BCA Sekuritas, sharia banking through BCA Syariah, remittance through BCA Finance Ltd, and venture capital in fintech and financial industry through Central Capital Ventura (CCV), which was established in 2017. [102-10]

Maintaining trust and providing the best banking solutions for the customers' financial needs are BCA's honor and pride. Therefore, BCA is committed to continuously expanding its business to sustain the customers' banking needs and contribute to the community, being "Always by Your Side."



## VISION

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



## MISSION



**To build a superior institution in payment settlements and financial solutions for businesses and individuals.**



**To understand the diverse needs of the customers and provide the right financial services to optimize customer satisfaction.**



**To enhance BCA's corporate franchise and stakeholders value.**

\* The Vision and Mission of BCA have been approved by the Board of Directors and the Board of Commissioners of PT Bank Central Asia Tbk through the Decree No. 022/SK/DIR/2006 dated 23 February 2006, on the Vision and Mission of PT Bank Central Asia Tbk.

## SUSTAINABILITY HIGHLIGHTS OF BCA IN 2017

### For the Community



**Rp 27.15 trillion**  
Sustainable Financing



**17.048 million**  
Number of Accounts



**Rp 5.84 trillion**  
Paid Tax

### Business



**Rp 23.3 trillion**  
Net Profit



**3.9%**  
Return on Asset



**4.57**  
Customer Engagement Index

### Social and Environmental Responsibility



**637**  
Bakti BCA Scholarship Recipients



**534**  
Participants of Non-Degree Accounting & Information Technology Education Program



**3,766**  
Bakti Internship Participants



**17**  
Assisted Schools



**9**  
Assisted Tourism Villages



**86,000+**  
Beneficiaries of Financial Literacy Education Program

### Employee



**25,439**  
Employees



**60%**  
Female Employees



**192,424**  
Training Days

### Environment



**9%**  
Reduction of A4 Paper Consumption YoY



**17.09%**  
The Decline in Electricity Consumption YoY at Menara BCA



Since 2009, BCA has constantly been included in the list of 25 companies selected by Sustainable and Responsible Investment (SRI Kehati) Index. Companies in this list are considered to have great concerns on environment, corporate governance, community involvement, human resources, human rights, and business conduct in accordance with international business ethics.

(<http://www.kehati.or.id/id/indeks-sri-kehati.html>)



**Rp 27.15 trillion**

Total Portfolio for sustainable Finance Sector in 2017



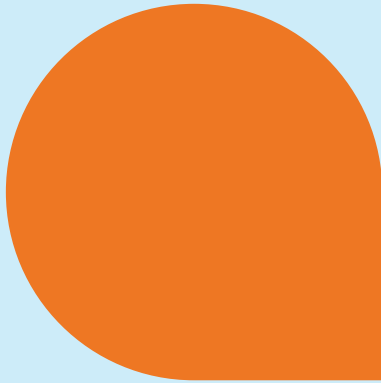
**Rp 467.5 trillion**

Loan Distribution in 2017



**17.048 million**

Number of Accounts in 2017



## BCA and Sustainable Development

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# Toward Sustainable Banking

Sustainable Banking was born out of the Government of Indonesia's commitment to be actively engaged in the global efforts to create low carbon economy, starting from the Pittsburgh Summit to the Paris Agreement to reduce the impacts of climate change. In Indonesia, such commitment is integrated into the Long Term Development Plan (RPJP), the Medium Term Development Plan (RPJMN), and the Greenhouse Gas Action Plan (RAN GRK).

In regards to the financial services industry, the Financial Services Authority (OJK) issued the 2015-2019 Sustainable Banking Roadmap on December 5, 2014 and OJK Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Banking for Financial Services Institutions, Issuers and Public Companies in 2017. These regulations require financial services institutions (LJK), issuers, and public companies to adopt sustainable banking in their business activities.

Sustainable Banking adopts sustainable development principles that take into consideration environmental, social, and economic aspects in the activities performed by financial services institutions as a support to create sustainable economic growth.

It is expected that with the implementation of Sustainable Banking, Indonesia gathers the necessary funding sources for sustainable development. The policy is also intended to make available the inclusive financial products and services and to reduce and prevent environmental damage.

BCA has supported Sustainable Banking initiatives organized by OJK since 2015, by becoming one of the "First Movers on Sustainable Banking". BCA has implemented the following related initiatives within the Bank:

- Establishment of internal capacity by providing sustainable finance-related trainings. 135 employees participated in this training in 2017.
- Review and development of internal policies to be adopted for the implementation of sustainable banking.
- Organizational review to implement sustainable banking. BCA creates no specific structure for this purpose but instead integrates sustainable finance principles into the organization.
- Evaluation and mapping of existing portfolio against certain sustainable financing criteria according to OJK guidelines.

[103]

BCA made adjustments in its overall loan approval process to implement sustainable financial principles. BCA incorporates LST factors in the credit proposal review and analyzes the credit risk rating to determine viability. In terms of operation, the Bank adopts the reduce-reuse-recycle principle in its daily operational activities to minimize negative environmental impacts.[102-12]



**Indonesia is the first country to have a sustainable finance roadmap for financial service sector, including capital market, banking and non-banking institutions (UNEP FI 2014 on the development of sustainable banking regulation in the world).**

## Four Principles of Sustainable Banking:

- 1. Principle of Risk Management** that integrates the aspects of environmental protection and social responsibility in financial service institutions risk management;
- 2. Principle of Priority Economic Sector Development** that is inclusive and sustainable;
- 3. Principle of Governance** on environmental aspects and social responsibility including sustainable reporting, and
- 4. Principle of Capacity Building and Collaborative Partnership** to create synergy in the implementation of sustainable banking.

### BCA and Sustainable Development



BCA provided Rp2.7 trillion fund for the Light Rail Transit (LRT) development

### Sustainable Finance

One of the focuses of OJK in sustainable financial development is increasing the provision of funding from financial service institutions for green projects. BCA is committed to increasing the allotment of green projects financing in a number of sectors. Credit disbursement is made with due regard to several issues including the growth and viability of related business credits bearing the principles of sustainable environmental, social and economic management.

BCA's total commitment to the sustainable finance sector as of December 31, 2017 increased to Rp27.15 trillion from of Rp24.56 trillion in prior year. The financed sectors were those related to sustainable agriculture, green infrastructure, sustainable forestry, renewable energy, recycling industry, energy efficiency, and green building. [203-2]

The consistency of BCA in sustainable financing has been appreciated by its stakeholders. BCA received Social Business Innovation Award 2017 from Warta Ekonomi magazine. The award is given to companies that successfully implement social innovation toward sustainable business.



**BCA supports the financing of renewable energy, energy efficiency, and organic farming sectors in line with their business growth and viability.**

### Sustainable Finance Portfolio

(in trillion Rupiah)



# BCA and Development of Indonesia

The Bank plays an important role in the country's development. Its intermediary function allows the community to conduct economic activities to improve social welfare. [103]

For 60 years, BCA has provided a wide range of financial services to corporates, small to medium businesses, commercial sector, and individual customers. At the end of 2017, BCA disbursed Rp 467.5 trillion of loans to the community, up 12.4 percent from the previous year, more than Bank Indonesia's projection at 8-10 percent. Corporate loan growth reached 14.5 percent to Rp177.3 trillion and consumer credit grew 12.1 percent to Rp122.8 trillion, primarily from mortgage. [203-2]

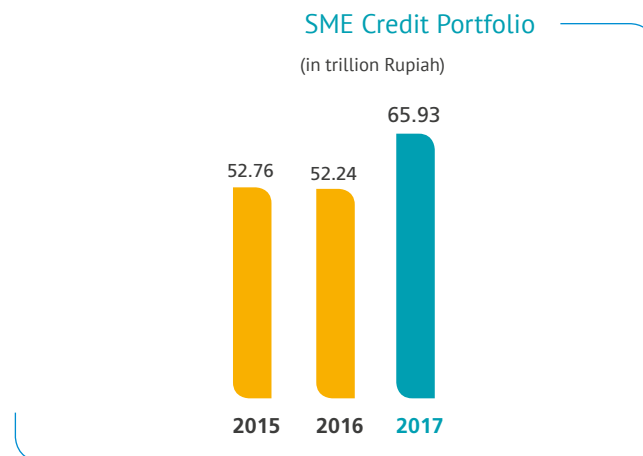
## SME FINANCING

The financing for Small and Medium Enterprises (SMEs) plays an important role in fostering economic growth and is a part of the Government's program to develop inclusive financial services.

BCA provides various financial products for SMEs in the form of working capital loans and investment loans that can be utilized for business players to develop their business. In 2017, SME funding reached Rp65.9 trillion or up 26.2% compared to the previous year.

SMEs loan provided by BCA in 2017 was 14.1 percent of the total loans. In disburse loan, BCA priorities credit quality and prudent.

In 2017, BCA embarked on a new step to increase MSME credit exposure through fintech-based financing under a venture capital scheme. The initiative is conducted through its subsidiary PT Central Capital Ventura.



The growth of the micro segment is a concern of the Government in creating inclusive finance in Indonesia. The financing of productive and viable but not yet bankable micro businesses is expected to create jobs and improve the welfare. The financial service for such segment is the microcredit program called KUR, in the form of loans from selected financial services institutions bearing the interest subsidized by the Government.

BCA commenced the KUR distribution in 2016 in cooperation with Bank Perkreditan Rakyat, Bank Pembangunan Daerah, and cooperatives. By 2017, BCA has disbursed Rp103.55 billion of KUR which is largely absorbed by retail sector.

In 2017, BCA worked with modern retailers to distribute KUR. One of the retailers was lazada.co.id, where sellers may apply for KUR loan with the threshold of Rp25 million. The quality of the seller is assessed by a number of indicators, including the type of business and the average turnover while engaging in such business at the market place.

## BCA and Sustainable Development



BCA together with Minister of Trade Enggartiasto Lukita handed over microcredit (KUR) loan to three owners of Indogrosir's fostered traditional shops in partnership with modern retailers.

In addition, BCA developed a similar collaboration through a partnership between traditional shops and modern retailers. This program was initiated by the Association of Indonesian Retail Entrepreneurs (APRINDO) for Indogrosir's fostered traditional shops in Jakarta. In the future, BCA will participate in education and coaching programs so as to allow more optimal growth for the business of KUR debtor.

BCA also supports OJK's Laku Pandai program, which aims to develop micro loan products. Since 2015 BCA has developed a branchless banking service called Laku BCA.



**Rp 103.55 billion**  
of KUR BCA distribution

**8%**  
interest rate

**Rp 100 million**  
KUR threshold without  
guarantee

**Rp 500 million**  
KUR threshold with  
guarantee

### SAKUR

BCA prepares the Application System for People's Business Credit (Sakur) to facilitate MSMEs to obtain loans. The system is simpler than regular corporate credit to facilitate potential customers.

### Infrastructure Financing

Adequate infrastructure is essential for Indonesia's economic growth. The Government encourages infrastructure developments in various regions as an effort to improve national economic activities and enhance global competitiveness.

BCA is of the opinion that its participation in financing infrastructure development will directly create added values for people's economy. This is in line with the Bank's vision to become a bank of choice that is an important pillar of Indonesian economy.

Since 2014, BCA actively participated in infrastructure financing by providing syndicated loan for a number of toll roads, power plants, and airports.



In 2017, BCA expanded its infrastructure financing portfolio through two Syndicated Credit Agreements, including the financing of Pandaan-Malang, Manado-Bitung, and Bakauheni-Terbangi Besar Toll Roads. These projects are part of the 15-year National Strategic Projects.

At the end of 2017, BCA participates in financing state-run electricity company PLN syndicated loan of about Rp2.5 trillion, out of Rp12 trillion of the total syndicated capital expenditures, for power generation, transmission, distribution, and facilities in Indonesia to support electricity supply for the community. In addition, BCA provided Rp2.7 trillion fund for the Jabodebek Light Rail Transit (LRT) development, out of the total financing of Rp19.25 trillion. [203-1]

### Support for Business Activities through Transaction Service

BCA has a wide range of interconnected and integrated multi-channel networks that include branch networks and electronic banking to serve more than 17 million account. The network service is designed to provide flexibility for customers in conducting banking transactions. [203-2]

With such an extensive and diversified network, BCA provides secure, convenient and reliable banking transaction services.



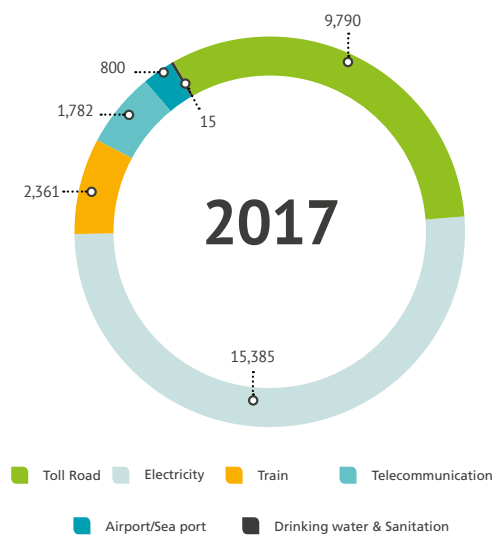
### Infrastructure Financing Portfolio

(in trillion Rupiah)



### Infrastructure Financing 2017

(in billion Rupiah)



# BCA Business Performance

For more than 60 years, BCA always strives #ToBeBetter by providing banking services and products for customer satisfaction and by playing an active role in building the nation. BCA serves the community through a range of quality and targeted products and services, and BCA financial solutions supports personal financial planning and customers business developments. [103]

In 2017, Indonesia's economy grew by 5.07 percent compared to 5.02 percent in prior year. The global economy is expected to improve, particularly in developed countries, thus driving the performance of export commodities from Indonesia. In general, national economic growth is improving despite the decline in consumption growth.

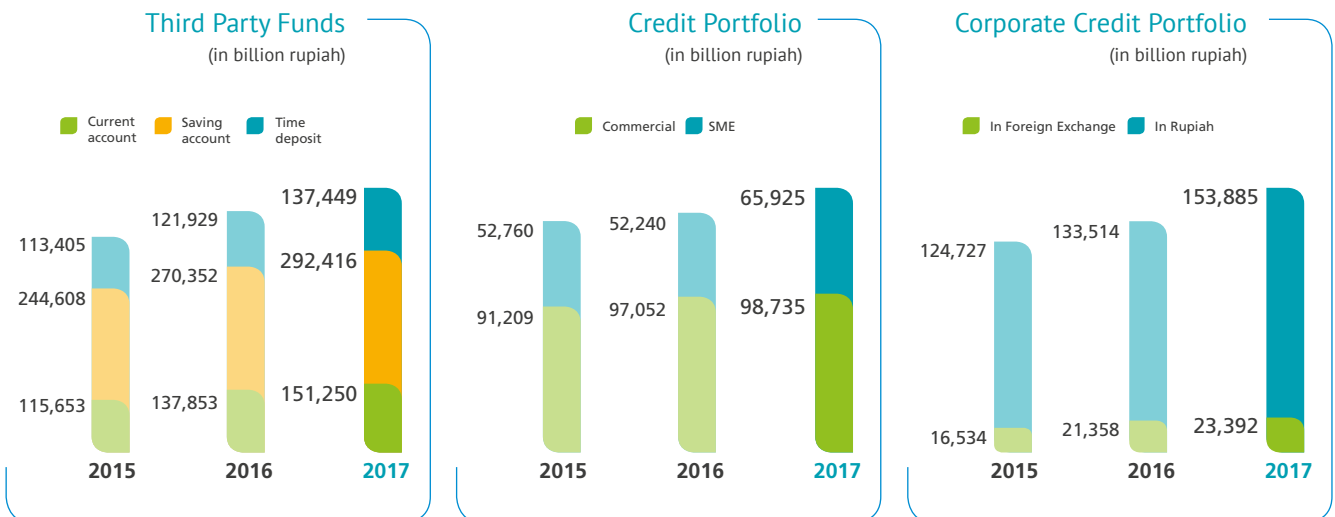
Based on Bank Indonesia's report, Indonesia's financial system remains stable. Such condition is identified by the banking health indicators that are still within a maintained level, yet banking intermediary function shows relatively slow growth.

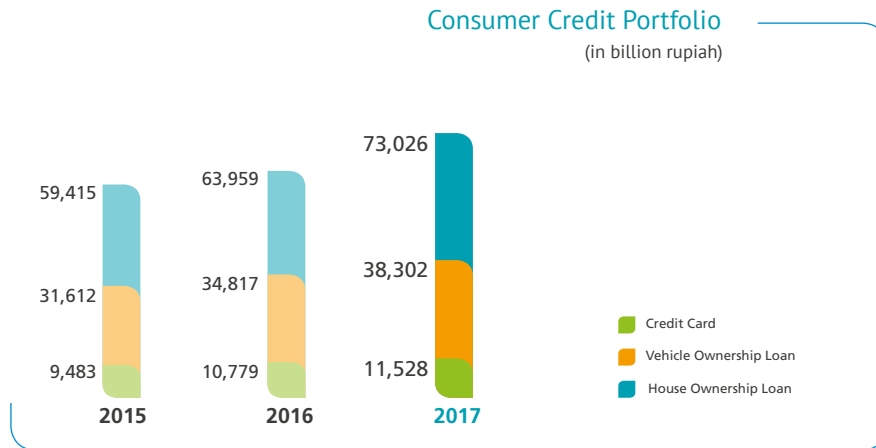
Credit grew by only 8.1 percent mainly in construction, electricity, services and agriculture sectors. Such growth only increased slightly from 7.87 percent in 2016.

Regardless, BCA managed to record loan growth and third party funds. By the end of 2017, BCA's outstanding loan portfolio reached Rp467.51 trillion, up 12.4 percent year on year (yoy) driven by corporate and consumer segments, while third party funds grew to Rp581.12 trillion, increasing by 9.6% yoy.

By implementing prudent risk management, BCA could maintain positive profit growth. BCA's net profit in 2017 rose by 13 percent to Rp23.3 trillion, from Rp20.6 trillion in 2016.

## BCA PORTFOLIO (in billion rupiah) [203-2]

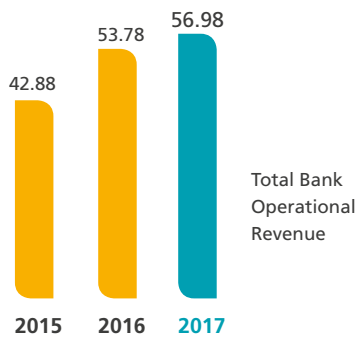




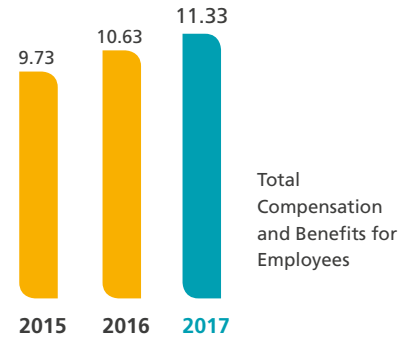
BCA maintained its soundness, with the non-performing loan (NPL) ratio was kept at 1.5 percent. Total credit reserves amounted to Rp13.2 trillion, up 5.9 percent compared to 2016. The ratio of reserves to NPL reached 190.7 percent. BCA also maintained a healthy liquidity and capital position. The ratio of credit to funding was 78.2 percent and capital adequacy ratio (CAR) was 23.1 percent.

### BCA'S DISTRIBUTED BUSINESS BENEFITS (in trillion rupiah) [201-1]

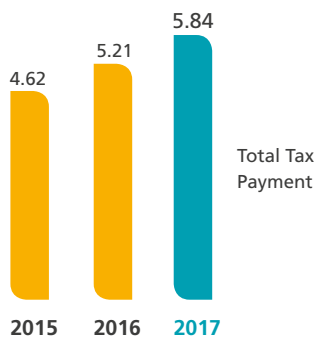
Directly Generated Economic Values (in trillion rupiah)



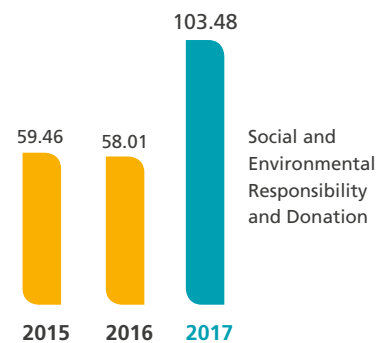
Distributed Economic Values (in trillion rupiah)



Distributed Economic Values (in trillion rupiah)



Distributed Economic Values (in billion rupiah)





**637 people**

Recipient of Bakti BCA  
Scholarship in the 2015-2017  
Academic Year



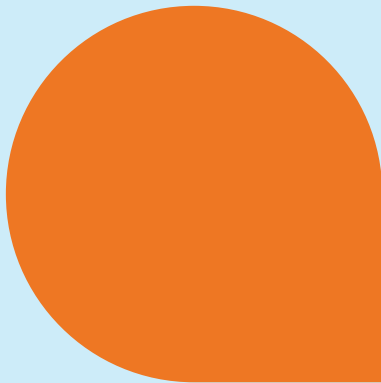
**15,036 patients**

Patients at Bakti Media  
& Duri Utara Clinics



**9**

BCA Assisted  
Tourism Village



## Bakti BCA Empowering the Community

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# BCA's Approach

BCA carries out its social and environmental responsibilities (CSR) as the manifestation of the company's mission, namely to enhance corporate franchise and stakeholders value. In addition, social development is the implementation of one of the Bank's sustainable financial pillars.

BCA's CSR activities are not only limited to donations but are also in line with the corporate strategy through the Bakti BCA program. The program development is based on the concept of sustainability and shared value between the development of the community and the needs of the company, so that both parties will reap long term benefits. [103]

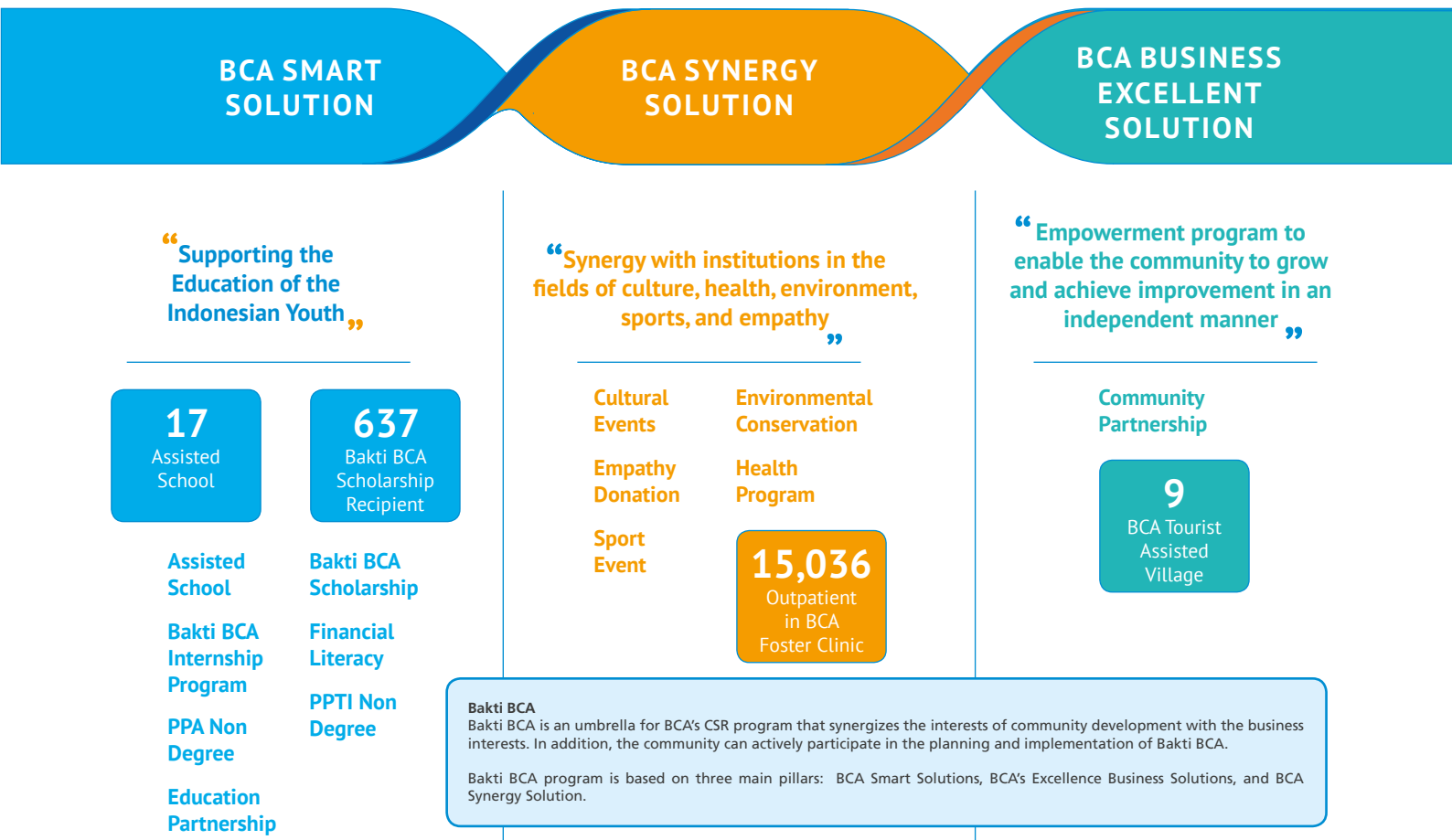
BCA allocates a special CSR fund each year that is managed by a work unit responsible for developing, executing, and coordinating the implementation of BCA CSR since 2016. This unit is chaired by Executive Vice President of CSR and Senior Vice President of CSR Development Solutions.

The Bank's consistent efforts in carrying out its social and environmental responsibility, in the context of sustainable finance, have been appreciated by the stakeholders. In 2017, BCA received the 2017 Social Business Innovation Award and Green CEO Award from Warta Ekonomi magazine.

In the 60<sup>th</sup> year anniversary, BCA is committed #ToBeBetter through CSR activities on all three pillars -- learning better, serving better, and giving better.

**Rp 103.48 billion**  
funds allocated for Bakti BCA

## BAKTI BCA'S CSR PILLARS



# BCA Smart Solutions



BCA cooperates with 16 leading state universities in Indonesia.

BCA believes that education is one of the main tools for the development and improvement of human resources in Indonesia. Through Smart Solutions, BCA strives to support the improvement of Indonesia's competitiveness and quality of human resources by providing opportunities to develop and advance. In this sector, BCA distributes 42.8 percent of the CSR funds in 2017.

Since 1996, BCA has launched an educational CSR program called BCA Smart Solutions, which provides appropriate educational support, particularly for underprivileged people and Indonesian youths.



BCA has grown with the country for over 60 years and is committed to continuously **#GivingBetter** to the community including through education and knowledge, which we initiated through the **#BookforIndonesia** campaign.

Books are a source of knowledge and inspiration. Through this program, we take concrete action to continuously promote reading habit that will open the window of knowledge for Indonesian children and **#BeBetter**.

Throughout 2017, BCA has inspired the public to collect more than Rp2.4 billion donations, which were used to purchase books for schools in various areas of Indonesia



**Rp2.4 B**  
Total  
Donation



**60**  
Distribution  
Areas



**111**  
Recipient  
Elementary  
Schools



<http://www.BukuUntukIndonesia.com>



### Non-Degree Accounting Education Program (PPA)

PPA is a accounting education program without a working bound. Graduates of this course will be able to fill the positions in BCA.

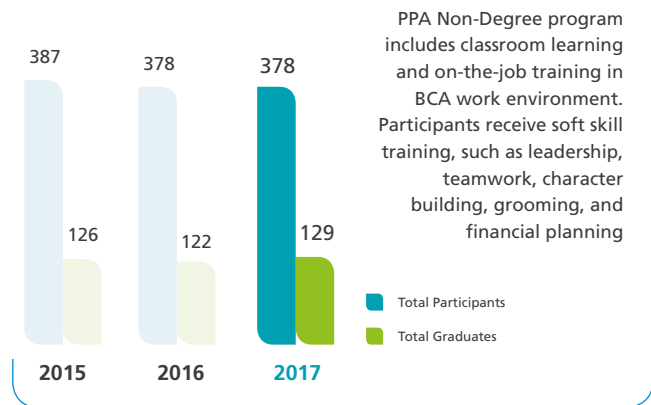
Launched in 1996, the PPA is aimed for excellent graduates of high school, vocational school or the equivalents, who are financially constrained. Participants must take entrance test and the course runs for 30 months with knock out system. Apart from being taught by lecturers from leading universities.

Participants will also acquire learning and accommodation facilities from BCA to ensure the graduates of this program excel, both academically and in terms of character.

PPA provides equal opportunities for prospective participants from throughout Indonesia with various background.

In 2017, the PPA students reached 378 people, 128 of whom opted to join as BCA employees as of December 2017.

#### PPA Non-Degree



#### What Are They Saying?



**Agustin Ekadjaja**  
Lecturer of Accounting Information System

I am proud to teach at PPA because the students are highly competent, have the integrity, and own the spirit to achieve high ideals through honesty and hard work.

I became inspired to create the right modules to be directly applied accordingly. I hope they can become a proud generation and help advance the nation.



#### What Are They Saying?



**Arif Hidayat**  
PPA Student Batch 37

The most unique thing is team cohesiveness that becomes the most important thing during the program. At times when fellow students have learning difficulty, others who have mastered the lesson would come forward and guide them slowly.

PPA BCA also has very close kinship that we often call it the "Indonesian family" because PPA participants came from diverse culture and language from across Indonesia.



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/program-pendidikan-akuntansi-non-gelar>

## Bakti BCA Empowering the Community

### Non-Degree Information Technology Program (PPTI)

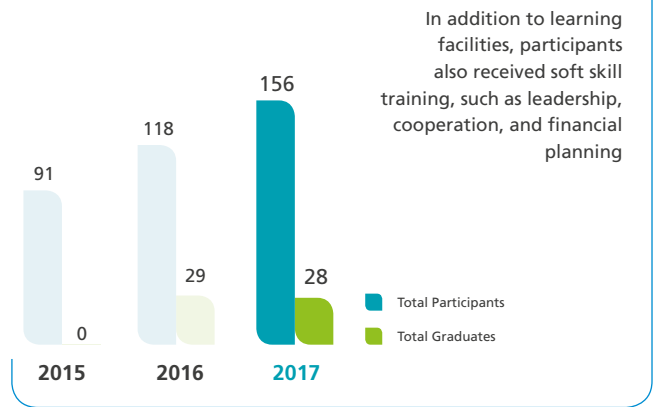
PPTI Non-Degree was established in 2013 to compensate for the increasing human resource needs and the development of informatics technology in the banking industry.

PPTI is aimed for graduates of high school, vocational school, and the equivalents, to continue the education with the material on par with the undergraduate course on Informatics Engineering for 30 months. The PPTI students are also enriched with several self-development materials, including internships in the BCA Head Office work unit.

Similar to PPA, the program also implements a knockout system with high passing grades. Participants are given allowance, as well as laptops and textbooks. Graduates of PPTI will have the opportunity to work at BCA throughout Indonesia without any working bound.

In 2017, the total number of PPTI Non-Degree students reached 156 people, increasing from 118 participants in 2016. Of the number, 28 of them successfully completed the course in 2017 and 26 opted to become BCA employees.

#### PPTI Non-Degree



### What Are They Saying?



**Wennie Clarissa**  
PPTI Student Batch 4

While in PPTI, I gained many experiences and benefits. Apart from discipline, as there is a minimum GPA target, we also learned the culture of honesty (integrity), teamwork, and leadership skills. I also had the opportunity to befriend with such diverse group of people from various places.



### What Are They Saying?



**Sonya Rapinta Manalu**  
Agile Software Development Lecturer

PPTI students are creative and have high initiative. They always engage in discussion during class, and they do the weekly work or project work well, even above expectations. The sense of kinship among students seems to be very strong.



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/program-pendidikan-ti-non-gelar>



### Bakti BCA Internship Program

Started in 2002, the Bakti BCA Internship Program is aimed for high school and university graduates who wish to work in the banking industry. Participants of this program will take part in training and internship process for one year without any working bound. Participants will also obtain internship experience in banking operations and other supporting subjects under the guidance of senior BCA employees where they are placed.

The program has two learning courses, for Customer Service Officer and Teller. Participants will get allowances and studying facilities, as well as other benefits. Those who successfully complete the program can get a scholarship to continue their education.

Number of Participants Bakti BCA Internship Program



Participants will receive banking operations training, such as calculating and sorting money, identifying currency authenticity, mini banking simulations, and bank confidentiality, as well as knowledge of BCA products. They will also get soft skill training, such as on ethics, motivation, and grooming



### What They Are Saying?



**Veren Grasela**  
Bakti BCA Intern at Muara Karang Utara Sub-branch Office

I found many interesting things. I am a new graduate who just started working and also just moved to Jakarta. Initially, it was very difficult for me to communicate, so there were many differences and adjustments that I have to face even until now.

But the Bakti BCA Internship offers many activities that make us closer. I feel guided to become my own self.

At BCA, I learned how to serve customers sincerely while learning to open up myself and my mind, as well as to change into a better person.



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/program-magang-bakti-bca>

### Bakti BCA Scholarship

Since 1999, BCA has offered Bakti BCA Scholarship for undergraduate students with excellent grades but are financially constrained. This scholarship is expected to boost their motivation and help them continue their education.

The scholarships cover school tuition and/or allowance, as well as programs to broaden students' horizons. They will attend various training activities, mentoring, and seminars intended to train participants' leadership skills.

As of December 2017, the company provided scholarships to 637 students, an increase of 8 percent compared 588 scholarship recipients in 2016.

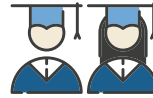
## Bakti BCA Empowering the Community



### 16 Partner Universities

For the scholarship distribution, BCA cooperates with leading universities in Indonesia, namely University of Indonesia, Bogor Agricultural Institute, Bandung Institute of Technology, Padjadjaran University, Diponegoro University, Gadjah Mada University, Sepuluh Nopember Institute of Technology, Airlangga University, Brawijaya University, Udayana University, University of North Sumatra, Sriwijaya University, Hasanuddin University, Sam Ratulangi University, Mulawarman University, and Cendrawasih University.

BCA also collaborates with Sanata Dharma University for students from Eastern Indonesia, Karya Salemba Empat (KSE), Final Assignment Scholarships (BEST) UI, and Indonesian Cooperative Institute (Ikopin).



### Scholarship Recipients



Scholarship recipients involve in several activities, such as mentoring, leadership training, sharing sessions from BCA leaders, and entrepreneurship. Hopefully, the scholarship recipient can find out more about themselves and recognize their own potential to achieve optimum performance



### What Are They Saying?



#### Prof. Dr. Ir. Muhammad Zainuri, DEA

Deputy Rector on Academic and Student Affairs at Diponegoro University

Bakti BCA Scholarship does not only offer learning opportunities for the recipients, but it also provides mentoring and personal growth, as well as character building that is in line with Indonesian value, integrity and loyalty in fraternity

Through this program, BCA has improved the quality of integrated human resources between the needs of financial institutions and social dynamics both in the macro and micro context.



### What Are They Saying?



#### Alvianto Ardhi Witjaksono

Diponegoro University Student and Recipient of Bakti BCA Scholarship

I can develop my potential to be applied in the everyday life. The program also provides insights on the working world and prepare for the competition in the ASEAN Economic Community.

During the period as a Bakti BCA Scholarship recipient, I did not only receive academic material, but I also got the opportunity to see the back office of banking operation at BCA, which consists of various collaborating units to provide the best services for customers.



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/beasiswa-bakti-bca>



### BCA Public Lecture at Bandung Institute of Technology

In the public lecture which has become a BCA tradition, Armand talked about the importance of college graduates to respond to rapid technological advances and find solutions to the problems faced during this uncertain times.

Previously, BCA conducted a seminar for 600 students and alumni of the University of Indonesia (UI) with the theme "Indonesian Fintech Education Seminar" on March 15, 2017.



On November 29, 2017, Deputy President Director of BCA, Armand W. Hartono, gave a public lecture to approximately 250 Institut Teknologi Bandung (ITB) students with the theme "Development of Information Technology in the Financial Technology Age".



### Bakti BCA School Assistance

Bakti BCA School Assistance was first conducted in 2000 and continues to grow in three provinces. The program aimed to assist the education development in the primary, secondary, and high schools that have potential but are located in underdeveloped regions.

In 2017, BCA facilitated teachers and students with the following activities:

- Training attended by 60 elementary school teachers with the theme "Guru Hebat Siswa pun Hebat" ("Great Teachers Means Great Students"). In this training, BCA collaborated

with the Master's Hand team to upgrade the knowledge and skills of teaching staffs on how to create active, creative, effective, and fun learning environment, amid the challenges of education in the 21<sup>st</sup> century, so that the learning materials will be more accessible for students.

- Financial literacy for more than 2,000 elementary school students. The students were taught on how to manage their allowances, through saving simulations using tools like piggy bank.

**2000**

#### Yogyakarta

- SDN Banyubening
- SDN 2 Candi Baru
- SDN Kwangen
- SDN 1 Ponjong
- SDN 2 Ponjong
- SDN 3 Semanu
- SMPN 1 Karangmojo
- SMPN 1 Ponjong
- SMPN 1 Semanu
- SMAN 1 Karangmojo

**2003**

#### Lampung

- SDN 7 Gadingrejo
- SMPN 1 Gadingrejo
- SMAN 1 Gadingrejo

**2003**

#### Serang

- SDN 1 Taktakan
- SDN 2 Taktakan
- SMPN 6 Serang
- SMAN 3 Serang



**17**  
Bakti BCA Assisted School



**+ 500**  
Assisted Teachers



**+ 8,000**  
Assisted Students



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/sekolah-binaan-bakti-bca>

## Bakti BCA Empowering the Community



BCA has collaborated with UNICEF for more than 17 years, with a focus on education for early childhood education.

### Education Partnership

The Education Partnership Program is a collaboration between BCA and educational institutions in the form of providing facilities and infrastructure with specific themes. There are two institutional partnership patterns undertaken by BCA: partnerships for early childhood education and partnerships with higher education institutions.

#### Early Childhood Education Partnership

BCA works with the United Nations International Children's Fund (UNICEF) on children education. This partnership program has been underway for more than 17 years, and is focused on early childhood education.

Coinciding with the "World Children Day" on Nov. 20, 2017, BCA handed over Rp850 million to UNICEF to finance its Integrative Holistic Early Childhood Education (PAUD HI) program. The PAUD HI program is implemented in Sorong and Raja Ampat, West Papua. A total of 20 PAUDs with about 1,500 children aged 0-6 years and 3,000 foster parents/ caregivers became the beneficiaries of this program in 2016-2017 period.

This program also provide parents or caregivers with comprehensive knowledge on integrative and holistic early childhood development, to be applied daily.

#### Higher Education Partnership

Higher education institutes that support the programs implemented during 2017 are as follows:

- **University of Indonesia:** supported various activities, such as Bedah Kampus, seminars, and sending student delegations for various activities overseas.
- **Bogor Institute of Agriculture:** supported the activities of IPB student delegates overseas.
- **Bandung Institute of Technology:** supported Internship and Excursion Studies program, as well as soft skill training to the staff of the student affairs office on the characteristics of generations, generational gaps, learning evolution, teaching innovative generation, and creating excellent service.
- **University of Diponegoro:** supported the provision of Bloomberg platform at the School of Economics and Business (FEB).

- **University of Gadjah Mada:**

- Since 2015, the Company has sponsored the development of banking laboratories at the School of Economics & Business (FEB), library improvement, and the procurement for the facilities at UGM's musical education program room.
- Supported vocational programs, such as the development of mini banking at the School of Economics and Business (FEB) and fintech academy.



### Partnerships to Prepare for the Future

Within a short amount of time, the demands and lifestyles of the society have changed considerably. Currently, people are more comfortable with technology and are starting to abandon traditional services including banking services.

BCA is aware of these changes and realizes the need for reliable human resources that are suitable for future business needs. BCA has an initiative through a Memorandum of Understanding (MoU) on September 13, 2017, signed by BCA Director Suwignyo Budiman

and Gadjah Mada University Rector Panut Mulyono in Yogyakarta, to work together to synergize BCA core competencies with academic excellence to create excellent human resources.

BCA and UGM will develop vocational education and build technology center (tech center) in Indonesia, especially for banking. Similar cooperation has also been initiated by BCA with Brawijaya University in Malang for vocational education.



### What Are They Saying?

#### **Mursinah, S.Pd, M.Pd** Principal of SDN Banyubening I

Benefits for the school:

- Increase the knowledge and experience of teachers and principals through comparative study programs.
- Increase the capacity and expertise of teachers and principals to be great teachers through training programs.
- Improve school facilities and infrastructure, including books.

And more importantly, we have the recognition from the public, because SDN Banyubening I now has complete facilities, thanks to the guidance of BCA.



### What Are They Saying?

#### **Sitibekti Wjaya** Student of SDN Banyubening I

After receiving the lesson on the motivation and benefits of savings, I became more and more fond of saving.

I enjoy the karawitan (traditional music) practice more thanks to the equipment from BCA, with which I can play Javanese gamelan with friend. I even got to fill a session in a radio station in Gunung Kidul Regency.

The books from BCA are all interesting that I love to read more in the school library.



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/sekolah-binaan-bakti-bca>

## Bakti BCA Empowering the Community

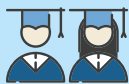


### [FS16] FINANCIAL LITERACY EDUCATION

Financial literacy education is a part of BCA's SMART Solutions to improve public understanding on financial management principles. The results of a national survey of literacy and financial inclusion in 2016 indicated that 67.8 percent of people were using financial products and services.

Financial literacy and management for every Indonesian family is important because family is among the pillars of the economy. The same level of financial understanding across the society could achieve financial inclusion.

#### Financial Literacy Program



**2,624 students**  
participated in  
Financial Literacy



**1,642 people**  
Participants of  
Simolek Financial  
Literacy



**8 Cities**  
where BCA  
disseminated  
information with  
Simolek

In 2017, BCA conducted the following financial literacy programs in several areas:

- **Financial Literacy for elementary school students in West Papua**, In collaboration with the United Nations International Children's Fund (UNICEF), organized a financial literacy education for more than 300 students from three elementary schools in Sorong, West Papua on April 21-22, 2017.

BCA also donated a number of educative books, teacher's teaching manuals, educational aids, as well as education health programs on the importance of hand washing for students.

- **Sharia Banking education** in the 2017 iB Vaganza Depok, including the launch of the first Flazz BCA Syariah and the 2017 Sharia Finance Fair to introduce a variety of other Islamic banking products. This was to increase public interest in using Islamic banking products and to support the increasing financial inclusion program initiated by the Government.



“  
If students are taught about financial literacy since early on, they will be used to managing their finances easily, including savings. The earlier the learners realize the benefits of saving habits, the greater the benefits will be for their future. It may look simple, but the long-term effects are palpable.”

Director of BCA Rudy Susanto





- **Financial Literacy Education in OJK's LAKU PANDAI program** to provide the public with the understanding on the principles of financial management.

This program aimed to raise public awareness on the importance of saving to prepare for and to realize the future of the family, and to provide an understanding to the society regarding the difference of consumptive debt and productive debt.

In 2017, the program was held in several areas in Central Java and West Java. The Central Java areas included Gunung Kidul, Jepara, Grobogan, Demak, Kudus and Wonogiri, while in West Java included Kuningan, Ciamis, Cirebon, and Majalengka. The Financial Literacy Program has been attended by 81,000 people.

- **Financial education for BCA's assisted primary and secondary school students** in Gunung Kidul, Yogyakarta; Gadingrejo, Lampung; and Taktakan, Serang, Banten. BCA has created Student Savings (SimPel) product to educate students.
- **BCA Daycare** for employees' children. Organized every year after Idul Fitri holidays, the program offers financial education to children, such as the benefits of savings, and visits to the bank office to learn about banking activities.
- **Financial Literacy Program to Indonesian Migrant Workers (BMI)** provided financial management education and knowledge of financial products and services, as well as entrepreneurship, in cooperation with OJK, Consulate General of Hong Kong, National Agency for Placement and Protection of Indonesian Migrant Workers (BNP2TKI) and other financial services institutions.

A total of 150 TKI/BMI participated in the program and 4,000 TKI/BMI attended the exhibition and entertainment events.



- **Educational activities using the Literacy Finance Car (SiMOLEK)** SiMOLEK delivered financial literacy education materials on financial planning, financial products and services, such as benefits, risks, rights, and liabilities. BCA supported the SiMOLEK program in Samarinda, Tasikmalaya, Bandar Lampung, Medan, Bandung, Denpasar, Semarang and Jakarta.

In 2017, BCA supported SiMOLEK activities initiated by OJK to be conducted in eight cities. The participants come from various circles, such as traders, entrepreneurs, SMEs, private employees, civil servants, lecturers, and students. The number of participants throughout 2017 reached 1,642 people. This activity aimed to improve the index of literacy and financial inclusion of Indonesians, especially in underdeveloped areas.

- **Saba Desa:** Apart from Indonesian migrant workers, BCA also offered financial literacy education on financial management and financial products/services, and information dissemination of the BCA FRe (Financial Institution Remittance) Cash program to migrant workers families and communities in their home areas.

Saba Desa activities were held in Ambulu Square, Jember, East Java; Cinangsi Sidareja Square, Cilacap, Central Java; Juntinyuat Village Hall, Indramayu, West Java; Jatirokeh Songgom Square, Brebes, Central Java; and in Campurdarat Square, Tulungagung, East Java. Nearly 850 people attended the activities.



## Bakti BCA Empowering the Community



### What Are They Saying?



**Ayla Davina  
Ramadhany**  
Student of SDN Semanu III

I am used to saving my money every day since I was little. I put the money in my beloved piggy bank, a small tin that I decorated myself, which makes me more eager to save.

I also have savings from BCA which was given from BCA, I was also given an explanation about the benefits of saving.

One day I wanted to buy shoes. Incidentally, my mother did not have enough money, then I told my mother, it would be better I add my own money to buy my own shoes. Finally I can buy new shoes.

It's nice to have savings that can be used for anything when we need it. Let's Save!



### What Are They Saying?



**Rini Aprilianti**  
Customer of Patriot Mini Bank

The financial literacy program managed to make me more frugal and more financial-savvy. I have learned about how to manage finances well.

As a student, I can set aside my money easier by putting it into savings and I can easily withdraw it whenever I need it.



<http://www.bca.co.id/id/Tentang-BCA/Korporasi/csr/solusi-cerdas-bca/program-pendidikan-akuntansi-non-gelar>

Since 2012, BCA develop "BCA for Wayang Indonesia" program to promote a wayang especially to young generation.





# BCA Synergy Solution

BCA Synergy Solution provides a means for BCA to help improve the welfare of society in areas of healthcare, culture, sports, empathy, and the handling of environmental issues. In implementing Bakti BCA's program for this pillar, we are working with the institutions that have credibility and competence that match the nature and the purpose of the program.

## Areas of BCA Synergy Solution



## BAKTI BCA FOR CULTURE

### BCA for Wayang Indonesia

BCA launched in 2012 the "BCA for Wayang Indonesia" program in the form of various interaction programs, especially for young generation. Wayang or traditional puppet is a cultural treasure of Indonesia that has been recognized by UNESCO as an intangible culture heritage of humanity.

In addition to cultural preservation, BCA for Indonesian Wayang is also emphasized on understanding the exemplary values of the puppet stories. The "Wayang for Student" program is expected to encourage younger generation to be more familiar and loving towards the wayang, and they would be moved to preserve the nation's culture that has been recognized by the international community.

### Wayang for Student

Wayang for Student is aimed at junior and high school students in several cities. It contains promotional and educational activities, in collaboration with other institutions.

In this program, students learned about the history of wayang, the importance of young generation to be proud of wayang, the development of wayang at home and overseas, and the work values related to the wayang culture:

### Jakarta

BCA gave the opportunity for students from 10 schools to create Sinta-themed vlogs. A total of 719 students from the schools learned about wayang in workshops with millennial approach, through games and comics.

The highlight of event was a wayang golek (wooden puppet) themed "Ada Apa dengan Sinta (What is up with Sinta)", which was accompanied with video mapping.

### Bandung

As many as 1,940 students from two schools in Bandung participated in Wayang for Student activities with the theme "Cepot Goes To School". They got acquainted more with wayang through a one-hour puppet show by famed puppeteer Apep A.S. Hudaya, and workshops on gamelan karawitan, dance, and angklung.

### Semarang

Involving 800 students from six elementary schools in Semarang, the Wayang for Student program offered workshops, exhibitions, and training for 20 hours with the them "Wayang Aku Awesome (My Wayang is Awesome)".

A total of 200 students gave karawitan, dance, singing, and theater performances, while 600 students watched it.

As a token of appreciation, the group of students with the highest score, was entitled to perform in the commemoration of the National Wayang Day.

## Bakti BCA Empowering the Community

### Other Cultural Activities

- **Cultural Education:** BCA actively introduces and brings other cultures closer to young generation. In 2017, BCA supported Teater Koma that held performances titled Opera Ikan Asin (Salted Fish Opera), Warisan (Heritage), and Sie Jin Kwie.
- **Batik Book:** In a bid to preserve batik as one of Indonesia's most important cultural heritages, as part of a series of its 60<sup>th</sup> anniversary celebrations, BCA supported the writing of two books on batik, Panduan Batik Tulis (Hand Drawn Batik Guide) and Batik Pekalongan dari Masa ke Masa (Batik Pekalongan from Time to Time).

BCA also held batik crafting training in four cities of Cirebon, Yogyakarta, Pati, and Tulungagung, to increase the competitiveness of Indonesian batik artisans.

### BAKTI BCA IN HEALTH

Bakti BCA's focus on health is to provide health services, access, facilities and promotion to underprivileged communities. In its implementation, BCA is working with several institutions that have competence and credibility in the field of health services.

#### Cataract Surgery

Cataract is a major cause of visual impairment and blindness in Indonesia and in the world. The Ministry of Health estimates that every year, new case of blind cataracts in Indonesia will always increase by 0.1 percent of the population or about 250,000 people a year.

Since 2001, BCA has organized free cataract surgery in collaboration with the Cataract Blindness Control Section of the Indonesian Ophthalmologist Association (Perdami). The surgery is aimed for underprivileged people, to prevent blindness and allow them to still be productive. This activity is also in line with the government's vision to reduce the number of blindness due to cataracts, and to support the initiative of The Right to Sight to reduce the blindness initiated by the World Health Organization (WHO).



**719**  
patientst  
of cataract  
surgery

In 2017, BCA facilitated cataract surgeries to 610 patients in Lampung, Luwu, Luwu Timur, Tangerang Selatan, Putussibau, Sumba Timur, and Sumba Barat. BCA also worked with the Kick Andy Foundation for three days in December 2017, and they successfully provided cataract surgeries to 109 patients at Ume Manekan Clinic, Soe, East Nusa Tenggara.

The Bank also donated a Phacoemulsification Cataract Machine Intuitive AMO and three sets of cataract surgery equipment worth Rp659.5 million to Jakarta Perdami.

#### Health Services

Since 2012, BCA provides health services for communities surrounding Duri Utara Medical Practice in West Jakarta, and Bakti Medika Clinic, also in West Jakarta, which opened in 2015.

Both of the BCA-owned clinics offer quality healthcare, including medical at affordable cost to underprivileged people, including medical and family planning services.



**15,036**  
Patientst of BCA  
Clinic Assisted

Throughout 2017, the clinics provided healthcare services for more than 15,000 people – 11,684 patinets at Duri Utara Medical Practice and 3,352 patients at Bakti Medika Clinic.

At every BCA anniversary, the two clinics gave free health treatment for the surrounding communities. Similar services were also organized in five Assisted Tourism Villages. BCA also distributes free glasses to the clinics' patients. The assistance



was given during the celebration of BCA's 60<sup>th</sup> Anniversary in February and the country's Independence Day in August.

### Bakti BCA Blood Donation

Bakti BCA Blood Donation has been initiated since 1990 in cooperation with the Indonesian Red Cross (PMI), both at the head office and several branches of BCA. The blood drive activity is conducted four times each year.

Coinciding with the commemoration of the Youth Pledge Day, BCA organized the BCA Blood Angel for 600 donors in Jakarta. On this occasion, BCA set a record of the Indonesian Record Museum (MURI) as the First National Private Bank that Organized 100 Blood Drive Activities. Also at this event, BCA donated one operational vehicle for blood sampling by the PMI.

In 2017, BCA's blood drive activity managed to donate 4,451 bags of blood to the PMI, up from 2,959 blood bags in the previous year.



**100**

Blood Drive Activity since 1990

**4,000+**

Blood Bags Collected

### Other activities in health sector

- **Health Education:** BCA actively provides health education to Indonesian young people. In 2017, the health education targeted several elementary schools in Sorong regency, Papua, namely SD YPK Klawana, SD Inpres 26, and SDN 12 Sorong Regency. The event was attended by 307 students.
- **Others:** As part of the health education series, BCA has provided supports, in the forms of donation or sponsorship, to various institutions, including the Alzheimer Care Campaign (Alzheimer Foundation/ALZI), TBC Elimination, and the Army Central Hospital (RSPAD) Gatot Subroto in the form of two buses.

### BAKTI BCA FOR THE ENVIRONMENT

Indonesia is among the countries in the world with the richest biodiversity. However, reckless human activities and climate change posed threats to this troves of natural treasures. To preserve the biodiversity, BCA has made the environment among the CSR pillars.

### Releasing Orangutans

Since 2012, BCA has supported the conservation of orangutan (*Pongo pygmaeus*), a critically endangered animal with crucial function in the forest ecosystem. Currently, the population of orangutans in Kalimantan is estimated to have shrunk to 55,000, due to land conversion, illegal logging, wildfires, poaching, and wildlife trade.

This situation underlies the Borneo Orangutan Survival Foundation's (BOSF) efforts to save, rehabilitate and re-release (reintroduce) orangutan, as well as the conservation efforts for orangutan habitat.

In August 2017, BCA donated Rp200 million to BOSF and participated in the release of orangutans from the Nyaru Menteng Rehabilitation Center to Bukit Baka Bukit Raya National Park, Central Kalimantan. We also organized the #OrangutanDay of Freedom, which aimed to further introduce the issue of orangutan conservation and its habitat to people in the capital city.



## Bakti BCA Empowering the Community



### What Are They Saying?



#### Yeni Novitasari Fundraising Coordinator, BOSF

Since 2012 BCA has supported the efforts, through funding for orangutan release programs, and rising awareness on how to protect orangutans and their habitats, including through the special edition of Flazz cards.

Through this collaboration, we expect that public awareness on the protection of orangutans and their impact on the environment can continue with a wider scope.



### Environmental Conservation

In 2017, BCA supported NEWtrees mangrove rehabilitation program initiated by World Wildlife Fund (WWF) Indonesia in mangrove forest in Ujung Kulon National Park. The program also aimed to improve the habitat of Javan Rhinoceros. BCA donated Rp463 million fund for the program in the Park, which is the last habitat of the Javan Rhinoceros.

The satellite imageries of Ujung Kulon Peninsula and Java Island plains indicated severe abrasion, leaving only 1.3 kilometer of land. In the event where the block is disconnected, the habitat of the Javan Rhino would decrease even further.

In addition to conserving mangrove and the Java rhinoceros, BCA also supported the environmental conservation programs initiated by Banyuwangi Sea Turtle Foundation (BSTF). In the 2017 Sea Turtle Carnival activities, BCA donated Rp25 million for the release of hatchlings to the ocean. A total of 1,000 boyscouts and 250 community members released 1,250 hatchlings on the Cacalan Banyuwangi Beach.



### BAKTI BCA IN SPORTS

BCA plays an active role in supporting the progress of Indonesia's national sport by sponsoring various national sports tournaments and promotion of healthy lifestyles.

#### BCA Indonesia Open

Since 2014, BCA and the Badminton Association of Indonesia (PBSI) organized the international badminton competition called BCA Indonesia Open Superseries Premier (BIOSSP). The event was initiated by PBSI, Badminton World Federation (BWF), and several other institutions.

First held by PBSI in 1982, the Indonesia Open achieved the level 2 status from the Badminton World Federation (BWF), one level below the Olympics, and becomes a barometer of badminton development for other countries.

BCA Indonesia Open Super Series Premier 2017 was held at the Jakarta Convention Center (JCC) on June 12-18, 2017 with more than 300 athletes from 21 countries. In this tournament, Indonesia won in the mixed double number.

#### Empathy Program

BCA provides donations to institutions or organizations conducting social activities for the benefit of the community, in line with BCA's social activities pillar.



Since 2014, BCA and the Badminton Association of Indonesia (PBSI) organized the international badminton competition called BCA Indonesia Open Superseries Premier (BIOSSP).

Throughout 2017, BCA provided assistance to people affected by natural disasters, namely the survivors of flash flood in Garut, Belitung, and Gunung Kidul, and refugees of Gunung Agung eruption in Bali.



### Support of BCA for TNI

Among BCA's CSR activities in 2017, the support for the Indonesian National Army (TNI) was provided to improve the facilities and infrastructure of soldiers. It was a token of appreciation of BCA for TNI as the army of the people, the army of warriors, the national army, and professional soldiers in maintaining pluralism and diversity, as well as bringing peace and security to the society.

The program repaired the barracks of soldiers and their houses as well as public facilities in eight military region commands, which was conducted in three stages. In the future, BCA and TNI will expand the cooperation in the implementation of Bakti TNI to assist the Government in social and humanitarian fields.



# BCA Excellent Business Solution

BCA Excellent Business Solutions is part of Bakti BCA program that focuses on community empowerment through economic activities. This program aims to enable the community to grow and achieve progress independently. It is targeting MSMEs and community-based economic activities, in which BCA partners with other institutions.

MSME development is a strategic initiative considering the number of MSME in Indonesia with the potentials to grow. MSMEs that grow sustainably and are bankable are good customer prospects for BCA. To that end, BCA conducted capacity building training for MSMEs in the regions, organized by local BCA branches. The aim was to increase the knowledge and business skills relevant to the MSMEs.



## September 2017

Training and information dissemination on taxation in business activities following the issuance of Government Regulation In Lieu of the Law No. 1/2017 on Access to Financial Information for Tax Purposes after the tax amnesty period ends.

Malang, Kediri, Surabaya, Cirebon, Palembang, Semarang, Pekalongan, Banyuwangi, dan Yogyakarta.

## October 2017

Profit-Loss Reporting Training for Micro & Small Business

Pekalongan, Malang, Semarang, Banyuwangi.



## Partnership with Communities

Natural and cultural wealth are the key factors in the promotion of national tourism for both domestic and international travelers. Tourism has become one of the Government's priorities to push for the economic growth and foreign exchange income. The Public Communication Center at the Ministry of Foreign Affairs even said that in 2019, the foreign exchange from this sector is projected to be higher than that from the oil and gas sector.

Seeing this potential, BCA supported the development of tourism sector through community empowerment. The goal is for local people to obtain business opportunities and jobs through tourism based on local resources.

In the community partnership scheme, BCA focuses on coaching through capacity building for the community on administration, service, and safeguarding the environment, as well as teaching them to develop business and marketing. BCA also assists with the provision of tourist infrastructure, such as the establishment of joglo traditional houses, production centers, and transaction machines for the convenience of tourists.



In 2017, our **#ToBeBetter** commitment was realized in the form of training for the tourism village communities. This training is facilitated by BCA Learning Service by involving professionals in their field.





### March 2017

Excellent Service Training for Goa Pindul and Wukirsari Tourism Village

### September 2017

Excellence Service Development Training, includes Excellent Service Training, Online Marketing Training, and Leadership Training for the administrators of the Gemah Sumilir Pekalongan Tourism Village

### October 2017

"Digital and Marketing Online" training for the Village Tourism administrators in Yogyakarta

### March 2017

Seminar 60 Tourism Village in Yogyakarta for the local and coastal people of Yogyakarta by trying to grow the existing tourism potential, based on the geowisata principles, namely the conservation of nature and utilization for the community

### August 2017

Excellent Service Training for village administrators in the East Belitung Regency for developing geowisata and ecotourism

### August- November 2017

Training and Assistance of Homestay Service Standards for the administrators of Pentingsari Tourism Village.



**9**  
BCA's Assisted  
Tourism Villages

In addition, BCA also actively built the capacity of the community to develop the potential of local tourism through Assisted Tourism Villages.

Since 2014, BCA has participated in the development of Taman Sari Tourism Village in Banyuwangi; Wukirsari Tourism Village, Pentingsari Tourism Village, and Wirawisata Goa Pindul in Yogyakarta; Gemah Sumilir Pekalongan Batik Village; Tinggan Village in Bali; as well as Cendil, Senyubuk and Limbongan Tourism Villages in Belitung Timur.

It is hoped that good mentoring and cooperation could improve people's welfare and independence, which will support the country's economic growth

#### Gemah Sumilir Pekalongan Tourism Village

Gemah Sumilir Batik Village in Wiradesa, Pekalongan, Central Java, is a batik producing center that has become the latest tourism village assisted by BCA since April 2016.

The city of Pekalongan is one of the centers of batik and crafts that has been known worldwide, and is able to attract both domestic and foreign tourists. Gemah Sumilir Tourism Village is managed by a cooperative that focuses on the development of creative economy based on local wisdom and culture.



#### Provided Assistance

Facilitated the soft skills development of tourism village administrators, as well as financing infrastructure and facilities development. BCA also conducted trainings on brand, online marketing, leadership, and benchmarking for Pentingsari Tourism Village. The Bank assisted the establishment of village secretariat office, multipurpose joglo, workshop room, and batik showroom.

#### Pentingsari Village

Pentingsari Tourism Village (Dewi Peri) became one of the BCA's developed villages on 2014. Located at the foot of Mount Merapi in Cangkringan Subdistrict, Sleman Regency, Yogyakarta, Dewi Peri has the potential in nature, cultural, and agricultural tourism.

Apart from the natural sceneries, the Village offers historical sites of Prince Diponegoro, traditional joglo house, and various other ancient historical sites as well as art performances by locals. Tourists can also visit and experience the life in the village (live-in).

## Bakti BCA Empowering the Community



### Provided Assistance

- Trainings for the administrators of Dewi Peri in the management of facilities and infrastructure, as well as human resources. The training materials were on tourism industry and management, excellent service, teamwork, communication, online branding, marketing, and leadership for all village administrators.
- Development of several facilities and infrastructure. BCA helped Dewi Peri to establish a village secretariat office, repair and build a joglo houseguests, and build a "production house" for housewives to make various snacks to be sold. BCA also donated a set of gamelan instruments.
- Training and mentoring on service Standards for all homestay owners, digital marketing training, as well as development of facilities and infrastructure of the homestay.

### Tamansari Tourism Village

Located on the slope of Mount Ijen, District of Licin, Banyuwangi Regency, East Java, Taman Sari became BCA Assisted Tourism Village in 2015.

The original tourism potential of Taman Sari Village is the life of the villagers and the local culture, especially the Gandrung Dance. The village is also blessed with Ijen Crater Nature Park and Alas Purwo National Park in Banyuwangi District, which was included by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as the world's biosphere reserve network.



### Provided Assistance

- Construction of facilities and infrastructure, such as the secretariat office, dairy houses, toilets, and visitor center Seruni Hall to welcome tourists.
- In 2017, BCA facilitated trainings on service standards for all village tour administrators, as well as digital marketing training.



### Wukirsari Tourism Village

Wukirsari, which is located in Imogiri District, Bantul, Yogyakarta, is a batik-pioneering village that passes the tradition generation to generation. Wukirsari is also known for the art of tatah sungging (leather works), producing wayang and other leather products.

Wukirsari Village was included in the list of BCA Assisted Tourism Villages in 2015, for the excellence of cultural preservation and the art of wayang performance. Tourism activities offered by the village includes the making of wayang, playing the gamelan, wayang shows, and live-in experience in the houses of wayang artisans.



### Provided Assistance

- Trainings for tourism village administrators on human resources skills, comparative study on tourism services with Saung Mang Udjo in Bandung, village tourism management, excellent service, internet marketing, online branding, marketing management, and leadership.
- Financing the construction of the roof of the wayang showroom and relief aid for survivors of the flood hitting the village. As for the village officials, the Bank provided team building and digital marketing trainings.



### Gua Pindul Tourism Village

Goa Pindul is a major tourist destination and economic buffer in Yogyakarta, particularly for Bejiharjo Village. The village comprises 20 hamlets, with the main attraction of outdoor adventure in Pindul Cave.



#### Provided Assistance

Support for karang taruna youth organization in Bajirejo Village that is tailored to BCA's competence and excellence, among others:

- Alternative payment mean for visitors of Pindul Cave. BCA installed Electronic Data Capture (EDC), allowing visitors to make payments electronically using debit card, credit card, or Flazz card.
- Financial management training for village administrators.
- Assistance for the provision of tourist facilities, such as safety equipment (life jackets), toilets, pavilions, visitor centers, and parking facilities.
- Various trainings on soft skills in tourism management, such as digital marketing, leadership for the administrators, excellent service, and service standards.

BCA also provided assistance for the programs of Karang Taruna Gelaran II

- Donations of uniforms, books and others for Karang Taruna Gelaran II Early Education Center (PAUD).
- Gamelan instruments for locals, who regularly perform at the Wirawisata Gelaran II Visitor Center.
- Training to manage and serve food for the local residents.
- Trainings and guidance on service standards for all employees of Goa Pindul Tourism, digital marketing training, and team building.

### Puncak Tinggan Tourism Village

Puncak Tinggan Tourism Village in Plaga, Bali offers tourism activities in the form of learning about the nature, environment, agriculture, plantation, entrepreneurship, various traditional arts and village culture. Tourists can enjoy trekking and the beautiful scenery of Nungnung Waterfall.



#### Provided Assistance

Trainings on digital marketing and benchmarking for villagers in Magunan Pine Forest and areas around Imogiri

### Cendil, Senyubuk, and Limbongan Tourism Villages in East Belitung

In 2017, Bakti BCA assisted three tourism villages in Belitung Timur, cooperating with local governments and Class of 1981 Alumni Association of Bandung Institute of Technology.

The three villages have unique topography, with the moss mountain in Limbongan village, a former open pit mines in Senyubuk Village, and mangrove forest in Cendil Village. Through the contribution of Bakti BCA, these villages are expected to be able to develop into major tourism destinations in Belitung Timur.



#### Provided Assistance

- Facilitating soft skills training on excellent service. The training was held for two days, attended by 30 administrators of the three tourism villages.
- Limbongan Village infrastructure development in the form of parking lots, pendopo traditional structure, and signage in Lumut Forest.



## Bakti BCA Empowering the Community



### ASSESSING THE IMPACT OF BCA CSR PROGRAMS

In 2017, BCA for the first time evaluated the implementation of the CSR programs by involving an external consultant, namely Kiroyan Partners. The research conducted by the firm lasted for about 4 months using quantitative and qualitative methods involving beneficiaries in nine regions.

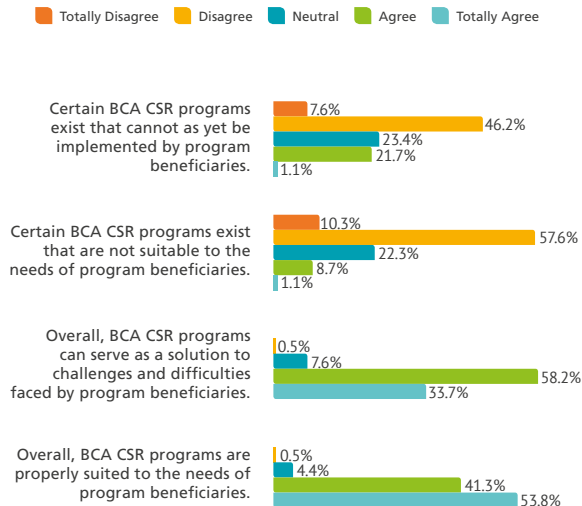
BCA focused the research on programs in the three pillars of Bakti BCA's CSR program to assess the impact of the implemented development programs, as well as to identify future improvement opportunities.

The selected approach in assessing the impacts was "The Most Significant Changes (MSC)" analysis, one of the most commonly used methods to look at the significance of changes that beneficiaries feel (Davies and Dart, 2005). The following is a summary of our research findings and recommendations.

In addition to observing changes, this study also captured the perceptions of beneficiaries of Bakti BCA CSR program that was measured in three variables. The survey was conducted to 184 beneficiaries that represented the three pillars of the program.

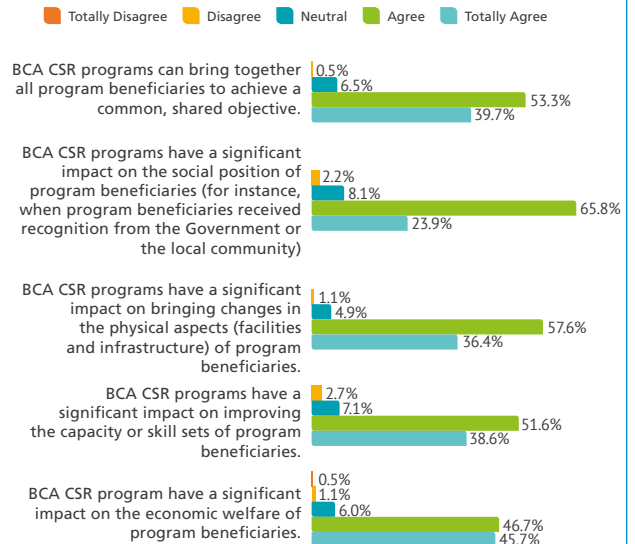
#### Relevant

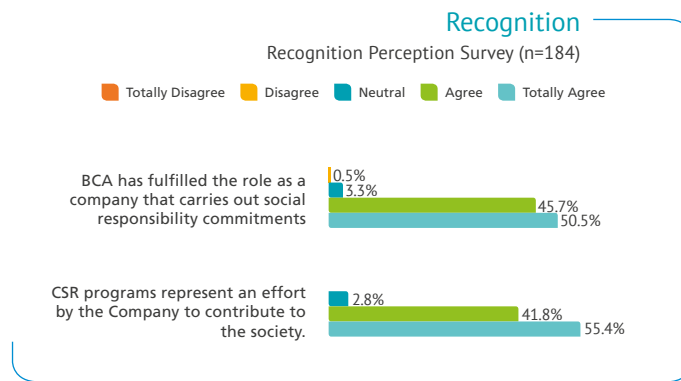
Relevant Perception Survey (n=184)



#### Impact

Impact Perception Survey (n=184)





## IMPACT ASSESSMENT WITH “THE MOST SIGNIFICANT CHANGES (MSC)” ANALYSIS

Subject of Assessment	Changes We Learned	Areas for Future Improvements
<b>Smart Solutions Pillar</b> • 17 Assisted Schools and scholarship recipients	For Assisted Schools, there are six areas of significant changes: 1. The potential of schools to expand 2. Schools become the benchmark of curriculum implementation 3. Changes in teacher's mindset 4. Increased teachers creativity 5. Accelerated school development, and 6. Increased students' interest in reading  For Scholarship Recipients: • Scholarship eased the financial burden • Improved softskill through mentoring activities	Not all schools have undergone the same change. The results of the assessment analysis showed that three schools achieved minimum changes, seven schools showed moderate changes, and seven schools showed great changes.  The hope of scholarship recipients, such as the opportunity to work at BCA, network of scholarship recipients, and a number of suggestions for improvement of the program.
<b>Excellent Business Solutions Pillar</b> • 5 Tourism Villages	The Tourism Village programs showed significant changes and also generated a multiplier effect on the society in general, including: • Improved understanding of business • Economic growth of community • Development of community professionalism • Increased popularity of the village • Recognition from the local and central government	
<b>Synergy Solutions Pillar</b> • 5 Schools participating in Wayang Indonesia and Cataract Surgery Beneficiaries	For students involved in the wayang program, the most significant changes were: 1. Better appreciation of wayang 2. Influence on student character 3. Inspiration to students 4. School support for the sustainability of the wayang puppet program.  For Cataract Surgery beneficiaries, the changes included improved vision, increased confidence, and increased productivity.	Not all schools have experienced the same change, one school has achieved minimum changes, one school achieved moderate changes, and four schools achieved great changes.  Not a lot of people were aware of this program and post-surgery intervention for patients are still required.





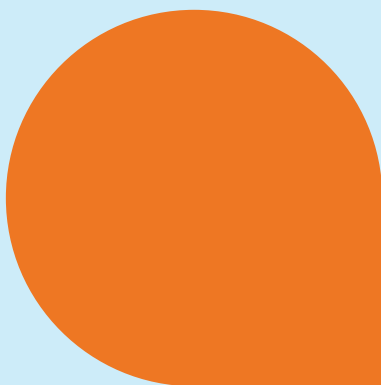
**2.71%**  
BCA Employee  
Turnover



**25,439**  
Employees



**42%**  
Age < 36 years old



## Developing Employees of BCA

Preparing Digital Generation	41
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# Preparing Digital Generation

Human Resources (HR) is the primary asset to carry out sound banking practices and to achieve corporate objectives in accordance with the business plan.

HR is a key strength to reach sustainable growth and provide quality services for all customers. Therefore, we are committed to improve HR capacity in a sustainable manner through effective development program and high-quality staff recruitment.

BCA's approach in managing its HR is by positioning the HR unit as strategic business partner of other units instead of mere business support. In this regard, HR unit discusses its needs with other business units and the best way to fulfill them.

BCA has carried out strategies to address the challenges related to HR, such as the procedure to face and implement banking service digitalization. The Bank understands that the improvement of employee demography and succession process, as well as the capability to innovate to enhance efficiency and productivity, are required to increase its competitiveness edge in the future. [103]

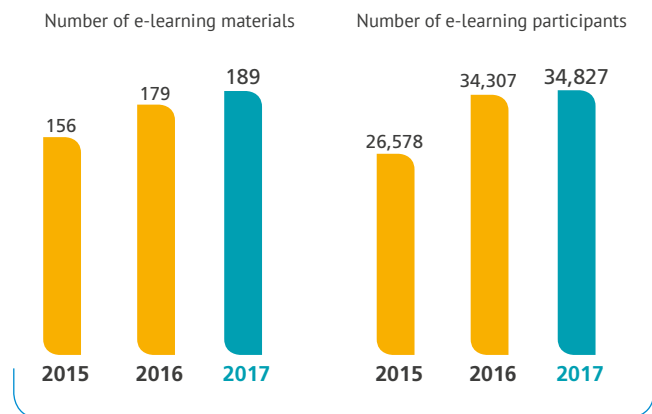
## PREPARING DIGITAL GENERATION

As a banking institution, BCA is aware that technology is a crucial factor in supporting the business, and it will continue to be an integral part in the development of banking products and services in years to come.

Banking digitalization trend and young generation are closely linked to BCA's business environment. Over the last few years, the number of BCA employees has been on the rise and now, around 43 percent of employees are tech-savvy millennials (Gen Y).

Hence, BCA creates digitalization culture through various approaches to improve HR competencies in line with the Bank's commitment to addressing challenges in digital age. These approaches are observed as new experiences and education for the employees.

### Digitalization in learning



The work environment at BCA has undergone some adjustments as well. One of the initiatives is Mini Company, an approach oriented to improving productivity and achieving optimum results while maintaining engagement and team work.

Mini Company allows simultaneous collaboration among different work units, to obtain end results faster than through conventional process. It has been successfully applied within the departments of Information Technology, Legal and Product Development.

BCA promotes digital education and exposure for the public and younger generation through Finhacks (financial technology hackathon) and fintech seminars in cooperation with universities. BCA also organizes Indonesia Knowledge Forum (IKF), which invites cross-field experts as speakers. With technological support, we continue to explore the unlimited opportunities of developing banking solutions.

Launched in 2016, BCA Finhacks has attracted numerous participants that for the 2017 event, the Bank conducted the initial selection in the cities of Bandung, Yogyakarta, and Surabaya. The peak event of 2017 BCA Finhacks was held at BCA Learning Institute in Sentul, Bogor.

# Fostering Engagement

As for the IKF, the theme in 2017 was “Elevating Creativity & Innovation Through Digital Collaboration”. The discussion in IKF 2017 focused on the business of digital economy, the development of pioneering companies, and other relevant topics brought by 24 expert speakers from Indonesia and abroad.

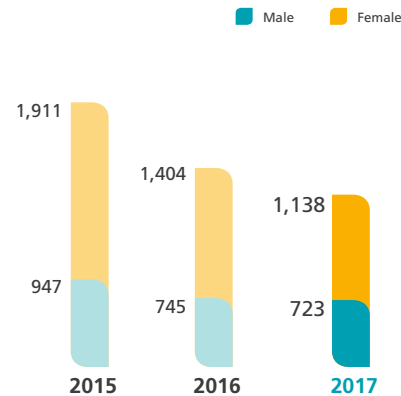
Both Finhacks and IKF are among the manifestations of BCA’s commitment to actively supporting the development of Indonesia’s young generation. Technology enables BCA to continuously explore unlimited opportunities in developing banking solutions, so that the Bank can always contribute to the effort of improving the nation’s economy.

## Meeting Manpower Needs in Digital Era

To address the transition towards digital banking, BCA has provided training activities to improve its employees’ capacities and skills that are adjusted to the needs. As one of the leading private banks in Indonesia, BCA has an opportunity to carry out HR restructuring and empowerment in the Bank and its subsidiaries, within a new ecosystem in the form of synergy and efficiency.

Varied responses that have relevancy are accommodated by the Bank through a transparent process involving the employees. Hence all parties feel secure and the stakeholders may also give their support and cooperation in regard to the process.

## Employee Recruitment



## Use of Local Manpower

To meet HR needs, the Company provides job opportunities for the communities around the branch or regional offices. Recruitment process is conducted by taking into account competencies, needs, and conformities. In order to facilitate the public to obtain information about employment opportunities, BCA has developed several means of communication. Information on job vacancy and application submission can be found at [karir.bca.co.id](http://karir.bca.co.id), LinkedIn account of PT Bank Central Asia Tbk and [kalibr.com](http://kalibr.com). Applicants who meet the requirements will participate in further selection process in accordance with the regulations of BCA.

## FOSTERING ENGAGEMENT

Employee engagement is one of the keys to the Bank’s business success in properly serving its customers. The Bank understands the significance of encouraging employee engagement given the diversity of the employees, especially with the presence of millennials at BCA.

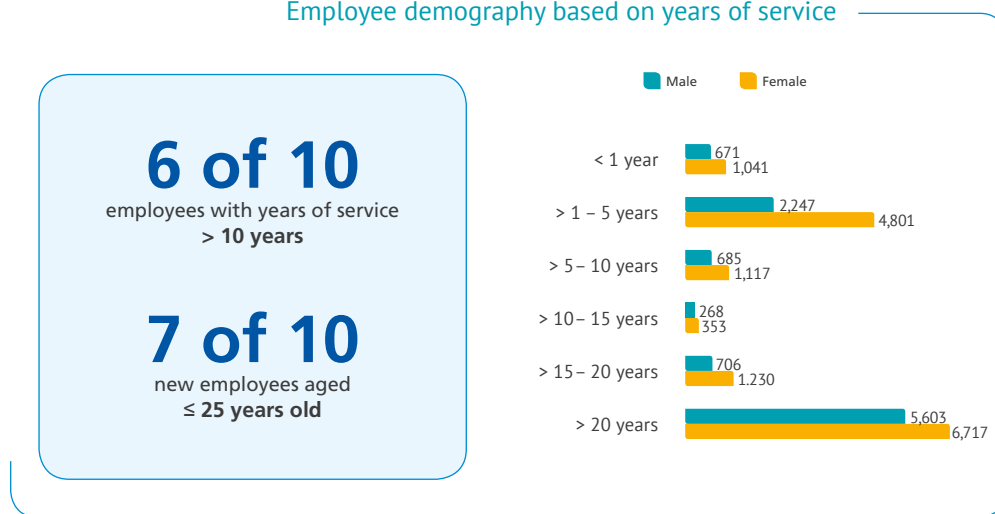
Employee engagement is expected to create favorable working environment. Active role and engagement demonstrated by the employees are crucial in creating teamwork.

### Cross-Generation Engagement

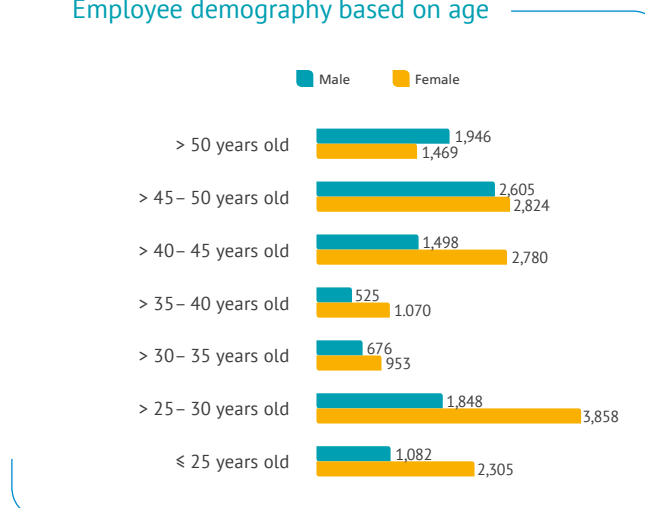
Within the last three years, BCA has accepted over 6,000 new employees who are mostly under the age of 25 years old. They are part of a teamwork with senior employees.

Such diverse demography provides a unique advantage because the varied backgrounds enable employees across generations to share knowledge and experience, enriching their insights, capabilities and competencies. This shall contribute positively to the Bank's development in generating various banking innovations and solutions.

#### Employee demography based on years of service



#### Employee demography based on age



Cross-generation engagement has always been one of BCA's concerns. To address this issue, BCA provides communication and information dissemination system, both formal and informal, to share employees' knowledge. Some of the facilities developed by the Bank for this activity are COP (Community of Practice), 4DX, mentoring, and coaching.

BCA always ensures that supervisors support the development of their staff. One of the systems created by the Bank is mentoring and coaching method that must be carried out by the supervisors. Formal coaching is done periodically at least twice a year and documented through MSSESS (Manager and Employee Self Service) system.

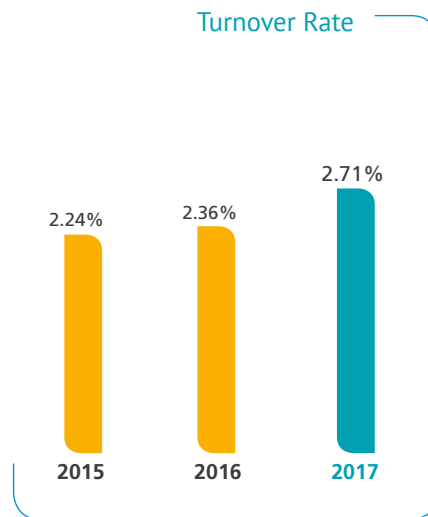
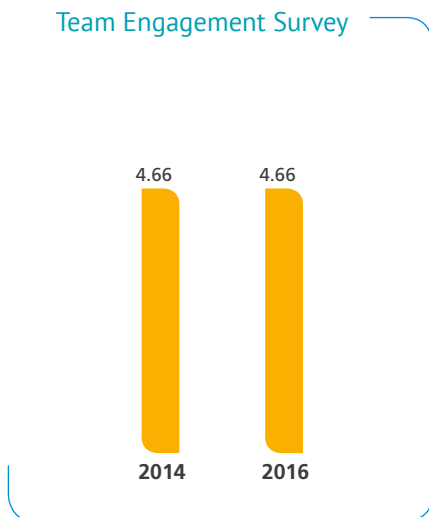
## Developing Employees of BCA

BCA also develops various means of communication for employees, namely InfoBCA magazine that can be accessed through smart phone or the intranet system; Facebook group called Semua Beres; My Video, and Halo SDM call center service at 66900.

In cooperation with Gallup, BCA has been developing team engagement program since 2011. The process begins with an internal survey, followed by the improvement and evaluation of existing team engagement programs using scorecards.

Strong engagement, competency development, performance-based culture, and career opportunities that are complemented by work-life balance, solidify the employees of the Bank as a committed and accomplished team. In addition, employee turnover rate can be maintained and the Bank can concentrate on continuously expanding its business.

The appreciation of this comprehensive effort is reflected on BCA's achievement as the only Indonesian company to win the Gallup Great Workplace Award for the second time. BCA is especially proud of this honor because of all the companies that met the criteria, only 8 percent were awarded in 2017.





# Training and Development



Competency development curriculum is set up by related units together with BCA Learning Center by referring to the works and businesses carried out within the Bank.

BCA consistently evaluates its HR competencies and development programs so as to suit the progress and needs of the industry. In 2016, BCA re-mapped employee competencies and programs to improve learning culture among employees in designing competency development programs. Competency development curriculum is set up by related units together with BCA Learning Center by referring to the works and businesses carried out within the Bank.

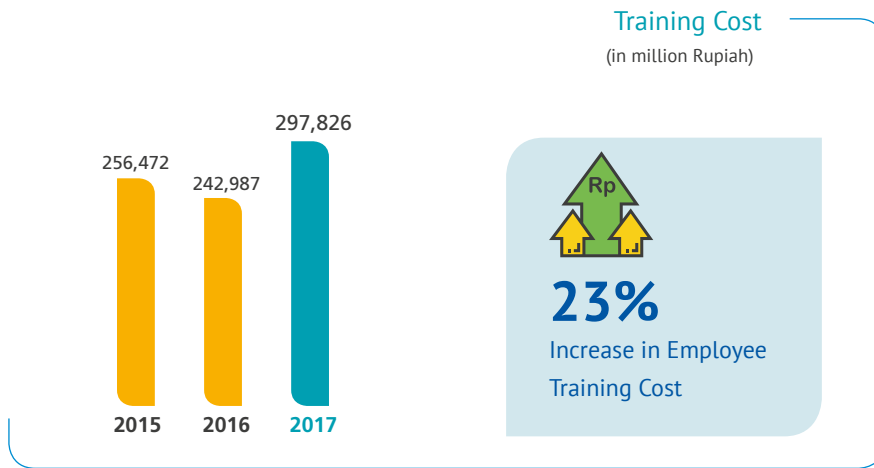
BCA continuously updates and develops training programs so that its employees continue to be in the forefront of a dynamic business environment. During 2017, employee development has been focused on improving competencies, especially in the areas of operational control, relationship development, and the introduction of the digital world, in line with BCA's strategies of transaction, relationship banking, and digital awareness. [103][404-2]

To facilitate employees in developing their competencies, BCA training modules are also available in e-learning format to be accessible to employees whenever and wherever they are. Therefore, more employees will have the opportunity to learn and develop self-competence.

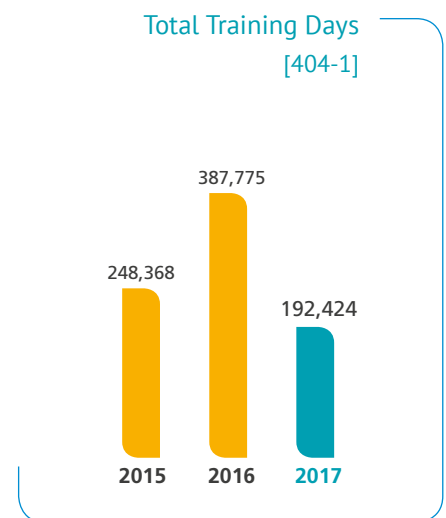
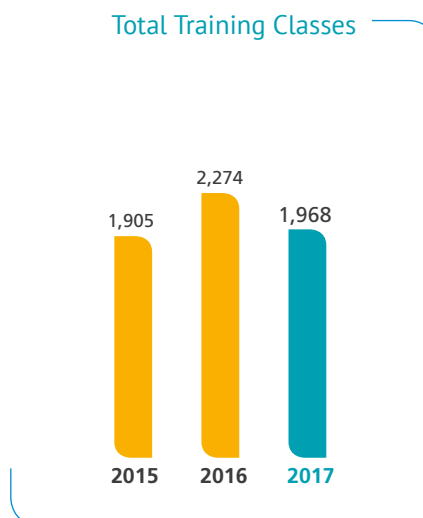
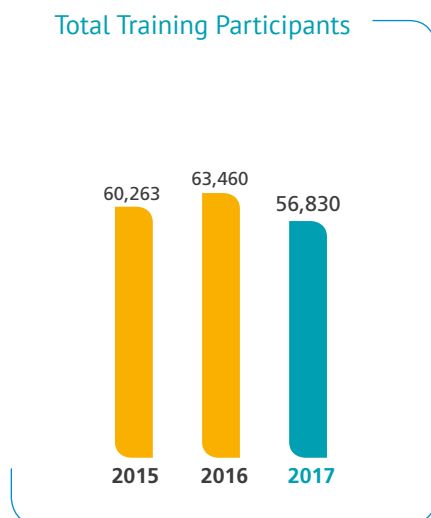
In addition to training and educational programs, coaching plays an important role in encouraging continuous learning at BCA. The management emphasizes the implementation of learning at any time. In times of unpredictable economy, the process of guidance and learning is seen as one of the ways to build leadership capability and readiness.

In 2017, BCA allocated nearly Rp300 billion for human resource development program or around 2.6 percent of total manpower cost.

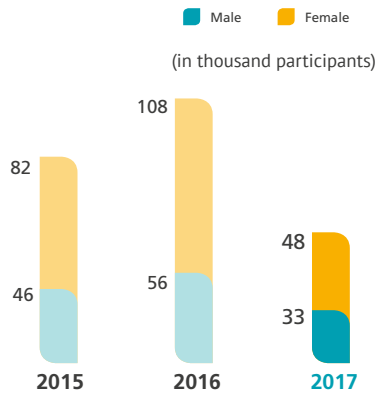
## Developing Employees of BCA



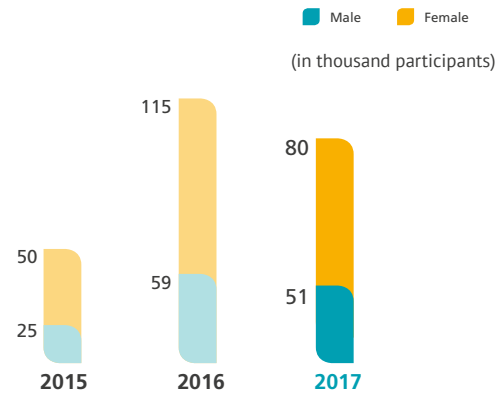
## TRAINING IMPLEMENTATION



Number of Training Class Completed by Employee [404-1]



Number of e-Learning Training Completed by Employee



### CAREER AND LEADERSHIP

BCA instills performance-based work culture in its business and actively provides career development opportunities for employees. Each BCA employee has the right for clear and planned career direction and development that is tailored to the quality of individual and work unit performance target achievement.

Performance and career assessment at BCA uses a panel system to identify talents in related work units in cooperation with the Human Capital Management Division. Panel review results serve as a reference for designing individual employee development programs, as well as for processes of succession and employee placement. Each development stage is monitored and evaluated to be prepared for the next self-development program.

### Succession Leadership

Leadership regeneration is one of the challenges of business sustainability at any company. This is particularly the case at BCA with a great number of senior employees entering retirement age. Over the past few years, BCA has been conducting a leadership promotion program to prepare candidates to succeed the senior officials in the next five years.

BCA focuses its attention on succession planning through acceleration programs, where selected employee receive a two-year development program (normally for three years).

To meet the demand for future leaders, BCA prioritizes internal human resources growing through the leadership programs. Talents are recruited externally when no internal resource is available, and they must be able and willing to absorb BCA's culture and values.

Currently, BCA has five directors that were appointed from within, while the number of executive vice president from BCA reached 47 out of a total of 49 people.

## Developing Employees of BCA



Employees Completing Career Development Program 2017: 1,045

*Leaders from Within*

**5 Directors**  
**47 Executive Vice Presidents**

### Innovation Bank

BCA is cultivating a culture of innovation to improve internal business processes and enhance customer satisfaction, while improving cross-function and cross-generation employee engagement.

To strengthen the culture of innovation, the Bank develops a Knowledge Management system in which one of the programs is called Community of Practice (COP). COP is a medium to share knowledge and expertise among the employees to encourage the development of improvement and innovation culture that may provide added values and generate competitive edge for the Bank. COP is also held for the executive management by inviting experts to have discussions on current strategic issues,

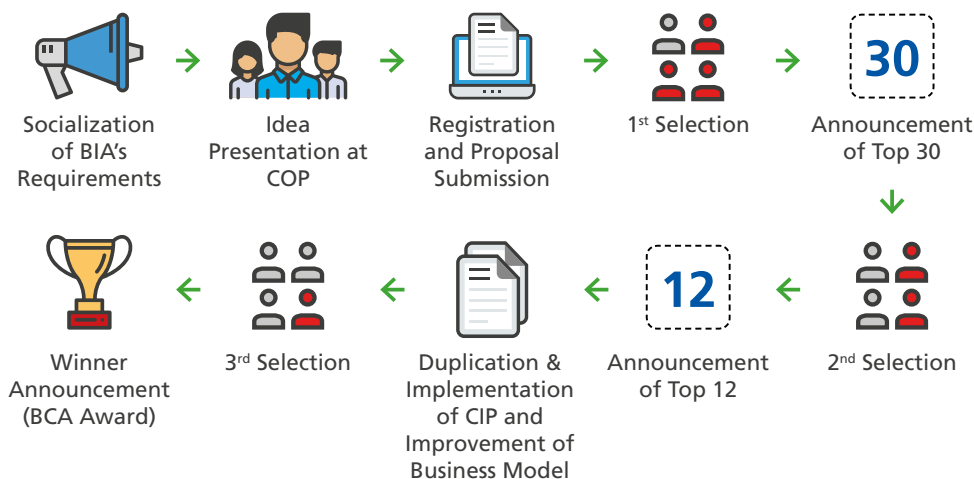
such as managerial and leadership issues, development of economy and financial and non-financial industries, and so on. This program is expected to provide an understanding of the knowledge and skills required by senior Bank officials. To follow-up the knowledge sharing program and solidify innovation culture, the Bank has been organizing BCA Innovation Award (BIA) event which was started in 2014. This is a medium for the employees to display their creative ideas, improvements and innovations. This award has been positively welcomed by the employees evidenced by the continuously increasing number of participants and ideas collected every year. The 2017 BIA was organized with three categories, namely:

1. Main Category which consists of 2 sub-categories: New Business Concept and Continuous Improvement Process
2. Special Category, namely the Financial Hackathon (Finhacks) BIA
3. Favorite Category, namely the 5R - Rajin (Diligent), Rapi (Neat), Ringkas (Concise), Resik (Clean), Rawat (Well-Maintained).

As many as 1,323 participants joined the 2017 BIA with 648 innovation idea proposals at the Main Category and Favorite Category, and 51 proposals at Finhacks BIA Category.

### BCA Innovation Awards

Every year BCA selects five best innovations to be further developed into real customer solutions. The innovations will be made into prototypes and implemented into BCA's banking system.



The following is five innovations selected to be the winner of 2017 BIA:

- **DOLCE (Digital Official Letter)** is an application to prepare, approve, distribute and document the Bank's internal and external official letters that can be accessed at any place and any time, and by any person with the access.
- **ELIPS (Electronic Receipts)** is a system of printing transaction receipts for all menus at the ATM, through an email-based electronic media as the substitution of ATM paper receipts.
- **SAPOE (System Automatic Property Mobile Checker)** is an application that integrates administration staff, checklist officer and vendor, in checking the facilities and infrastructures at ATM locations.
- **One Time Card** is an innovation in the form of one-time-use virtual card number that can be used for e-commerce transaction, with limit that can be determined according to the needs of credit card or BCA debit card holders.
- **Tools for Potential Debtor's Feasibility** is an innovation in the form of a tool at Excel worksheet containing simple instruction to help the colleagues at Sub-Branch Offices to understand the needs of customers related to productive credit products; hence, enhancing the referral quality and quantity of potential debtors.

## PROTECTION AND EQUALITY

BCA seeks to provide optimum protection for all employees at the workplace. The Bank has implemented strict policies to guarantee the rights and manpower norms of each employee, as described as follows:

- 1. Transparency of the Bank's strategic employment policy**  
Employees have access to a variety of BCA's employment policies, such as the recruitment system, promotion system, and remuneration system via BCA's intranet (myBCA), and offline through decision letters and circulars, as well as the Collective Labor Agreement manual.
- 2. Disclosure of information for employees**  
BCA is committed to always disclose information to all employees. The Bank has established various means of internal communication, from formal correspondence such as newsletters, e-mail broadcast, BCA internal magazine (printed and digital versions of InfoBCA), and Halo SDM telephone service, to COP (Community of Practice), myBCA

internal portal, My Collaboration Community (MC2) internal social media, Semua Beres Facebook Group, and video sharing media (myVideo).

### 3. Labor Union

BCA employees have founded independent labor union since 2000 that is fully facilitated by the Bank. BCA gives total freedom to employees to join the union in accordance with the applicable laws and regulations.

Labor union is a strategic partner of the management in administering human resources, particularly in terms of fostering sound industrial relations, to create productivity that is beneficial for both parties.

### 4. Collective Labor Agreement

As the manifestation of the Bank's commitment to developing conducive and productive industrial relationship, BCA has issued Collective Labor Agreement that is formulated by the management and labor union. The Collective Labor Agreement is updated every two years. In 2017, the management used BCA Collective Labor Agreement 2016 – 2018.

<b>100%</b>	<b>79.3%</b>	<b>8</b>
Employees are Bound to the Collective Labor Agreement [103]	Employees that are Members of Labor Unions (per January 1, 2016)	Labor Union within BCA

### 5. Equal employment opportunity

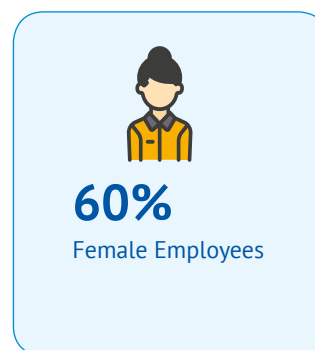
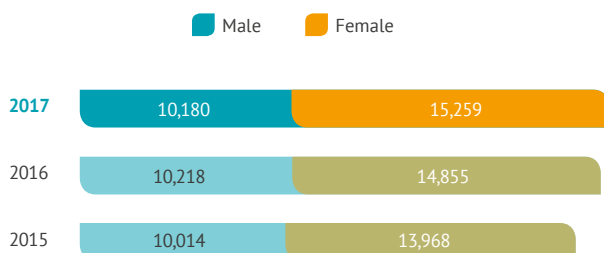
BCA provides equal employment opportunity for all employees regardless of their ethnicity, religion, race, class, and gender. The Company's employment policy emphasizes on the quality and competence of both current and future employees.

In addition, BCA ensures equal opportunity in competency development, among others, by providing opportunities for undergraduate and postgraduate studies (S1 and S2), as well as overseas training for the talents and employees who have passed the selection test.

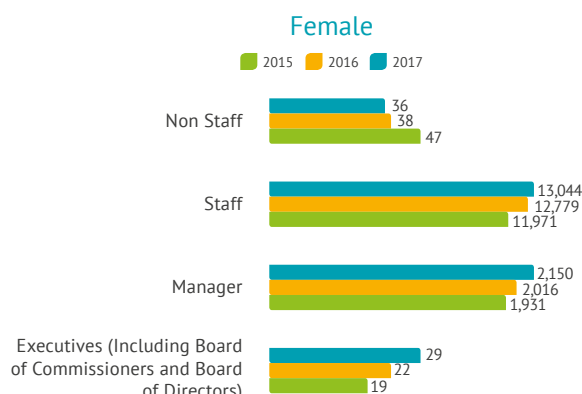
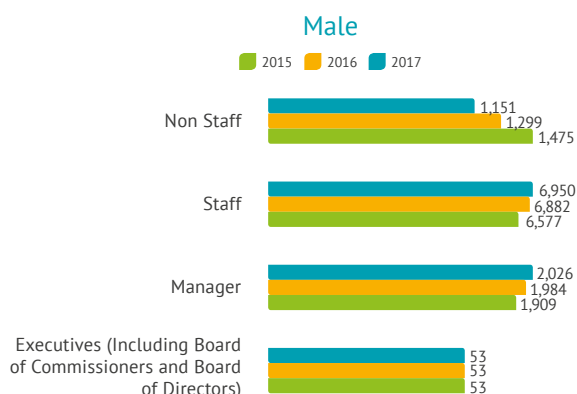
## Developing Employees of BCA

### DIVERSITY IN BCA [405-1]

#### Employee Composition Based in Gender



#### Employee Composition Based on Position Level



## 6. Occupational Health and Safety

BCA pays more attention in creating healthy and safe work environment in its office, through the development and organization of work space in reference to the following principles:

- Appropriateness and feasibility of facilities and work environment
- Cleanliness of work environment
- Harmonious workspace layout
- Accuracy in terms of arrangement of equipment
- Completeness and feasibility of safety standards and procedures.

The implementation of workplace safety at BCA relates to the Bank's Business Continuity Plan (BCP). The BCP is managed and coordinated by the Enterprise Security Unit (SKES) at the Head Office in collaboration with Regional Offices and BCA's offices throughout Indonesia. [103]

Each employee is provided with the knowledge and skills to respond to emergencies through awareness training and annual drills, including high-rise building evacuation drills. Such trainings are also carried out at several regional and branch offices and aims to train employees to be able to face the dangers of fire, natural disaster, earthquake or other disruptions. An emergency early warning system has also been put in place using mobile applications to improve BCP awareness and prevent accident.

Beginning in 2014, BCA introduced a system of internal assessment in regional and branch offices for preparedness and response to emergency situations. The assessment serves as a reference for each office to make improvements at respective workplaces. The preparation assessment is also carried out for Warden Team at each floor level at BCA's Head Office.



BCA facilitates various group activities to support employee hobbies and personal interests outside of their work routines.



**0**  
Work Accident  
Case in 2017 [403-2]

In terms of health, BCA conducts a comprehensive health program for employees, covering insurance facilities and health promotion. Health facilities provided to the employees include inpatient and outpatient treatments, maternity health, glasses, dental care, laboratory examination, medical check-up, and pap smear. These facilities are expected to benefit employees.

In line with the government's programs in worker health care, BCA facilitates the employees and their families in joining the government-sponsored Health Care and Social Security program (BPJS Kesehatan). BCA organized a collective BPJS Kesehatan registration for employees and their family members.

BCA actively provides employees with the opportunities to expand their knowledge on health issues. Among activities carried out in 2017, BCA held health seminars for employees, such as a seminar on Alzheimer's (October 2017) in Jakarta and Greater Jakarta, as well as Health Coaching Seminar on

Daily Simple Steps Towards Health (August, October, and November 2017) in Jakarta, Greater Jakarta, Denpasar and Palembang.

In order to cultivate a healthy lifestyle, starting 2017 BCA held a competition titled "Pekerja TerSEGAR (Sehat dan Bugar)" or the Healthiest Worker. The competition attracted 613 participants, and the winner would become the ambassador to promote healthy lifestyle.

#### 7. Mechanism to Submit Complaints on Manpower Issues

The Bank is committed to always maintaining communication with employees through several means of communication developed by BCA, including Halo SDM (66900). Employees can reach this number to obtain information on employment issues or industrial relations. This facility can be accessed through BCA's internal telephone network. The Bank guarantees the confidentiality of employee data and information while using the Halo SDM service.

# Welfare

Human Resources Development is conducted in a sustainable manner and balanced with employee welfare as a mean to create a sense of comfort and pride in BCA's employees.

BCA offers attractive remuneration as fair reward to employees for their contribution in achieving performance goals based on attaining predetermined targets. In this regard, the Bank complies with the regulations on salary in Indonesia.

In addition to salaries and allowances, BCA provides bonuses in the form of shares to increase employees' sense of belonging to the company. The shares are given to permanent employees based on their performance after a certain period of time. [404-2]

In 2017, share bonus was given to the employees to reward their performance within the period of January 1 to December 31, 2016. The shares were handed on April 25, 2017 to 21,965 permanent employees, lock up to 3 years.



**15.6 million+**  
Shares for Employees



**Rp15,598.10/shares**  
Average Price of Shares

## Work-Life Balance

BCA is committed to ensuring work satisfaction of all employees by maintaining a proper work-life balance to achieve an optimum level of work efficiency.

To that end, BCA offers a variety of activities and training aimed not only at improving the skills related to duties and responsibilities of employees, but also satisfying employees' personal needs.

BCA facilitates various group activities to support employee hobbies and personal interests outside of their work routines. This community includes activities such as photography, fishing, cycling, wayang lovers club, music, and hiking.

BCA is the only Indonesian companies that manages to achieve Gallup Great Workplace Award 2017







Finhacks and IKF are forms of implementation of BCA's commitment to actively contributing to the development of Indonesian's youths.

Several BCA offices have lactation room, which is expected to be able to support and facilitate BCA's female employees in providing exclusive breastfeeding for their children.

### BCA Daycare Program

Since 2010, BCA has organized a Daycare Program for employees' children of elementary school age, which is held after the Idul Fitri holidays. In 2017, 440 children took part in the BCA Daycare program that was held in three locations in Jakarta and Greater Jakarta, and two other locations outside the areas.

#### BCA Daycare Program Based on Location, Theme and Number of Participants

Location	Theme	Total Participants (Children)
Head Office	Jakarta Tempo Doeloe	96
Regional Office VIII	Knowledge Fun Kids Tour	94
Regional Office IX	The Great Adventure	91
<b>TOTAL JABODETABEK</b>		<b>281</b>
Regional Office III	I'm Amazing Kids	78
Regional Office VIII	I'm Amazing Kids	81
<b>TOTAL NON JABODETABEK</b>		<b>159</b>
<b>TOTAL</b>		<b>440</b>

### Pre-Retirement and Other Facilities

BCA organizes pre-retirement programs that include trainings on health, financial management, skill improvement, and so on. [404-2]

In addition, BCA provides counseling service to assist the employees in finding solutions to their personal lives. BCA also holds trainings on family welfare, such as child care and rearing.

### Awards for HR Management

Other than the Gallup Great Workplace Award, BCA received other HR-related awards in 2017, both in national and international scopes. Those awards are, among others, the Best Company in Creating Leaders from Within from SWA magazine, and Global 2000 World's Best Employer & Top Regarded Companies from Forbes magazine.



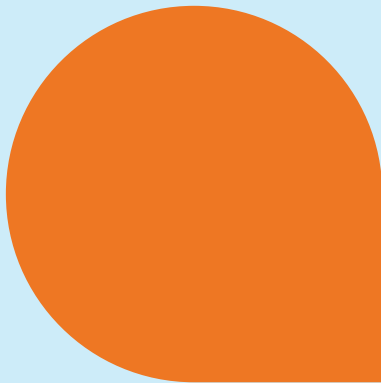
**9%**

2016-2017 Reduction  
in A4 HVS Paper Usage



**911**

Book titles accessible to employees in  
BCA's digital library



## Supporting Environmental Conservation



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BCA Smart Office Building & Green Office Program	56

# BCA Approach

As part of the Company's efforts in implementing sustainable banking, BCA initiated the integration of environmental preservation principles in banking solutions for customers and more environmentally friendly banking activities.

BCA emphasizes on the importance of environmental conservation in banking operations, which focuses on the efficient use of natural resources and minimizing environmental footprint, by optimizing the utilization of information technology.

Through various initiatives, BCA strives to contribute positively to the Planet, simultaneously with the Company's attempts to increase the benefits of Profit and People. [103]

## Indirect Impact of Financing

BCA is aware that the projects it finances carry social and environmental risks, which may affect debtor's business and, subsequently, the business of the Bank.

The efforts to minimize significant social and environmental risks, and in compliance with regulations, have been carried out by BCA through the principle of prudence. In terms of credit policy, BCA does so according to the rules, by prohibiting lending to companies that do not have relevant environmental permits.

In addition, BCA does not extend credit to those receiving the Red and Black ratings from the Environmental Management Performance Rating Program conducted by the Ministry of Environment and Forestry.

## Environmentally Friendly Office

BCA utilizes environmentally friendly technologies in its new and renovated buildings. Gradually, the Bank's offices will also operate more efficiently in terms of energy and water consumption, while maintaining comfort and safety.

The construction of the Bank's offices in the past few years have considered the passive and active designs. Passive design reduces electricity consumption through building blanket installation. Active design utilizes Building Automation System (BAS). These technologies enable more efficient electricity consumption, particularly for air conditioning, lighting, and elevators.

In terms of lighting system, BCA buildings have started to use LED lamps that can save electricity up to 70 percent compared to ordinary incandescent lights, and release less heat, easing the burden of air conditioners. Several areas of Menara BCA are also equipped with light sensors to measure the level of illumination when the room is dark or bright. The switch to LED lamps has been carried out on ongoing basis, adjusting to the maintenance of building utilities or the construction of new buildings.

At the end of 2016, BCA worked with the Indonesian Architects Association (IAI) to hold BCA Building Facade Design Contest. Three winners were picked out of hundreds of applicants in February 2017. One of the criteria in the judging process was the attempts to minimize heat and add natural lighting in the building. The results of the facade design contest will be taken into considerations in designing new BCA buildings.

# BCA Smart Office Building & Green Office Program

## BCA SMART OFFICE BUILDING

BCA builds environmentally friendly offices based on the principles of Smart Building, which features intelligent and/or green buildings. Intelligent building refers to the building's capability to manage and oversee the operation automatically and efficiently, while green building is applied to the selection of energy saving design and building materials. Both can minimize the negative environmental impact without compromising the health, safety, and comfort of the occupants

### Energy Improvement in Existing Buildings

BCA buildings in Wisma Pondok Indah and Wisma Asia II have been improved by installing inverter pumps to the building cooling equipment (chiller) that can operate according to the load. Electricity efficiency in Wisma Pondok Indah reached 18,173 kwh per month, while in Wisma Asia II reached 34,929 KWh per month.

### New Building Design

The buildings of Halo BCA Semarang and BCA Foresta are covered with energy-saving blankets, and apply the Building Management System (BMS) with automation technology that enables energy management of air, elevator, lighting, and other office equipment.



BCA builds and renovates the Bank's offices with active design which apply Building Automation System (BAS) and passive designs that use LED lights and AC Inverters, solar energy, or rainwater harvest.

## GREEN OFFICE PROGRAM

Environmental impacts arising from banking activities originate, among others, from office administration and employee mobility. Through the Green Office program, BCA is committed to minimizing the use of natural resources in bank office activities and minimizing environmental footprints on banking products and services by utilizing information technology.

BCA has initiated the Green Office program with several policies implemented by the head office and branch offices through the reduce and reuse approach to activities that use natural resources. In addition to reducing the environmental footprint, the Green Office program also provides cost saving benefits.





BCA opts for video conference instead of in person meeting on most occasions.

### Paper Usage

The 'reduce' approach in Green Office is implemented through paperless banking initiative in operational activities, by sending or accessing documents digitally via e-mail, myBCA intranet portal, tracking system application, E-Filing, Enterprise Backoffice Integration (EBI), E-Approval, and the Manager Self Service/ Employee Self Service (MSSESS) program that serves the various needs of BCA employees. [103]

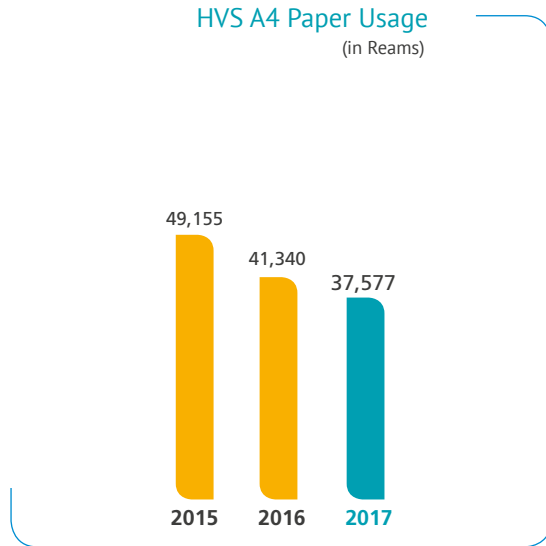
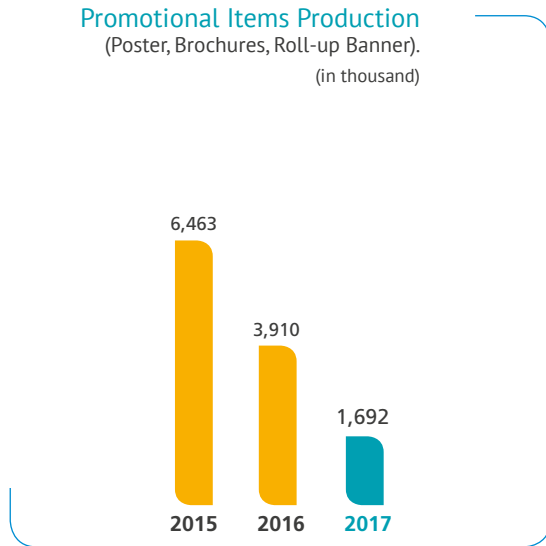
Document printing is controlled and monitored through printer pooling and the default setting of printing paper on both sides. Since applying the default setting, BCA's head office has significantly reduced paper usage. Total paper use in 2017 decreased by 9% yoy.

BCA's human resources services can be accessed via smart phones to allow faster and paperless HR processes, as well as to familiarize employees with digital services. In 2017, BCA launched the Blims application, a digital library containing 911 titles of books accessible to employees.

Moreover, BCA also reduces document printing for customers by increasing the use of electronic documents, e-statements, and online payment via e-channel or mobile banking, as well as reducing printed materials for promotional and transaction purposes. [301-1]



### Supporting Environmental Conservation



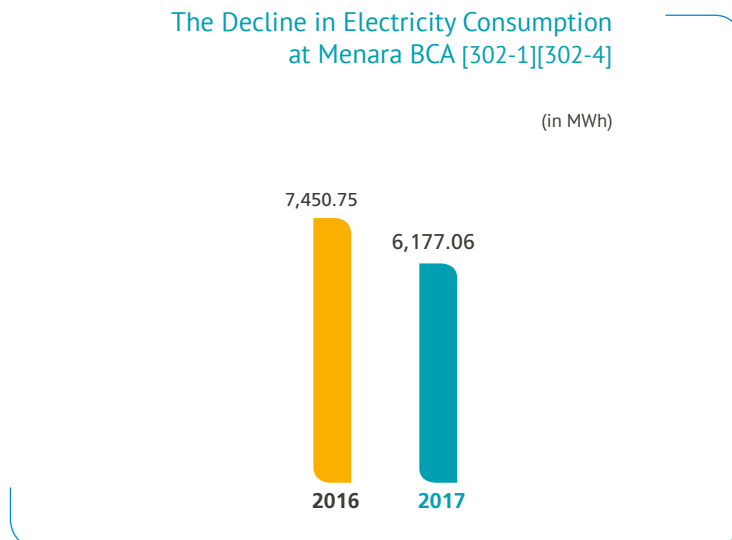
#### Energy and Water Consumption

Energy consumption is among the important factors that indirectly contribute to climate change. To that end, BCA implements energy saving policies across all work units. This policy is expected to make a significant contribution given the size of BCA network.

BCA performs energy saving efforts by using LED lights and AC inverters at the Bank’s offices. These efforts are complemented with campaign and dissemination of information on the initiatives to employees. Some of the examples of energy saving efforts are as follows: [103]

- Electricity saving by using LED lights, adjusting air conditioning temperatures, turning off lights during breaks for back office and off-hours, conducting water-saving campaigns, and so on;
- Using video conference technology for meetings and consultations, as well as discussions between work units, branches, or regional offices;

Since 2013, BCA has installed pressed water tap in the new or renovated buildings. This type of faucet uses automatic closing functions that reduce the amount of wasted water. [303-1]



## Waste Sorting

In Green Office activities, Agents of Change in charge of each BCA office promote waste sorting program to instill the habit in the employees.

Waste management is also applied to liquid waste generated by BCA office activities in the form of black water and grey water. Grey water treatment to turn it into water for watering plants has been applied at Wisma Pondok Indah and KCU Bintaro.

The management of Menara BCA uses STP (Sewage Treatment Plant), in which wastewater is processed before being discharged to city or neighborhood canals in accordance with the quality standards and parameters in the Waste Water Treatment Plant (WWTP). [306-2]

## Transportation

In line with the business growth and the growing number of employees, BCA is strengthening the utilization of telecommunication technology to reduce employee mobility, which, subsequently, reduce the use of fuels for transportation.

BCA opt for video conference instead of in person meeting on most occasions. Video conferencing has been utilized for various occasions, including the information dissemination by the Board of Directors to all regions. A similar solution is also implemented through the use of the e-learning platform, as one of the means of online learning for BCA employees.

## Employee Involvement

Environmentally friendly programs cannot be separated from employee involvement. In addition to launching the Green Office program and establishing the agent of change (AOC) in each division at the Head Office, BCA is also actively disseminating the information about the program through internal corporate communication means.

### Green Office Campaign Information Media:

- MyBCA Portal
- Facebook Group (closed group for BCA employees)
- Internal Television display
- InfoBCA Magazine

### Medium of Communication:

- Campaign posters
- Attractive short videos containing messages on energy-saving campaign.

The initiatives conducted at BCA offices include turning off the lights during breaks, reducing the use of styrofoam, using glass and tumblers to replace bottled water, automatic hibernate systems on computers, printing on both sides of the paper, and waste sorting.

The Green Office program is expected to enable BCA to contribute to making energy savings a lifestyle of BCA employees and Indonesian people.



## Earth Hour

Since 2012, BCA has consistently supported Earth Hour, the global initiative of the **World Wildlife Fund for Nature** (WWF). Earth Hour is intended as an effort to raise awareness on the danger of climate change. Earth Hour activities are marked by switching off non-essential lights for one hour, performed **every last Saturday in March**.

On March 25, 2017, BCA participated in Earth Hour by turning off BCA totem lamps and outdoor lighting for one hour, from 8.30 p.m. to 9.30 p.m. The blackout was conducted at Menara BCA, all Branch Office buildings, and billboards **throughout Indonesia**.

## Supporting Environmental Conservation

### Solution for Customers

Electronic banking is the right solution to reduce the environmental footprint of banking transactions. Shifting traditional transactions into electronic ones results in efficiency and reduces environmental footprint. Currently, the number of transactions in the Bank's offices is only 3 percent of the total overall transaction, while the rest uses digital channels. As part of the strategy, BCA develops a variety of electronic banking products with diverse digital platforms.

## 2017 Bank Transaction



### Branch

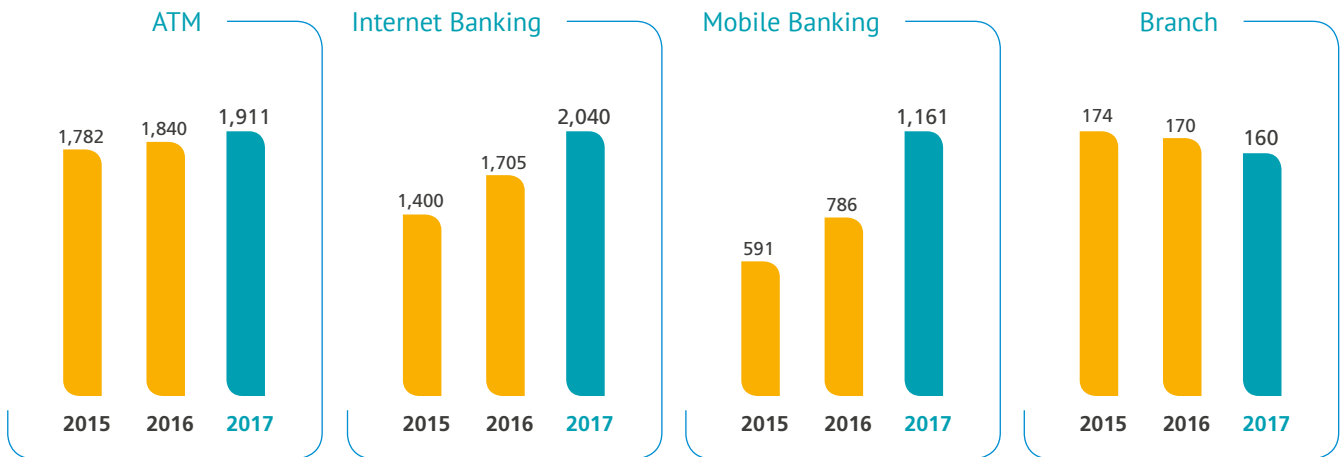
Transaction value : **Rp14,131 trillion**  
 Number of transaction : **160 million**



### Digital

Transaction value : **Rp10,482 trillion**  
 Number of transaction : **5.1 billion**

### TRANSACTION ON BCA CHANNELS (in million)







Customer solutions continue to be created in compliance with regulations.

Customer solutions continue to be created in compliance with regulations. Currently, customers can visit virtual branch offices through BCA eBranch application. This application enables customers to fill out the application forms to open bank account and only visit the physical office for final verification.

BCA offers Flazz and Sakuku electronic money products as cash substitutes for transactions, while encouraging the Non-Cash National Movement. Flazz is the first form of e-money in Indonesia that can be used for payment and Flazz BCA Syariah is the first e-money product of sharia bank in Indonesia, which was launched by BCA Syariah. While Sakuku is a smart phone application presented to Gen Y customers who want practicality. Sakuku transaction uses a secure QR Code system.



**4.57**

Customer Engagement  
Survey Results



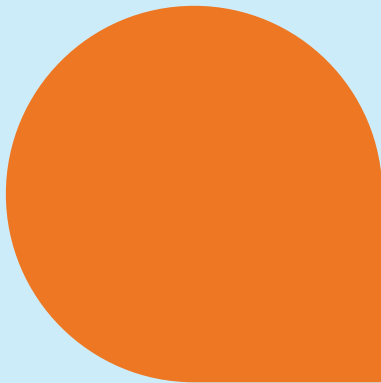
**98.92%**

Complaint Settlement  
According to Service  
Level Agreement



**18,196**

LAKU BCA Customers



## Responsible Services

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Enhancing Customer Satisfaction	66
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# Customer Protection

## BCA'S APPROACH

As the largest private bank in Indonesia, BCA continues to "Learn Better" in the face of increasingly complex challenges during the transitional period. In line with business technology development, BCA continues to innovate to provide the best service to customers and communities.

The Company's policy in providing customer protection is embedded in one of BCA's values, customer focus. BCA is committed to be "Always by Your Side" by continually striving to deliver the best banking solutions tailored to the needs of customers' and communities.

BCA's attempts to maintain customer trust are demonstrated in the Bank's commitment to fulfilling its responsibilities to customers. It is manifested in the provision of the best banking solution for customers, partners, and communities according to their needs; the focus on customer protection and security; and consistent and sustainable implementation. [103]

As part of the Company's commitments to be a responsible bank, BCA introduced financial services and the provision of financial inclusion services.

## CUSTOMER PROTECTION

### Banking Product Design

BCA evaluates all new products and activities to ensure that the new products or activities to be offered are in compliance with applicable regulations, including risk assessments of all banking products and operations.

BCA conducted comprehensive risk assessment on the plan to issue new products and activities according to the type of risk stipulated by Bank Indonesia Regulation No.5/8/PBI/2003 dated May 19, 2003, and its amendments through PBI No.11/25/PBI/2009 dated July 1, 2009 and Bank Indonesia Circular No.11/35/DPNP dated December 31, 2009.

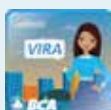
### Banking Product (Solutions) Information

Clear information is always provided to customers and prospective customers regarding banking solutions features, as well as the rights and obligations of every party inherent in the banking services offered. In providing services, customers are not obliged to use or purchase BCA's products they do not need. BCA provides clear information related to its banking solutions, with the full intention that customers can fully understand the products and services to be obtained. [417-1]

To ensure the correct information is delivered to our customers, BCA officers constantly update their product knowledge on BCA's numerous banking solutions.

BCA provides clear, accurate and up-to-date information on BCA banking solutions. The information is delivered through conventional and digital media, including leaflets, brochures, or other written form of media in every BCA's branch office, as well as through electronic or social media. Information on banking solutions can also be accessed through Halo BCA contact center or [www.bca.co.id](http://www.bca.co.id).

Coinciding with BCA's 60th anniversary, the Bank launched a number of digital-based customer service platform innovations in the perspective of 'Better Serve' commitment:



**VIRA**  
(Virtual Assistant  
Chat BCA)

VIRA (Virtual Assistant Chat BCA) service that can be accessed through Facebook Messenger, LINE, and Kaskus Chat. VIRA provides information and promotional features that customers can use to find information on special offers, the nearest ATM locations, exchange rates, and online credit card application, balance information, banking transactions, and credit card information.



**Halo BCA Chat**

Halo BCA Chat is a widget on [www.bca.co.id](http://www.bca.co.id) to obtain any information about BCA products and services including special offers, backed by 24-hour assisting officers.



**eBranch BCA**


eBranch BCA, smart phone-based application for both customers and non-customers to open banking account.

## Responsible Services






### Customer Education


Customer education is a preventive measure to avoid product sales mistakes, transactional scam, or any other forms of fraud. For that reason, BCA innovatively instigates various education programs related to the security when using BCA's banking solutions.

The customer education programs are carried out consistently and continuously. In presenting convenience to customers and communities, information on BCA banking solutions can be obtained through various media channels. Moreover, the education programs are in collaboration with bloggers who share their banking transaction experience with their blog readers.



**Product Information Channels and Customer Education Media:**

 <p>Contact Center <b>Halo BCA</b> 1500888</p>  <p>Website <a href="http://www.bca.co.id">www.bca.co.id</a></p>	 <p><b>Facebook Fan Page</b> (1,8 million friends)</p>	<p><a href="https://facebook.com/XpresiBCA">facebook.com/XpresiBCA</a>  <a href="https://facebook.com/GoodLifeBCA">facebook.com/GoodLifeBCA</a>  <a href="https://facebook.com/BizGuideBCA">facebook.com/BizGuideBCA</a>  <a href="https://facebook.com/BankBCA">facebook.com/BankBCA</a>  <a href="https://facebook.com/KartuKreditBCA">facebook.com/KartuKreditBCA</a></p>	
<p><b>Other Information Media</b></p> <ul style="list-style-type: none"> <li>• <a href="http://Smart-money.co">Smart-money.co</a></li> <li>• In collaboration with online media providers to publish <b>Berita BCA (SWA, Kontan, Pikiran Rakyat, Kompas, Metro TV News, Tempo, Tribun)</b></li> </ul>	 <p><b>Twitter</b> (670 thousand followers)</p>	<p><a href="https://twitter.com/XpresiBCA">@XpresiBCA</a>  <a href="https://twitter.com/BizGuideBCA">@BizGuideBCA</a>  <a href="https://twitter.com/BankBCA">@BankBCA</a>  <a href="https://twitter.com/KartuKreditBCA">@KartuKreditBCA</a>  <a href="https://twitter.com/HaloBCA">@HaloBCA</a></p>	
	 <p><b>Youtube</b> (11 thousand subscribers)</p>	<p><a href="https://youtube.com/solusiBCA">youtube.com/solusiBCA</a></p>	
	<p><b>KASKUS</b> BankBCA</p>	<p><b>instagram</b> Goodlifebca</p>	<p><b>LINE</b> Bank BCA</p>
	<p><b>slideshare</b> <a href="http://www.slideshare.net/SolusiBCA">www.slideshare.net/SolusiBCA</a></p>	<p><b>LinkedIn</b> PT Bank Central Asia Tbk</p>	



### Privacy and Customer Interests Protection

In protecting our customers interests, BCA complies with Bank Indonesia Regulation No. 16/1/PBI/2014 dated January 16, 2014 on Payment System Services Consumer Protection and POJK No.1/POJK.07/2013 dated 26 July 2013 on Consumer Protection in the Financial Services Sector.

Since 2016, Data Center Operations of the GSIT (Group Strategic Information Technology) has received ISO 27001:2013 Information Security Management System certification as a concrete substantiation of BCA's commitment to improving banking information and customer information security, including by means of information technology quality improvements.



### Addressing Customer Service Interruption

On August 27, 2017, a number of Automated Teller Machines (ATMs) and BCA branch offices were disrupted by anomalies on Telkom's Satellite 1. About 30 percent of ATMs and 126 branch offices experienced service disruptions and BCA immediately had to seek other satellite providers to transfer services.

On August 30, 2017, the operations at affected ATMs and Branch Offices were restored. During the down period, BCA exempted all fees on cash withdrawal from ATMs of other banks that normally charge Rp7,500 per transaction. This way, the inconveniences caused were somewhat compensated and customers were still able to withdraw cash.



### Customer Complaint

Customer complaints are received and responded promptly and accordingly by related branch or service offices or work units. BCA pays close attention to every customer suggestion and complaint as a feedback for BCA to enhance customer service in its pursuit to provide the most excellent services.

BCA provides and informs the procedures for customer complaints and dispute resolution according to Bank Indonesia's provisions on customer complaints and banking mediation.

### Communication channels for customer complaints



Services  
**24-hour Contact Center  
Halo BCA**



Email  
**halobca@bca.co.id**



Twitter  
**@HaloBCA**



Halo BCA Chat  
**at [www.bca.co.id](http://www.bca.co.id)**



Video Call  
**at BSD, SCBD, Alam  
Sutera, Thamrin,  
Matraman and Darmo  
Main Branch Offices**



Video Banking  
**at MyBCA**

Customer complaint management is carried out according to the following regulations:

- Bank Indonesia Regulation (PBI) No. 7/7/PBI/2005 dated January 20, 2005 on the Settlement of Customer Complaints as amended by PBI No. 10/10/PBI/2008 dated February 28, 2008.
- Bank Indonesia Circular No. 7/24/DPNP dated July 18, 2005 on the Settlement of Customer Complaint as amended by Bank Indonesia Circular No. 10/13/DPNP dated March 6, 2008.
- PBI No. 8/5/PBI/2006 dated 30 January 2006 on Banking Mediation as amended by PBI No. 10/1/PBI/2008 dated February 28, 2008.

- OJK Circular No. 2/SEOJK.07/2014 dated February 14, 2014 on the Service and Settlement of Consumer Complaints on Financial Service Providers.

BCA offers multiple communication channels for customer complaints through Halo BCA Contact Center that provides 24-hour non-stop, end-to-end service so that customer complaints can be addressed more quickly.



- Halo BCA Contact Center can be accessed through phone call to the number 1500888, web chat at [www.bca.co.id](http://www.bca.co.id), Twitter, video call at myBCA, certain ATMs, and email.
- Throughout 2017, Halo BCA served 14,505,678 customer calls, with 10.47 percent or 1,518,744 calls constituting customer complaints and 44.86 percent or 6,507,247 calls related to inquiries on BCA's banking solutions.
- 98.92% of incoming inquiries were resolved according to the service level.
- Halo BCA's performance and services were appreciated by several independent institutions, both nationally and internationally, including:

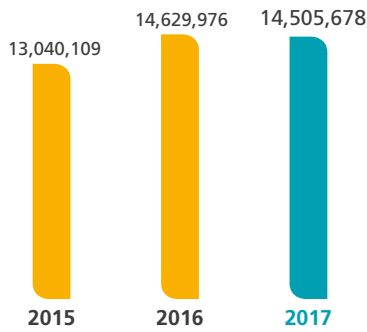
**11** Awards at the 2017 Contact Center Service Excellence Award (CCSEA) from Carre - Center for Customer Satisfaction and Loyalty (Carre - CCSL) and Service Excellence Magazine.

**52** Awards in addition to the Grand Champion award at the Best Contact Center Indonesia 2017 by Indonesia Contact Center Association (ICCA).

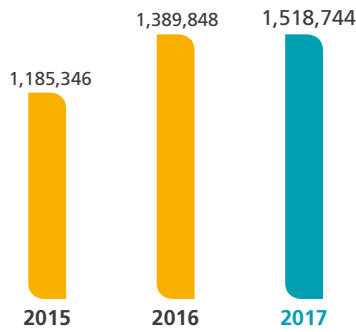
**16** Awards at Contact Center World Global Award in London and 23 awards at Contact Center World Asia Pacific.

# Enhancing Customer Satisfactions

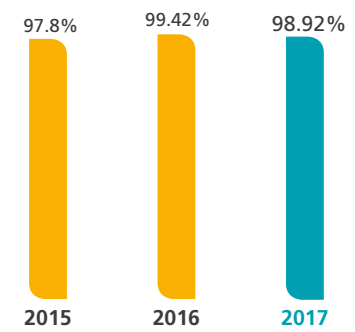
Number of Calls



Number of Complaints



Settlement of Complaints According to Service Level



## ENHANCING CUSTOMER SATISFACTION

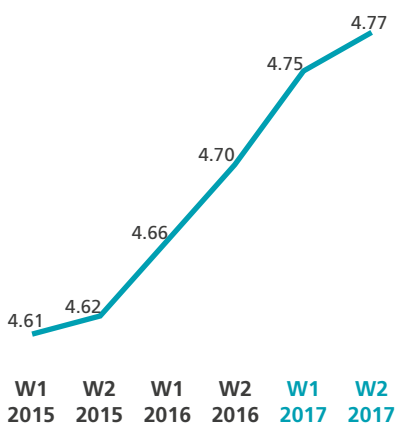
BCA constantly innovates its services and upgrades features aimed at enhancing the convenience, comfort, and flexibility of customers. The types of provided services are also tailored to customer segments and needs, in accordance with BCA's values of "customer focus - integrity - teamwork - continuous pursuit of excellence".

To better understand customer perceptions, BCA conducts customer survey in collaboration with independent institutions. The results of the customer survey set a benchmark for constant customer service improvements. The survey is held twice a year with two measurement categories:

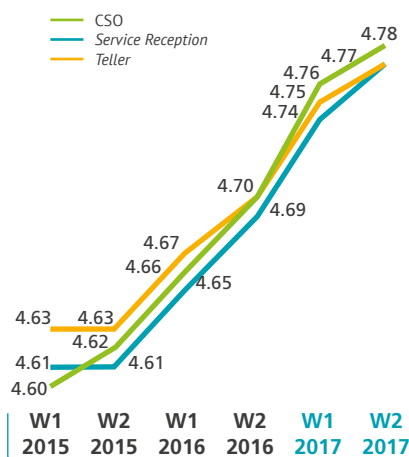
- CE (Customer Engagement), indicating customer loyalty to BCA.
- BSQ (Branch Service Quality), indicating the quality of Service Reception, Teller and Customer Service Officer at branch offices.

## Results of BCA Service Performance Assessment

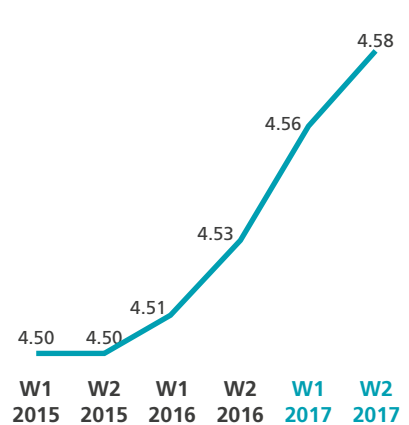
National BSQ



BSQ Attributes



National CE



Thanks to the hard work of the entire BCA family in innovating services and banking products and utilizing various business opportunities, in 2017, BCA won the Excellent Service Experience Award and Service Quality Award. This award is granted to companies in Indonesia that successfully provide the best customer service.

### Expanding Financial Services Access

BCA's superiority in banking transaction and its extensive network coverage have established a solid foundation for the Bank's growth. BCA continues to build multichannel network strategies, which consist of branch network and various electronic banking channels for customers discretion in banking transactions.


To present the best services to customers, BCA carries on with the expansion of its branch network, including the renovation of branch offices every year to enhance customer service.

Access availability is accompanied by services quality improvements through upgrading employees' ability to offer complete, efficient and timely banking solutions.

#### Touchpoint

 **1,235**  
Bank Offices

**22%**  
Increase in the number of bank offices in the last 5 years

 **17,658**  
Automated Teller Machines

**47%**  
Increase in the number of ATMs in the last 5 years

 **470,000**  
Electronic Data Capture Machine

#### Digital Platforms:

**myBCA**  
Operating in malls, providing customer with self-service for digital branch and video banking.

**7**  
MyBCA locations in Jakarta, Tangerang, and Surabaya

**eBranch BCA**  
Smart phone application with mobile form feature, account opening, reservation and so on.

**36,000+**  
Users utilizing eBranch convenience

**VIRA**  
Introduced in February 2017, VIRA is a chat-based banking service that enables customers to find more information about BCA, its special offers, and do banking transactions.

**660,000+**  
Users

**Flazz**  
A cashless payment facility for swift and practical daily transactions.

**Up 33%**  
Transactions using Flazz compared to 2016.

**Sakuku**  
Launched in 2015, Sakuku is a mobile-based electronic money for shopping, phone credit top-up, money wire, splitting bills and cash withdrawals.

**250,000+**  
Users of SakuKu (up 53% compared to 2016)

# Financial Inclusion



The Government of Indonesia through Presidential Regulation No. 82/2016 on the National Strategy for Financial Inclusion has set the target of 75% for adult population to have access to financial services at formal financial institutions in 2019.

The main focus of the financial inclusion month in 2017 is to encourage saving habits among people to plan and manage their finances better. The concept of savings is also extended to include insurance, savings for payment installments, retirements savings, and stock savings.

Since 2015, BCA has been one of the banks that offer financial services without office to support the financial inclusion program called Laku Pandai initiated by the Financial Services Authority (OJK). Laku Pandai utilizes information technology networks in the areas that cannot be reached by bank offices, providing savings service for customers with their mobile phone numbers serving as account numbers.

## LAKU BCA AND DUITT

As a manifestation of BCA's commitment to supporting the Laku Pandai program, BCA offers two branchless banking products, namely LAKU BCA basic savings account, and electronic money-based DUITT. The services related to LAKU BCA and DUITT are performed through third party (agent) and backed by information technology facilities.



## What Are They Saying?



**Jujum Jumirah**  
LAKU BCA Customer

Every day now, I can set aside some money at BCA LAKU agent. I am saving for my first child's school tuition. LAKU BCA allows any amount of deposit no matter how small, so it does not burden me to set aside some money.

## LAKU BCA

LAKU BCA is a banking product that utilizes mobile phone numbers as account numbers. Customers only need to sign up with registered LAKU agents to save or withdraw some money without having to go to the bank.

LAKU BCA was launched in April 2015 in Java Island and has reached 18,916 customers and a network of 362 agents. BCA Syariah subsidiary is currently assessing the possibility of expanding the network and customers of LAKU BCA to the eastern part of Indonesia.

## LAKU Features

LAKU customers earn savings interest if the balance  $\geq$  Rp1 with a maximum balance of Rp20,000,000. LAKU savings does not have a minimum balance limit nor cash deposit minimum limit, and does not charge monthly banking fee. Opening an account is as simple as filling out the application form and attaching a photocopy of identity card. The cost of making a savings card is very low at Rp2,000.

In addition to being practical and convenient, it maintains the security by employing the secret OTP (One Time Password) sent to mobile phone number.

## DUITT

DUITT or DUIT Telephone is a payment and financial service system that is operated through a collaboration with third parties (agents) and utilizing mobile-based technology network and devices.



DUITT, with a maximum balance of Rp5,000,000, is not a savings account, does not give any interest, and therefore is not guaranteed by the Deposit Insurance Corporation (LPS). Opening a DUITT account is very easy, simply by submitting cellphone numbers and a copy of identity card to the nearest DUITT Agent, and filling out the application forms.

The entire LAKU and DUITT transactions can only be carried out by BCA agents and not at BCA Branch office, except when customers wish to find out more information on BCA's other products and services.



**LAKU BCA** is an attempt to expand financial services in Indonesia. It is expected to facilitate and motivate people to save money, as well as to introduce and bring people closer to financial institutions or banking services

### LAKU SimPel

For student segment, the Financial Services Authority (OJK) and the Financial Services Industry launched a product called Student Savings ("SimPel and SimPel iB"), a manifestation of the Presidential Regulation on Inclusive Finance National Strategy.

BCA launched LAKU SimPel products for students on October 25, 2016. The requirements to open SimPel Savings Accounts are easy and straightforward. The advantages of this product is small initial deposit, no monthly fee, and minimum deposit that is within students ability. Student participants will be provided with their own SimPel cards with their names on them.

### Talking ATMs

To improve financial inclusion for people with disabilities, BCA renders the support by providing special Automatic Teller Machine (ATM) machine for blind people.

The Talking ATM features a headset to listen to the instructions and push buttons that have touch points. These features allow those with visual impairment to conduct banking transactions through BCA's ATMs.

### Locations of BCA Talking ATMs as of December 31, 2017

No	Locations
1	Indomaret Raya Kramat Jati, Jakarta
2	Indomaret Bona Indah II, Jakarta
3	Alfamart Pluit Sakti, Jakarta
4	Indomaret Pluit Utara Raya 43, Jakarta
5	Alfamidi Kelapa Gading, Jakarta
6	Alfamart Daan Mogot Raya, Jakarta
7	Alfamart Rusun Kemayoran, Jakarta
8	Indomaret Lontar Atas (T09D), Jakarta
9	Graha Kas Kebayoran 1, Jakarta
10	Intercon 1, Jakarta
11	Enagoya Mart & Cafe 1, Jakarta
12	Thamrin 2, Jakarta
13	Alfamidi Karang Tengah, Jakarta
14	Ramayana Kramat Jati, Jakarta
15	Ramayana Cilegon, Banten
16	Indomaret Kopo Sayati 309, Bandung
17	Indomaret Secang, Central Java
18	Circle K CK0112 Timoho, Yogyakarta
19	Circle K CK0111 Sosrowijayan 2, Yogyakarta
20	PT Sumber Makmur Anugrah 1, Temanggung



**18,916**

Number of LAKU  
BCA accounts



**364**

Number of LAKU  
and DUITT Agents



**19**

Regencies in Jakarta, West  
Java, Central Java, Banten,  
Riau and Yogyakarta where  
LAKU Agents are located



**9,321**

Number of  
SimPel Accounts



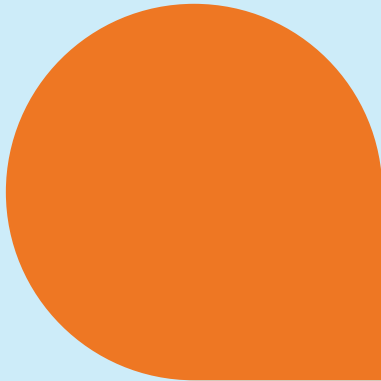
## “Best Disclosure & Transparency” dan “Top 50 The Biggest Market Capitalization Public Listed Companies”

IICD Corporate Governance Award 2017



## The Most Trusted Company

Corporate Governance Perception Index (CGPI) 2016



## Building Governance and Stakeholder Engagement

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# Corporate Governance

The implementation of sustainable finance, which integrates environmental, social and governance (LST) aspects into operational activities, as well as products and services of financial services institutions, has become BCA's long-term commitment. An embodiment of the governance principles of sustainable finance on social and environmental responsibility is the issuance of sustainability report every year since 2016.

As the bank with more than 17 million customers, BCA is required to implement the principles of good corporate governance (GCG) and prudence to safeguard the mandate of its customers. The implementation of governance is seen as an obligation to achieve long-term sustainability and maximize corporate value in the eyes of shareholders and stakeholders.

## Commitment of Corporate Governance Implementation

GCG implementation is a key factor in maintaining the trust of shareholders and stakeholders. GCG has become even more significant with the increasing business risks and challenges encountered by the banking industry. The implementation of GCG principles enables BCA to maintain its business sustainability, soundness, and competitiveness.

BCA is committed to continuously improving the implementation of the principles in accordance with the applicable regulations and the progress of best corporate governance practices, as well as the ASEAN Corporate Governance Scorecard.

The objectives of GCG implementation in the Bank are:

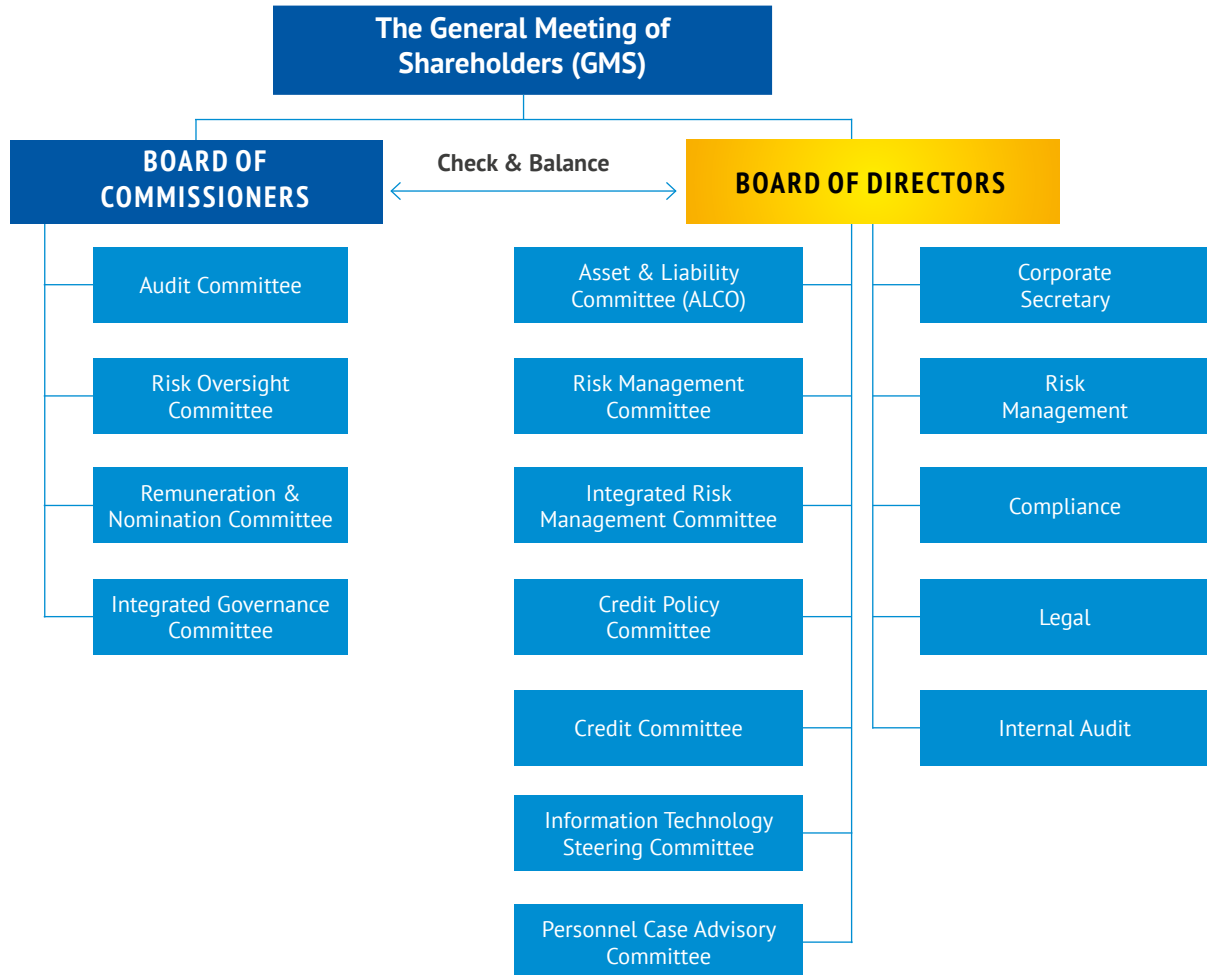
- a. To support the Bank's vision to be the bank of choice and a major pillar of the Indonesian economy.
- b. To support the missions of the Bank, namely:
  - To build centers of excellence in payment settlements and financial solutions for businesses and individuals.
  - To understand diverse customer needs and provide the right financial services to optimize customer satisfaction.
  - To enhance our corporate franchise and stakeholder value.
- c. To provide benefit and added values to shareholders and stakeholders.
- d. To sustain and improve sound and competitive business continuity in the long run (sustainable).
- e. To enhance the trusts of investors in the Bank.

## Corporate Governance

The Bank has established governance organs that carry out their duties and responsibilities in accordance with the scopes of duty, responsibility, and functions as stated in applicable regulations. Governance organs of the Bank comprise the General Meeting of Shareholders (GMS), the Board of Directors, the Board of Commissioners, and the supporting work units. These organs have clear duties and responsibilities that reflect the implementation of check-and-balance principle as well as internal control of the Bank.

## Building Governance and Stakeholder Engagement

### BCA Governance Structure



The compositions of the corporate governance organs also reflect the diversity of its members in terms of education, experience, age, and expertise; with each member possessing high competency to boost the Company's performance. [102-18]

### SHAREHOLDERS' MEETING

The General Meeting of Shareholders (GMS) is the highest organ in the Company and functions as a forum for the shareholders to make decisions related to the Bank. In the GMS, shareholders exercise their rights, express opinions, and give their approvals in the decision-making process.

The GMS has the authority that is not granted to the Board of Directors and Board of Commissioners, as stipulated in the Bank's Articles of Association and/or existing laws and regulations.

### BOARD OF COMMISSIONERS

The Board of Commissioners is the organ in charge of providing general and/or specific oversight and advice to the Board of Directors as stated in the Articles of Association. The Board of Commissioners also has the duty of ensuring the implementation of Good Corporate Governance principles in every business activity conducted by the Bank at all the levels of the organization. The Board of Commissioners carries out their duties and responsibilities independently.



## BOARD OF DIRECTORS

The Board of Directors is the Bank's organ that has the authority and full responsibility for the management of the Bank in the interest of the Bank in accordance with its purposes and objectives, as well as for representing the Bank both inside and outside the court as stipulated in the Articles of Association and existing laws and regulations.

### Selection of Board of Commissioners and Board of Directors

The Remuneration and Nomination Committee (KRN) recommends candidates of the members of the Board of Commissioners and Board of Directors, to the Board of Commissioners. By taking into account the Committee's recommendations, the Board of Commissioners proposes the appointment of these candidates to be submitted in the GMS, which will then appoint the candidates. Following the GMS's approval, fit-and-proper test is conducted to obtain the approval from the Financial Services Authority (OJK).

## COMMITTEES OF BOARD OF COMMISSIONERS

### Audit Committee

The Audit Committee is established by, and reports to, the Board of Commissioners. The Committee assists the Board of Commissioners to support the effectiveness of the oversight duties and functions on matters related to financial reporting, internal control systems, implementation of Good Corporate Governance (GCG), and compliance with the applicable laws and regulations.

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

1. To monitor and evaluate audit planning and implementation, as well as to monitor the follow-up of audit findings to assess the adequacy of internal controls, including the adequacy of financial reporting process.
2. To monitor and evaluate the following to carry out the aforementioned duties on point 1 and to provide recommendations to the Board of Commissioners:
  - Tasks implementation by the Internal Audit Division.
  - The adherence of the audit performed by Public Accountant Firm with the applicable auditing standards;

## Building Governance and Stakeholder Engagement

- The adherence of the Financial Statements to the applicable Accounting Standards.
  - The provision of independent opinion in the event of dissenting opinions between the Management and Public Accountant Firm for the service rendered.
3. To carry out follow-up actions of the Board of Directors on the findings of the Audit Internal Division, Public Accountant Firm, and supervision results of the Financial Services Authority (OJK) and Bank Indonesia.
  4. To review other financial information issued by the Bank to the public and/or authorities such as the outlook and other reports related to the financial information of the Bank.
  5. To review the Bank's compliance with the laws and regulations on banking and capital market, and other laws and regulations pertaining to the Bank's business activities.
  6. To provide recommendations to the Board of Commissioners on the appointment of Public Accountant Firm, based on the independence, scope of work, and fees.
  7. To review and report to the Board of Commissioners regarding complaints related to the accounting process and financial reporting of the Bank.
  8. To review and provide advice to the Board of Commissioners in relation to potential conflict of interest at the Bank.
  9. To review and monitor the implementation of effective and sustainable GCG practices.
  10. To perform other tasks relevant to the functions of the Audit Committee at the request of the Board of Commissioners.
  11. To maintain the confidentiality of documents, data and information of the Bank.

### Risk Oversight Committee

The Risk Oversight Committee is established to assist the Board of Commissioners in carrying out their responsibilities to monitor risks in accordance with the applicable regulations.

Duties and responsibilities of Risk Oversight Committee include:

1. To assist and provide recommendations to the Board of Commissioners to improve the effectiveness of oversight duties and responsibilities in risk management and ensure that risk management policies are properly implemented.
2. In regard with the process to provide recommendation, the Risk Oversight Committee should:
  - a. Evaluate the consistency between risk management policies and policy implementation.
  - b. Monitor and evaluate the implementation of duties of Risk Management Committee and Risk Management Unit.
3. To prepare and/or update work guidelines and procedures of Risk Oversight Committee.
4. To conduct other duties that are relevant with the Oversight function as requested by the Board of Commissioners.

### Remuneration and Nomination Committee

The Remuneration and Nomination Committee is established to enhance the quality of top management through the remuneration and nomination policies by always taking into account the Bank's business sustainability.

Duties and responsibilities of the Bank's Remuneration and Nomination Committee include:

1. To evaluate the remuneration and nomination policies of the Bank.
2. To give recommendations to the Board of Commissioners on:
  - a) Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders.
  - b) Remuneration policy for all Executive Officers and employees to be delivered by the Board of Commissioners to the Board of Directors.
3. To develop and recommend the selection and/or replacement systems and procedures of the members of Board of Commissioners and Board of Directors to the Board of Commissioners, to be submitted to the GMS.
4. To ensure that the remuneration policies of the Bank are in accordance with:
  - a) Financial performance and fulfillment of reserve as stipulated by existing laws and regulations;
  - b) Individual work performance;
  - c) Fairness based on peer group;
  - d) Mid-term/long-term targets and strategies of the Bank.
5. To advise the Board of Commissioners regarding prospective Commissioners and/or prospective Directors to be submitted to the GMS.
6. To recommend independent parties as prospective members of the Audit Committee and Risk Oversight Committee to the Board of Commissioners.

7. To review the policies on facilities provided for the Board of Commissioners and Board of Directors.
8. To conduct other tasks as assigned by the Board of Commissioners related to remuneration and nomination in accordance with the applicable provisions.
9. To report to the Board of Commissioners as needed the result of reviews and recommendations with regard to the tasks of the Remuneration and Nomination Committee.

### Integrated Governance Committee

The Integrated Governance Committee is established by and reports to the Board of Commissioners of the Bank as the Primary Legal Entity within the Financial Conglomerate. The Committee assists the Bank's Board of Commissioners to oversee the implementation of Integrated Governance.

The duties and responsibilities of the Bank's Integrated Governance Committee are as follows:

- 1) To evaluate the implementation of Integrated Governance by, at the very least, assessing the adequacy of internal control and implementation of an integrated compliance function.
- 2) To provide recommendations to the Board of Commissioners as the Primary Legal Entity within the Financial Conglomerate to improve the Integrated Governance Manual.

## EXECUTIVES COMMITTEES OF BOARD OF DIRECTORS

### Asset & Liability Committee

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

The main functions of ALCO include:

- To establish and evaluate liquidity management policies and strategies to maintain liquidity in accordance with the applicable provisions, and to meet the Bank's liquidity needs, including unexpected funds requirements, while minimizing idle funds.
- To establish and evaluate policies and strategies related to market risks, including interest rate risk and foreign exchange risk.

- To establish and evaluate pricing policies and strategies for products such as funding, credit, and inter-office accounts.
- To establish and evaluate policies and strategies for managing the investment portfolio.
- To establish and evaluate policies and strategies for arranging balance sheet structure by anticipating changes in interest rates to achieve optimum net interest margin.

### Risk Management Committee

The Risk Management Committee is established to ensure that the risk management framework provides adequate protection against all risks encountered by the Bank.

The main functions of the Risk Management Committee are as follows:

- To develop policies, strategies, and guidelines for the implementation of enterprise-wide risk management.
- To improve the implementation of risk management based on the results of evaluations on the implementation process and effective risk management system.
- To determine matters related to business decisions that deviate from normal procedures (irregularities).

### Integrated Risk Management Committee

The Integrated Risk Management Committee is established to ensure that the risk management framework has provided an integrated and adequate coverage over all risks faced by the Bank and its Subsidiaries.

The main functions of the Integrated Risk Management Committee are to give recommendations to the Board of Commissioners that at least include the following:

- Development of an integrated risk management policy.
- Improvements on the integrated risk management policy based on evaluation results.

### Credit Policy Committee

The Credit Policy Committee is established to direct the provision of loans through the credit policy formulation in order to achieve prudent lending targets.

The main functions of the Credit Policy Committee are as follows:

## Building Governance and Stakeholder Engagement

- To assist the Board of Directors in formulating credit policies, primarily with regard to the prudent lending principle.
- To monitor and evaluate the implementation of credit policies to be applied consistently and consequently.
- To perform periodic reviews on the Banking Basic Credit Policy.
- To monitor the progress and condition of credit portfolio.
- To provide advice and solutions to improve the results of the monitoring and evaluation activities.

### Credit Committee

The Credit Committee is aimed 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 Bank's Articles of Association with regards to business development without abandoning the prudent principles. The Credit Committee consists of Corporate Credit Committee and Commercial Credit Committee.

The main functions of Credit Committee are as follows:

- To provide credit guidance and to conduct a more intensive and comprehensive credit analysis when necessary.
- To provide decisions or recommendations on credit approval proposals submitted by the referral/proposal associated with:
  - Large debtors
  - Specific industries
  - Special requests from the Board of Directors
- To coordinate with the Asset & Liability Committee (ALCO) on funding and adjustments of interest rates for corporate loans.

### Information Technology Steering Committee

The Information Technology Steering Committee (IT Steering Committee) is established to ensure that the implementation of information technology (IT) system is in line with the Bank's strategic plans, and to improve the Bank's competitiveness through effective IT utilization.

The main functions of IT Steering Committee are as follows:

- To review and provide recommendations on IT strategic plan so as to be in line with the Bank's business plan.
- To perform regular evaluations of IT support for the Bank's business activities.
- To ensure that IT investments provide added values to the Bank.

### Personnel Case Advisory Committee

The Personnel Case Advisory Committee works on the mission to provide recommendations to the Board of Directors regarding the settlement of personnel cases, based on the principles of fairness and equality by reviewing cases of policy violations and/or possible illegal activity undertaken by employees.

The main functions of Personnel Case Advisory Committee are as follows:

- To review cases of violations and/or crime committed by employees, which require decision by the Board of Directors for follow-up of settlement.
- To provide recommendations to the Board of Directors in determining follow-ups of settlement of cases of violations and/or crime, which includes the sanctions imposed, operational system & procedures improvements, and legal proceedings if necessary.
- To periodically review the settlement of violations and/or crime implemented by the Heads of Main Branch Offices and Regional Offices.
- To provide advice and guidance (if necessary) to branch and regional offices in handling cases of violations and/or crime.

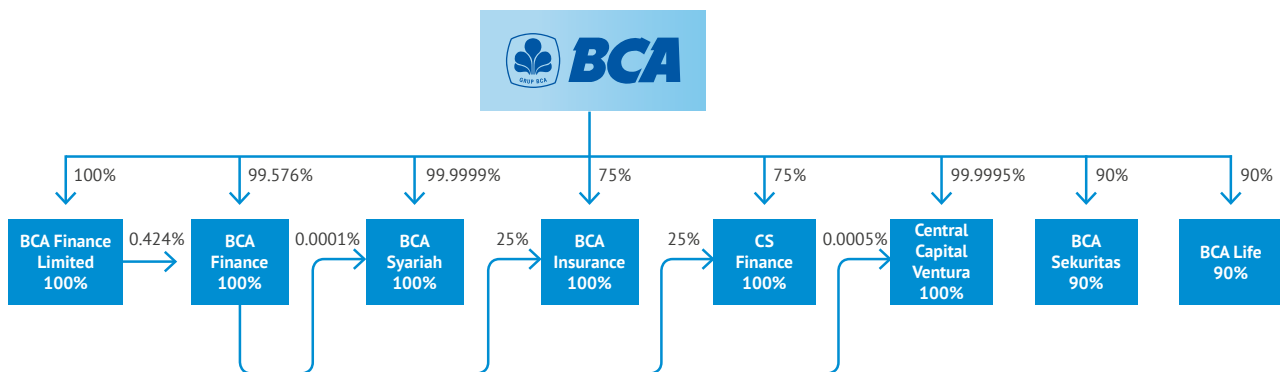




A more comprehensive explanation regarding the implementation of duties of all corporate governance organs of the Bank is presented at BCA's 2017 Annual Report under the Good Corporate Governance section.

### Implementation of Integrated Governance

The Bank reviews its risks within the framework of integrated governance implementation. The Integrated Governance has been applied based on the Financial Services Authority Regulation No.18/POJK.03/2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomerates, and the Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated May 25, 2015 on the Implementation of Integrated Governance for Financial Conglomerates.



The implementation of integrated corporate governance in BCA involves the following:

1. An Integrated Governance Guideline prepared by the Board of Directors that has been approved by the Board of Commissioners. The guideline serves as a reference for the Subsidiary Companies in preparing their own Governance Guidelines and applications;
2. Integrated Governance Committee;
3. Adjustment to the organizational structure, which includes:
  - a. Compliance Work Unit, which includes integrated compliance;
  - b. Internal Audit Work Unit, which includes integrated internal audit;
  - c. Risk Management Work Unit, which includes integrated risk management.
4. Dissemination of information on Integrated Governance Guidelines and the guidelines implementation to the members of the Integrated Governance Committee, related work units, and all Subsidiary Companies.

Based on a self assessment on the Integrated Governance structure, process and results for each factor evaluated in Integrated Governance implementation, in Semester I and Semester II of 2017, BCA was categorized under **“Rank 1” (Excellent)**.

Risk Category	Rank	Rank Definition
Individual	1	Overall, implementation of Good Corporate Governance (GCG) by the Management of BCA is rated Excellent. This is reflected in the substantial implementation of GCG principles. Any remaining weaknesses in the implementation of GCG principles are either generally considered not significant or would soon be corrected by the Management of BCA.

#### Analysis

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 below:

1. The governance structure as per all the GCG Implementation Assessment Factors is more than adequate and comprehensive.
2. The governance process as per most of the GCG Implementation Assessment Factors is very effective, supported by a more than adequate governance structure and infrastructure.
3. The governance outcome as per 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 more than adequate governance structure and infrastructure.

## Building Governance and Stakeholder Engagement

### Composition of Board of Commissioners and Board of Directors as well as Their Positions in Committees of the Bank as of December 31, 2017

No	Name	Position	Audit Committee	Risk Oversight Committee	Remuneration & Nomination Committee	Integrated Governance Committee	Asset & Liability Committee (ALCO)
1	Djohan Emir Setijoso	President Commissioner	-	-	Member	-	-
2	Tonny Kusnadi	Commissioner	-	-	-	-	-
3	Cyrillus Harinowo	Independent Commissioner	Chairman	-	-	-	-
4	Raden Pardede	Independent Commissioner	-	-	Chairman	-	-
5	Sumantri Slamet	Independent Commissioner	-	Chairman	-	Chairman	-
6	Jahja Setiaatmadja	President Director	-	-	-	-	Chairman (concurrently member)
7	Eugene K. Galbraith	Deputy President Director	-	-	-	-	Member
8	Armand Wahyudi Hartono	Deputy President Director	-	-	-	-	Member
9	Suwignyo Budiman	Director	-	-	-	-	Member
10	Tan Ho Hien/Subur/ Subur Tan	Director (concurrently as Compliance Director)	-	-	-	-	Member
11	Henry Koenafi	Director	-	-	-	-	Member
12	Erwan Yuris Ang	Independent Director	-	-	-	-	Member
13	Rudy Susanto	Director	-	-	-	-	Member
14	Lianawaty Suwono	Director	-	-	-	-	-
15	Santoso	Director	-	-	-	-	Member
16	Inawaty Handoyo	Director	-	-	-	-	Member

Note:

\* Chairman of Commercial Credit Committee is the Head of Credit Risk Analysis Group

\*\* Chairman of Personnel Case Advisory Committee is Division Head of Human Capital Management

The various Governance Organs of the Bank have diverse members, in terms of education, work experience, age and skills. [\[405-1\]](#)

#### Composition of Independent Commissioner

60% (3 people)

#### Composition of Independent Director

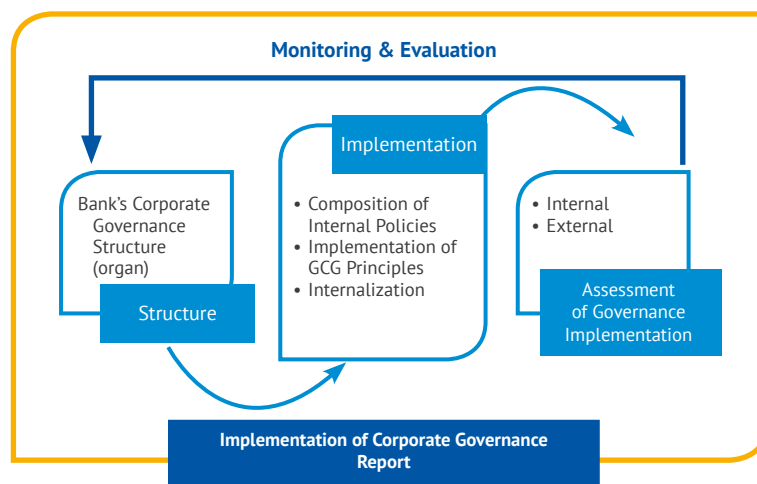
9% (1 people)

	Risk Management Committee	Integrated Risk Management Committee	Credit Policy Committee	Credit Committee		IT Steering Committee	Personnel Case Advisory Committee
				Corporate Credit Committee	Commercial Credit Committee*		
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	Member	Member	Chairman (concurrently permanent member)	Member	-	-	-
	Member	Member	Member	Member	-	-	-
	Member	Member	-	-	-	Chairman (concurrently member)	-
	Member	Member	Member	-	-	-	-
	Chairman (concurrently permanent member)	Chairman (concurrently permanent member)	Member	-	-	Member	-
	Member	Member	Member	-	Member	-	-
	Member	Member	-	-	-	Member	-
	Member	Member	Member	Member	-	-	-
	Member	Member	-	-	-	-	-
	Member	Member	Member	-	-	-	-
	Member	Member	Member	Chairman (concurrently permanent member)	Member	-	-

## Building Governance and Stakeholder Engagement

### Development of Good Corporate Governance in 2017

The Bank's GCG framework consists of governance structure as the foundation, governance implementation as the manifestation of application of governance principles, and assessment of corporate governance implementation as the parameter for the implementation of corporate governance principles. This parameter is used by the Bank's organs as an indicator to continue to make improvements in implementing the GCG principles.



#### A. Structure

The Bank has established corporate governance structure consisting of the organs described on page 72 of this Sustainability Report. The structure comprises:

- 1) General Meeting of Shareholders (GMS);
- 2) Board of Commissioners;
- 3) Board of Directors;
- 4) Committees under the Board of Commissioners, i.e. Audit Committee, Risk Oversight Committee, Remuneration & Nomination Committee; and Integrated Governance Committee;
- 5) Executive Committees under the Board of Directors, i.e. Asset & Liability Committee (ALCO), Risk Management Committee, Integrated Risk Management Committee, Credit Policy Committee, Credit Committee, Information Technology Steering Committee, and Personnel Case Advisory Committee;
- 6) Corporate Secretary;
- 7) Work Units of Risk Management, Compliance, Legal and Internal Audit.

#### B. Implementation

The principles of GCG stipulated by the existing regulations in Indonesia serve as guidelines for GCG practices in the Bank. Based on this view, the Bank is committed to continuously improving the implementation of GCG principles in all business activities, in accordance with the applicable laws and regulations, as well as the best practices in corporate governance and ASEAN Corporate Governance Scorecard

- a. Basic principles of good corporate governance
 

Based on OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks and OJK circular Letter No. 13/SEOJK03/2017 on the Implementation of Governance for Commercial Banks, the implementation of governance in banking industry shall always be founded upon the five basic principles: Transparency, Accountability, Responsibility, Independency, and Fairness.

## Fulfillment of the Principles of Good Corporate Governance

<b>Transparency</b>	<p>The Bank discloses information in a timely and clear manner, and accessible by the stakeholders. The Bank discloses the important information in accordance with the procedures regulated in the capital market provisions and/or related laws and regulations.</p> <p>The principle of transparency adopted by the Bank shall not reduce the Bank's obligation to comply with the provisions on the confidentiality of position and banking industry.</p>
<b>Accountability</b>	<p>The Bank sets clear responsibilities of each organ of its organization, in harmony with its vision, mission, business targets, and strategies. This can be seen in the Bank's Organizational Structure in which each organ acts according to their responsibilities.</p>
<b>Responsibility</b>	<p>The Bank always adheres to the prudential banking practices in carrying out its business. The Bank also strives to become good corporate citizen.</p>
<b>Independency</b>	<p>The Bank acts in a professional and objective manner, and is free of pressure from any party in every decision-making process.</p>
<b>Fairness</b>	<p>The Bank always takes into account the interests of all stakeholders based on the principles of fairness and equal treatment. The Bank provides an opportunity to all shareholders in the General Meeting of Shareholders to express their opinions. All stakeholders have access to information in accordance with the principle of transparency.</p>

### 1) Internalization:

Among the effective efforts to promote the realization of GCG implementation in the Bank is through internalization to the employees at all level, from the basic level up to the managerial.

#### a. Statement of Good Corporate Governance Implementation Commitment

As the manifestation of the Bank's commitment to continuously improving the implementation of GCG principles in line with the applicable regulations, the Bank obliges its employees of echelon 1 to echelon 5 to sign the Annual Disclosure at the beginning of each year.

#### b. Dissemination of Corporate Values

The Bank's corporate values are constantly instilled in each individual of the Bank, covering

- (1) Customer Focus
- (2) Integrity
- (3) Teamwork
- (4) Continuous Pursuit of Excellence.

The implementation of GCG principles is embedded in each corporate value of the Bank, especially in the value of integrity and continuous pursuit of excellence.

The internalization of corporate values and culture in the Bank is conducted through sharing session; dissemination of Corporate Values, either through face-to-face session with Supervisor and co-workers in one Division or better known as Community of Practice (COP); corporate values comic; information dissemination through intranet; video play; or download access to the Corporate Values video at all times. The Bank also has a SMART SOLUTION program in place that aims to provide excellent service, focusing on meeting customers' needs and providing financial solutions. To support the program, the Bank establishes SMART Solution Reward Program that also serves as an evaluation and encouragement of the stronger implementation of corporate values, as well as improvement of team and customer engagement. These culture internalization programs drive the Bank's individuals to support the implementation of corporate values, GCG, and innovative, risk-conscious and productive behaviors.

#### c. Dissemination of Information on Good Corporate Governance

The information on GCG is disseminated through the followings:

##### (1) Dissemination of Information on Good Corporate Governance Principles and Implementation

The information on GCG principles and implementation is disseminated through Corporate Governance bulletin on MyBCA intranet portal, which is accessible to all employees of the Bank across Indonesia. The Corporate Governance Bulletin delivers the latest Corporate Governance understanding, practices and information. The information is also disseminated through COP and sharing sessions, with the themes related to corporate governance, such as the importance of

## Building Governance and Stakeholder Engagement

information disclosure, the implementation of corporate governance in banking industry, and so on.

### (2) Dissemination of Information on Anti Fraud Awareness (AFA)

The Bank actively disseminates the information on fraud awareness and anti-gratuity, and has drafted Guidelines for the Implementation of Anti Fraud Strategy. The guidelines contain the implementation of strategy and risk management, reports to be submitted to the regulator, and sanctions. In addition, the Bank also actively disseminate anti fraud information, among others, through the distribution of anti fraud comics, slides of anti fraud application and whistleblowing system that can be downloaded from MyBCA internal portal, AFA video, COP Application of Anti fraud Strategy, and e-learning program that must be attended by all employees.

This program is aimed to encourage all employees to take an active role in implementing anti fraud culture, as one of the efforts to apply GCG principles of responsibility and independency, to create a conducive working environment condition that is free from fraud. [205-2]

### (3) Dissemination of Information on Transactions with Affiliations and Transactions Containing Conflict of Interest

Pelaporan transaksi afiliasi dan benturan Reporting of transactions with affiliations and transactions containing conflict of interest is among the key factors in the implementation of GCG principles. Therefore, the Bank seeks to play an active role in disclosing information or reporting the transactions with affiliations and transactions containing conflict of interest. Policies relating to the report of transactions with affiliations and transactions containing conflict of interest are set out in the Board of Directors Decision Letter No. 079/SK/DIR/2017 dated June 21, 2017 on Transactions with Affiliated Parties and Transactions Containing

Conflict of Interest. Information dissemination is done through COP or sharing session. To facilitate dissemination, the policy can also be downloaded from MyBCA intranet portal that is accessible to all employees of the Bank across Indonesia.

## 2) Implementation Review

At times, certain problems or obstacles can be found in the effort to carry out the principles of Good Corporate Governance. Therefore, the Bank regularly reviews the implementation of corporate governance to support future improvements.

In 2017, the Bank reviewed the implementation of corporate governance by:

- Developing a reporting mechanism for share ownership of certain shareholders;
- Preparing Decision Letter on the Drafting and Submission Mechanism of Self-Assessment Report of Integrated Governance Implementation;
- Mapping the Bank's integrated governance structure.

The implementation of corporate governance is a crucial factor in maintaining the trust shareholders and stakeholders in the Bank. This is increasingly important given the rising business risks and challenges faced by the banking industry. With the implementation of GCG principles, it is expected that the Bank can maintain its healthy and competitive business sustainability.

## C. Assessment of Corporate Governance Performance

The Assessment of Corporate Governance Performance is conducted internally and externally.

### 1) Internal Assessment

The corporate governance implementation is assessed internally through self-assessment mechanism in each semester, either individually or integrated with the subsidiaries. The assessment is in accordance with to the Financial Services Authority Regulation on the Implementation of Good Corporate Governance for Commercial Banks.

The results of the self assessment of the corporate governance implementation in the Bank in the first and second semester of 2017 were categorized as “Rank-1” (“Excellent”), either individually or in integrated manner.

## 2) External Assessment

The GCG implementation in the Bank in 2017 was also assessed by external parties, namely the Indonesian Institute for Corporate Governance (IICG) together with SWA magazine through the Corporate Governance Perception Index (CGPI), and by the Indonesian Institute for Corporate Directorship (IICD).

In 2017, the Bank was named the “Most Trusted Company” with the score of 88.41 from the CGPI Assessment, and received the awards for the “Best Disclosure & Transparency” and “Top 50 The Biggest Market Capitalization Public Listed Companies” in the 9<sup>th</sup> IICD Corporate Governance Conference & Award 2017.

Meanwhile, sharia business activities governance undertaken by BCA Syariah, the Bank’s subsidiary, won the Gold Category in 2017 Indonesia Good Corporate Governance Award (IGCGA) III. This award was initiated by Economic Review magazine, IPMI International Business School, and Sinergi Daya Prima.

## Results of GCG Assessment in 2017



### Description of Rank:

Overall, the implementation of Good Corporate Governance (GCG) by the Management of the Bank is rated 'Excellent'. This is reflected in the substantial implementation of GCG principles. Any remaining weaknesses in the implementation of GCG principles are generally considered insignificant and would immediately be corrected by the Management.

## Implementation of Risk Management

The Bank implements a Risk Management Framework in an integrated manner as outlined in the basic Risk Management Basic Policy (KDMR), and implements integrated risk management in accordance with the laws and regulations supported by risk management information system. [102-11]

This framework serves as a basis for determining the Bank’s strategy, organization, policy and guidelines, as well as the infrastructure to ensure all risks can be identified, measured, managed and reported properly.

## Building Governance and Stakeholder Engagement

The Board of Commissioners and Board of Directors are responsible for the implementation of risk management and internal control in the Bank, which includes:

- Active supervision by the Board of Commissioners and Board of Directors.
- Adequacy of policy, procedure, and limit setting.
- Adequacy of risk identification, measurement, monitoring and controlling process, as well as presence of risk management information system.
- Comprehensive internal control system.

To implement risk management effectively and optimally, the Bank has established a Risk Management Committee that is authorized to review and provide recommendations on issues related to risk management to be decided by the Board of Directors.

In addition, the Bank has established several other Committees that are tasked with managing risks in a more specific manner, such as Credit Policy Committee, Credit Committee and Asset and Liability Committee (ALCO).

The Bank continuously conducts a thorough risk review on the plan to launch new products and activities in accordance with the provisions et out by the regulators.



A more comprehensive explanation on the Corporate Governance and Implementation of Risk Management is presented in BCA's 2017 Annual Report under Corporate Governance section.



## Risks Faced and Managed by the Bank

In accordance with POJK No. 17/POJK.03/2014 dated November 18, 2014 and SEOJK No. 14/SEOJK.03/2015 on the Implementation of Integrated Risk Management for Financial Conglomerates, BCA, as the Main Entity of the Bank's Financial Conglomerates, has managed the following risks in an integrated manner.

Risk Category	Brief Description
<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>Credit is underwritten based on the "four eyes principle" whereby credit decisions are made according to two considerations: business capacity and credit risk analysis.</li> <li>The Bank has created Basic Bank Lending Policy that is continuously reviewed and refined in line with the changes and developments within BCA, as well as regulations issued by regulator, and in accordance with international best practices.</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>In managing foreign exchange risks, the Bank centralizes the management of its Net Open Foreign Exchange Position at the Treasury Division, which consolidates daily reports of Net Open Positions from all branches.</li> <li>The Bank sets the deposit interest rate based on market condition and competition by monitoring the movement of the benchmark interest rate and the interest rates offered by competitors.</li> </ul>
<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>The Bank focuses on maintaining adequate liquidity to fulfill its commitment to customers and other parties, in terms of lending, repaying customer deposits, and meeting operational liquidity needs. The overall liquidity management functions are carried out by ALCO and executed operationally by Treasury Division.</li> <li>The Bank has complied with the regulations related to liquidity in accordance with the provisions set out by the regulators, which oblige banks to maintain the Rupiah liquidity (Statutory Reserves) on daily basis and on average for certain reporting period, consisting of Primary Reserves and LFR-Statutory Reserves in the form of Rupiah deposits in Bank Indonesia, and Secondary Reserves in the form of SBI, SDBI, and SBN, as well as foreign currency reserves in the form of foreign currency current accounts at Bank Indonesia.</li> </ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>To manage, mitigate and minimize operational risks, the Bank has Operational Risk Management Framework in place, and has implemented Operational Risk Management Information System (ORMIS).</li> <li>To ensure that the Bank can serve banking transactions for 24 (twenty-four) hours a day without interruption, the Bank runs two data centers with redundancy system to assure business continuity in the event of system failure at one of the center locations.</li> </ul>
<b>Legal Risk</b>	To identify, measure, monitor and control legal risks, the Bank has established Legal Group at the Head Office and legal units in most Regional Offices.
<b>Reputation Risk</b>	To manage and control reputation risk, the Bank is supported by Halo BCA Contact Center (24-hour hotline for information, suggestions, and complaints).
<b>Risiko Strategik</b>	<ul style="list-style-type: none"> <li>Inherent strategic risk is assessed by applying parameters such as the suitability of strategy with business environment, low-risk and high-risk strategy, the Bank's business position, and the achievement of the Bank's Business Plan.</li> <li>The quality of strategic risk management implementation is assessed by applying parameters such as risk governance, risk management framework, risk management process, Management and Human Resources Information System, and adequacy of risk control system.</li> </ul>
<b>Compliance Risk</b>	The Bank has established compliance policies and procedures containing, among others, the process to constantly adjust internal provisions and systems with the applicable regulations, communicate the provisions to relevant employees, review new products/activities, and conduct periodic compliance tests and training for employees. The results of monitoring by the Compliance Director are reported quarterly to the President Director with copies submitted to the Board of Commissioners.
<b>Intra-Group Transaction Risk</b>	<ul style="list-style-type: none"> <li>Inherent intra-group transaction risk is assessed by applying parameters such as intra-group transaction composition in the Financial Conglomeration, and documentation and fairness of transactions and other information.</li> <li>The quality of intra-group transaction risk management implementation is assessed by applying parameters such as risk governance, risk management framework, risk management process, Management and Human Resources Information System, and adequacy of risk control system.</li> </ul>
<b>Insurance Risk</b>	<ul style="list-style-type: none"> <li>Inherent insurance risk is assessed by applying parameters such as technical risk, priority of insurance risk towards overall business lines, product risk bias and type of benefit, and reinsurance structure.</li> <li>The quality of insurance risk management implementation is assessed by applying parameters such as risk governance, risk management framework, risk management process, Management and Human Resources Information System, and adequacy of risk control system.</li> </ul>

# Implementation of Prudent Principles

## Implementation of Prudent Principles

In addition to consistently implementing risk management, the Bank also implements prudent management principles pursuant to the applicable laws and regulations, especially to prevent the abuse of financial services for negative purposes. These principles are focused on: [\[102-11\]](#)

## Anti-Money Laundering and Counter-Terrorism Financing Programs

One of the primary duties related to know-your-customer aspect is to ensure that the Bank has implemented Anti-Money Laundering and Counter-Terrorism Financing Program. The Bank has carried out various activities as a manifestation of its commitment to participating in combating money laundering and countering terrorism financing. Activities related to the implementation of Anti-Money Laundering and Counter-Terrorism Financing Program during 2017 are as follows:

- Reporting the implementation of Anti-Money Laundering and Counter-Terrorism Financing program on regular basis to the Board of Directors and the Board of Commissioners.
- Monitoring suspicious financial transactions.
- Coordinating customer data updating activities by preparing the targets and monitoring the achievement of such targets.
- Reviewing new products and activities to ensure the compliance with Anti-Money Laundering and Counter-Terrorism Financing regulations.
- Filtering customers and transactions related to the List of Suspected Terrorists and Terrorist Organizations and the List of Financing of Proliferation of Weapons of Mass Destruction issued by the authorities.
- Conducting compliance test on the implementation of Anti-Money Laundering and Counter-Terrorism Financing programs at branch offices in cooperation with Branch Internal Supervisor.
- Conducting compliance reviews of branch offices to ensure that the implementation of Anti-Money Laundering and Counter-Terrorism Financing is in accordance with the prevailing regulations.
- Reporting suspicious financial transactions, cash transactions, and bank transfer transactions to and from foreign countries and Data of Integrated Service User Information System (SiPESAT) to the Indonesian Financial Transaction Reports and Analysis Center (PPATK).
- Conducting training and disseminating information on Anti-Money Laundering and Counter-Terrorism Financing

continuously through classroom activity, e-learning, and video conference.

- Developing training materials for Anti-Money Laundering and Counter-Terrorism Financing training.
- Developing and implementing risk and compliance awareness program for branch offices in cooperation with Risk Management Work Unit.

## Compliance with Environmental Requirements

The Bank is committed to not providing financing to any business that is not in line with its sustainability principles. The Bank's underwriting policies take into account environmental, social, and governance considerations. The review system begins at the start of the credit process and continues through credit management, credit administration and monitoring processes. [\[102-11\]](#)

## Code of Ethics

The Bank's Code of Ethics is formulated as a reference for the Bank's employees in making decisions and taking actions. The Code of Ethics provides guidance on what is expected of the Bank's employees in relation to customers, shareholders, other employees, suppliers/partners, the Government, and the communities in which the Bank conducts its business.

The Code of Ethics serves as the basis for every policy-making and daily decision-making process, as well as the operational activity of the Bank. Every decision and action made by the Bank's employees to represent the Bank must meet the highest standards of integrity, even if such standards are not stipulated by existing laws and regulations of the Republic of Indonesia. [\[102-16\]](#)

The primary principles of the Bank's Code of Ethics are:

1. Professionalism
2. Integrity
3. Excellent team
4. Premium service
5. Social awareness

## BCA Code of Ethics for Bankers

The contents of BCA Code of Ethics for Bankers are as follows:

1. Comply with existing laws and regulations.
2. Maintain the good name and reputation of BCA and safeguard corporate assets.

3. Maintain the confidentiality of BCA and customer data.
4. Ensure that personal interests do not conflict with the interests of BCA or customers.
5. Accurately record all transactions according to applicable policies.
6. Nurture and maintain harmonious working environment and healthy competition.
7. Will not abuse position and power for personal or family gain.
8. Will not commit an act of misconduct that may be harmful to the professional image and BCA's reputation in general.
9. Will shun all forms of gambling or speculation.
10. Will constantly build knowledge and broaden horizons by keeping abreast of the developments in the banking industry in particular and the business world in general.

### Enforcement of Code of Ethics

The Code of Ethics for BCA's Bankers applies to all individuals of the Bank, namely the members of Board of Directors and Board of Commissioners, and employees of the Bank.

### Information Dissemination

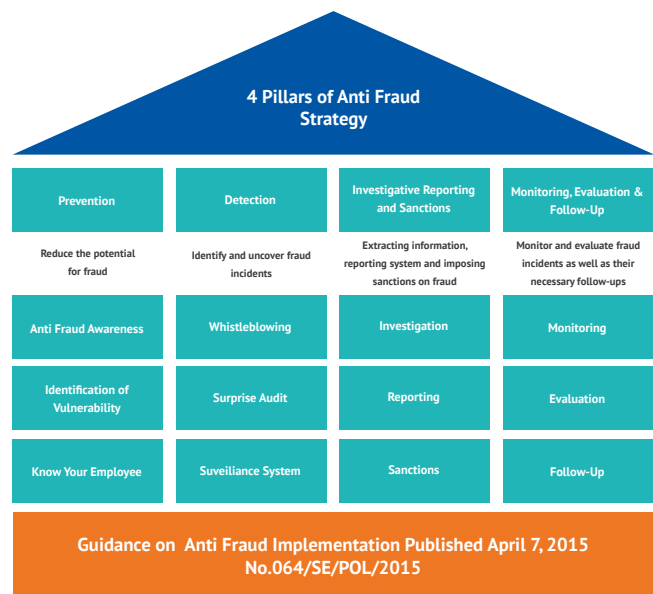
Pursuant to the Board of Directors Decision Letter No. 778/SK/DIR/95 on BCA Code of Ethics, the Code of Ethics applies to members of the Board of Commissioners and Board of Directors, and BCA employees. The Bank has utilized various means to disseminate Code of Ethics, including the followings:

1. The Bank's Code of Ethics is printed as pocket book and distributed to every employee of the Bank. The employees sign the statement that they have understood and promise to obey and execute the Code of Ethics as a guideline for good behavior, both inside and outside the workplace. Based on the Bank's Whistleblowing System implementation policy contained in the Board of Directors Decision Letter No. 146/SK/DIR/2017 dated November 1, 2017, the violation of the Code of Ethics is included in the actions that can be reported through whistleblowing facilities.
2. The Bankers Code of Ethics has been published on the Bank's internal portal (MyBCA), the Corporate Governance Guidelines under the Chapter of Code of Ethics, and on the Bank's website under the Corporate Governance Section.
3. Information related to the discussion of the code of ethics, such as about bank secrets, position confidentiality, fraud, and so on, are dissemination through sharing session in each Division/Work Unit in the Bank.

4. The Bank also disseminates the information on the code of ethics through e-learning. In 2017, 6,125 employees attended code of ethics training both through e-learning and in the classroom.

### Implementation of Anti fraud Strategy

The Bank is committed to preventing fraud by implementing an effective and continuous fraud control system. This fraud control system guides the Bank in taking the steps to prevent, detect, investigate, and monitor incidents of fraud. [103]



Fraud refers to any violation or act of omission committed willfully to deceive, dupe or manipulate the Bank, customers or other parties, that takes place within the Bank and/or using Bank facilities and causes the Bank, customers or other parties to incur losses, and/or fraud offenders to gain financial advantage or benefit either directly or indirectly. [102-17]

Anti fraud efforts performed by the Bank include the following:

- 1) Prevention:
  - Prevention apparatus is aimed at reducing the potential fraud risk, which at least encompasses anti fraud awareness, vulnerability identification, and know your employees.
- 2) Detection:
  - Detection apparatus occurs with the intention to identify and detect fraudulent incidents within the Company's business operations, encompassing at least whistle blowing, surprise audits and surveillance system policies and mechanisms.

# Stakeholders Engagement

## 3) Investigation, Reporting and Sanctions:

Various other apparatus are intended to extract information, use reporting systems, and impose sanctions on fraud incidents well-known within the Company's business operations, which at least encompasses investigative standards, reporting mechanisms, and imposition of sanctions.

## 4) Monitoring, Evaluation, and Follow-up

Apparatus intended to monitor and evaluate fraud incidents as well as the necessary follow-up measures are based on evaluation results.

The Company has strived to implement an anti fraud strategy by continuously raising awareness and employee vigilance of acts of fraud by means of e-learning, in-class training, information dissemination through comics, posters, videos, anti fraud culture, etc.

## Whistleblowing System

Whistleblowing system is used internally by the Bank to report fraud and violations of law, Collaborative Labor Agreement, code of ethics, and other internal policies of the Bank, and/or conflicts of interest occurring in the Bank. Complaints must be based on good will and not a personal complaint or based on bad intent/defamation.

The Bank has a clear whistleblowing system that is easy to understand and can be implemented effectively. THE Implementation of whistleblowing system is aimed at improving the effectiveness of the application of fraud control system and GCG by focusing on the disclosure of complaints or reporting. In addition, whistleblowing system aims to increase the awareness of employees and officers of the Bank to report fraud and violations of laws, company regulations and codes of ethics, as well as conflicts of interest within the Bank.

The Company's whistleblowing policy is set forth in Board of Directors Decision No. 183/SK/DIR/2012 dated December 12, 2012 on the Implementation of the updated BCA Whistleblowing System in Decision No. BOD.146/SK/DIR/2017 dated 1 November 2017 on the Implementation of BCA's Whistleblowing System.

## Purpose of Whistleblowing System

The purposes of the implementation of whistleblowing system in the Bank are as follows:

- To create awareness of stakeholders (employees, customers, etc.) to report fraud or infringement within the Bank without fear and worry as the confidentiality of their reporting is guaranteed.
- To detect and prevent fraud or offenses as early as possible through the report from the whistleblower.

## Recapitulation of Whistleblowing System Reporting in 2017

The recapitulation of incoming report through Whistleblowing System is submitted to the Board of Directors periodically. As of December 31, 2017 17 complaints entered the Whistleblowing System with the following status: [205-3]

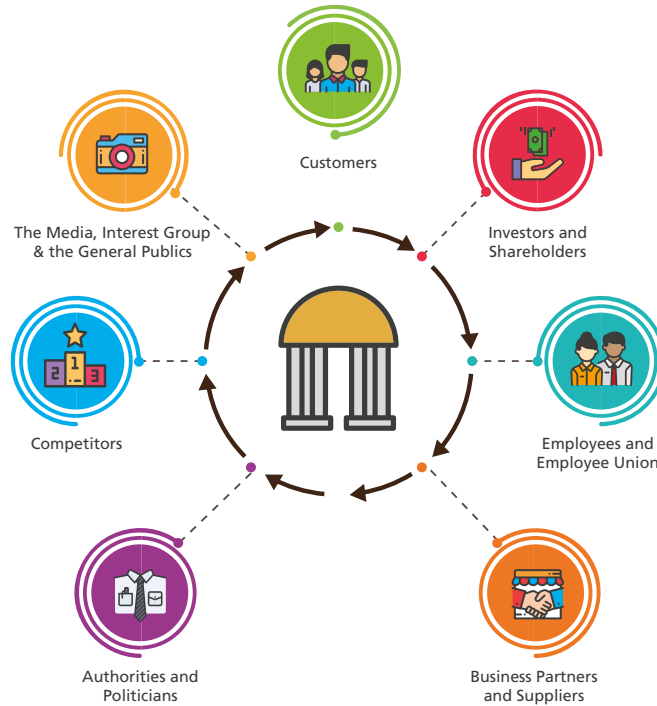
Status	Total	Information
Open (in process)	0	In investigation process
Closed (completed)	17	<ul style="list-style-type: none"> <li>• proven (2)</li> <li>• unproven (2)</li> <li>• Related to customer's information/ complaints (9)</li> <li>• Incomplete data and whistleblower had not/could not provide the requested additional data/ information (4)</li> </ul>

## Anti fraud Training

The Bank prevents fraud by disseminating the information through e-learning program. In 2017, 13,663 employees attended anti fraud training, both through e-learning and classroom trainings. [205-2]

## Stakeholders Engagement

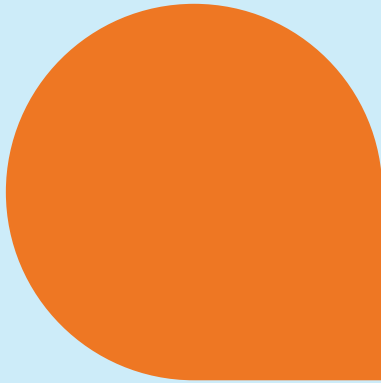
Stakeholders of the Bank are defined as the parties who significantly influence the Bank's sustainability due to their involvement in the Bank's business activities.



The Bank works hand in hand with the stakeholders through formal and informal engagement process. Interaction with the stakeholders is primarily managed by Public Relations and Investor Relations Departments. [102-42]

Moreover, the Bank manages various internal communication channels to create smooth internal communications and enhance interaction at all levels of the Bank.

[102-40] Name of Stakeholder	[102-44] Related Interest and Expectations	[102-43] Engagement Method	Frequency
Customer and client	Information on products and services as well as security of customer's privacy	Halo BCA Call Center 1500 888 Website and Social Media	Any time
Investor	Financial performance and implementation of company strategy	GMS Quarterly Report Annual Report Sustainability Repor	Once a Year Quarterly Once a Year
Regulator (Financial Services Authority and Bank Indonesia)	Compliance and implementation of GCG	Quarterly Report for the Regulator	Quarterly
General Public	Empowerment program and opportunities through community and CSR programs	Sustainability Report	Any time
Media	Corporate information and data, which includes regarding the Company's financial conditions, products and corporate action.	Press release	As Needed
Employees	Industrial relations and matters related to employee welfare, rights, and obligations	Internal Communication through Info BCA, BCA Update, MyBCA, Audio Visual Means HaloSDM – Call center for BCA employees	Any time

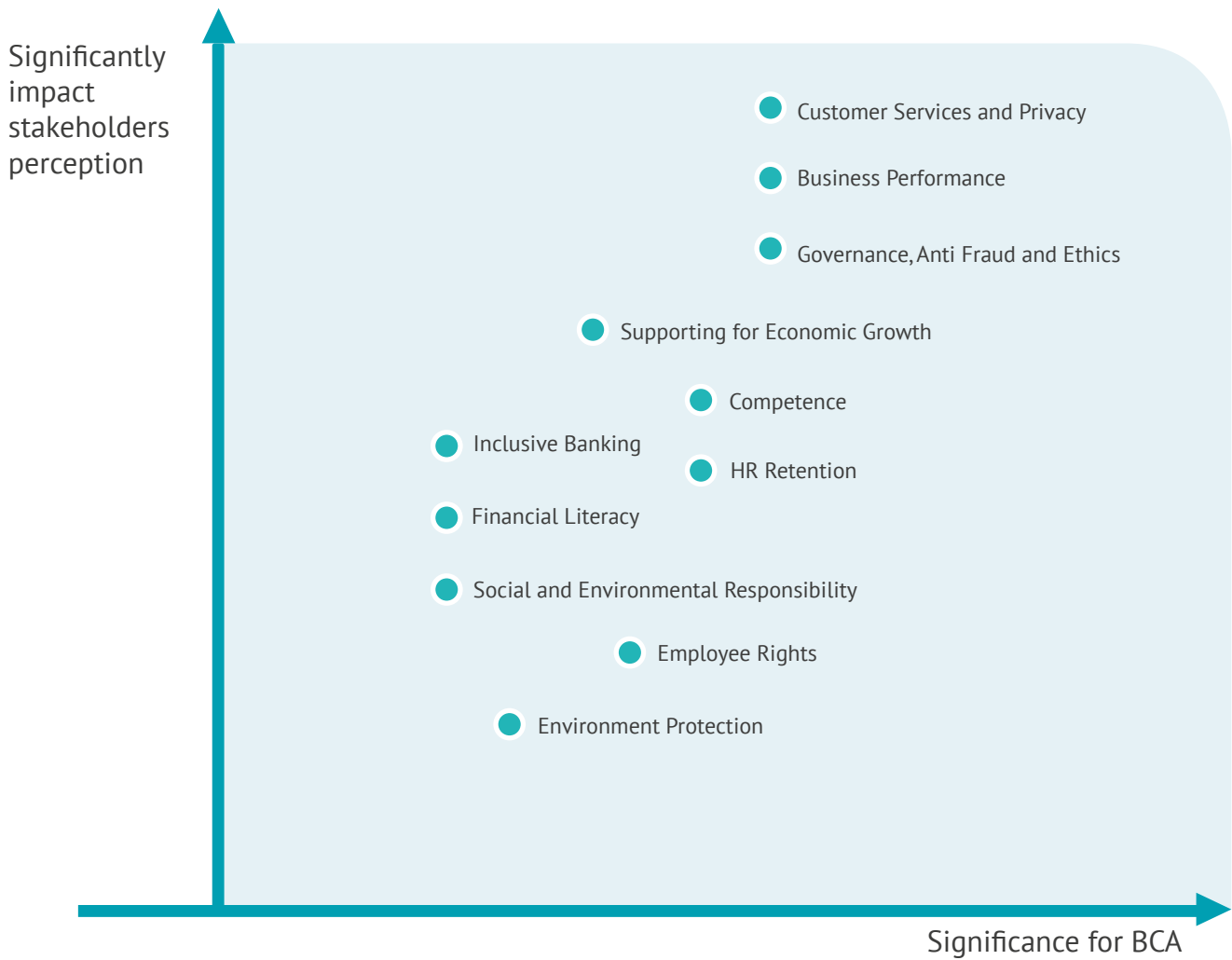


## Supporting Information

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# Selection of Topics

The topics presented in this report are those we consider material to BCA's business sustainability and are critical issues for stakeholders. This 2017 Sustainability Report covers the same topics as in the previous year due to their relevance with BCA operations in 2017. [102-46]



# List of Topics and Material Aspects

Topic [102-47]	Topic Material Based on GRI	Potential Relevant Impacts On				
		Employees	Customers	Local Community and the Environment	Regulator	Shareholders and Investor
Customer Services and Privacy	Product and Services Labels		X		X	X
	Customer Privacy		X		X	X
	Product Portfolio		X			X
Business Performance	Economic Performance	X	X	X		X
Supporting Economic Growth	Indirect Economic Impacts		X	X		X
Governance, Anti fraud and Ethics	Anti Corruption	X	X	X	X	X
Competence	Training and Development	X			X	X
HR Retention	Employment	X				X
Inclusive Banking	Local Communities			X	X	
Financial Literacy	Product and Service Labeling		X	X	X	
Social and Environmental Responsibility	Local Communities			X		
Employee Rights	Employment	X				X
	Work Health and Safety	X				X
	Diversity and Equal Opportunity	X				X
Environment Protection	Materials	X		X		
	Energy	X		X		

## The Bank's Business Supply Chain

The processes of BCA's banking business involve a variety of suppliers of goods and services, especially in support of bank operations, including the supply of office equipment and stationeries, information technology services, consultancy services, and other services. The Bank does not engage services from external third parties for its core business processes. [102-9]

## Contact [102-53]

To receive more information or provide suggestions or ask questions about this report, please contact:

### Corporate Secretariat

#### Public Relations

Menara BCA, Grand Indonesia Level 20

Jl. M.H. Thamrin No. 1 Jakarta 10310













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Fax. (62 21) 2358 8300

E-mail: [humas@bca.co.id](mailto:humas@bca.co.id)



# BCA Profile

<b>Company Name</b> [102-1]	PT Bank Central Asia Tbk
<b>Business</b> [102-2]	Commercial Bank
<b>Product and Services</b> [102-2]	<p><b>Transaction Banking Services</b></p>  <p><b>Deposits Accounts</b></p>   <p><b>Electronic Banking</b></p>   <p><b>Export Import Facilities</b></p> <p><b>Foreign Exchange Facilities</b></p> <p><b>Cash Management Services</b></p>  <p><b>Credit Card</b></p>  <p><b>Bancassurance Products</b></p>  <p><b>Mutual Fund Products</b></p>  <p><b>Credit Facilities</b></p> <p><b>Fixed Income Investment Products</b></p>   <p><b>Standby LC/Bank Guarantees</b></p> <p><b>Local LC</b></p> 
<b>Head Office</b> [102-3]	Menara BCA Grand Indonesia Jl. M.H. Thamrin No. 1 Jakarta 10310, Indonesia Tel. (62 21) 2358 8000 Fax. (62 21) 2358 8300
<b>Significant Country of Operations</b> [102-4]	1 (one) Indonesia
<b>Ownership</b> [102-5]	PT Dwimuria Investama Andalan 47.15% Anthoni Salim 1.76% Public 51.09%
<b>Legal Basis For Establishment</b> [102-5]	Legal Basis of Incorporation Notary Deed No. 38 of Raden Mas Soeprpto dated 10 August 1955. Approved by the Minister of Justice in Decision Letter No. J.A.5/89/19 dated 10 October 1955
<b>Markets Served</b> [102-6]	Indonesia

## Supporting Information

### ORGANIZATION SCALE [102-7]

In billion Rupiah

Products and Services			2015	2016	2017
Branch Banking	Third Party Funds	Current Accounts	115,653	137,853	151,250
		Savings Accounts	244,608	270,352	292,416
		Time Deposits	113,405	121,929	137,449
	Commercial & SME Loan	Commercial	91,209	97,052	98,735
		Small and Medium Enterprise	52,760	52,240	65,925
Corporate Banking	Foreign Currencies	16,534	21,358	23,392	
	Rupiah	124,727	133,514	153,885	
Individual Banking	Consumer Credit Portfolio	Credit Cards	9,483	10,779	11,528
		Vehicle Loans	31,612	34,817	38,302
		Mortgages	59,415	63,959	73,026
Treasury Banking	Treasury Portfolio	Bank Indonesia Instruments	60,487	51,441	54,011
		Government Bonds	30,143	66,585	70,621
		Other Marketable Securities	15,061	29,303	37,819

### BCA EMPLOYEE PROFILE [102-8]

#### A. Employee Status

Description	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
Permanent	9,395	13,035	9,654	14,163	9,664	14,679
Contract (including contract, probation period, trainee)	619	933	564	692	516	580

#### B. Composition of Employees

##### By Years of Services

Description	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
≤ 1 Year	893	1,862	703	1,349	671	1,041
> 1 – 5	1,514	2,846	2,060	4,226	2,247	4,801
> 5 – 10	431	609	544	804	685	1,117
> 10 – 15	324	613	255	413	268	353
> 15 – 20	2,312	3,735	1,769	2,985	706	1,230
> 20	4,540	4,303	4,887	5,078	5,603	6,717

##### By Gender

	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
	10,014	13,968	10,218	14,855	10,180	15,259

**By Level of Education**

Description	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
High School or Lower Level	3,075	2,324	2,921	2,311	2,688	2,180
Diploma (D1-D4)	745	1,795	697	1,737	642	1,609
Bachelor Degree	5,773	9,558	6,169	10,496	6,396	11,124
Master Degree	418	290	427	310	450	345
Doctoral Degree	3	1	4	1	4	1

**By Level of Position**

Description	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
Executive	53	19	53	22	53	29
Manager	1,909	1,931	1,984	2,016	2,026	2,150
Staff	6,577	11,971	6,882	12,779	6,950	13,044
Non Staff	1,475	47	1,299	38	1,151	36

**By Age**

Description	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
≤ 25	881	2,079	922	2,145	1,082	2,305
> 25 – 30	1,395	2,671	1,707	3,456	1,848	3,858
> 30 – 35	516	695	628	862	676	953
> 35 – 40	791	1,644	610	1,258	525	1,070
> 40 – 45	1,938	3,133	1,634	2,929	1,498	2,780
> 45 – 50	2,674	2,611	2,683	2,788	2,605	2,824
> 50	1,819	1,135	2,034	1,417	1,946	1,469

# Financial Highlights <sup>[102-7]</sup>

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

(in billion Rupiah)	2017	2016	2015	2014	2013
<b>Financial Position</b>					
<b>Total Assets</b>	<b>750,320</b>	<b>676,739</b>	<b>594,373</b>	<b>553,156</b>	<b>496,849</b>
Total Earning Assets	672,235	604,049	527,407	483,945	435,309
Loans - gross	467,509	415,896	387,643	346,563	312,290
Loans - net	454,265	403,391	378,616	339,859	306,679
Securities (including Securities Purchased Under Agreements to Resell)	140,873	112,135	52,521	98,589	90,211
Placements with Bank Indonesia and Other Banks	18,969	35,364	56,259	12,020	12,254
<b>Total Liabilities<sup>1</sup></b>	<b>618,918</b>	<b>564,024</b>	<b>504,748</b>	<b>477,430</b>	<b>434,517</b>
Third Party Funds <sup>2</sup>	581,115	530,134	473,666	447,906	409,486
CASA	443,666	408,205	360,261	336,412	322,895
Current Accounts	151,250	137,853	115,653	107,419	103,157
Savings Accounts	292,416	270,352	244,608	228,993	219,738
Time Deposits	137,449	121,929	113,405	111,494	86,591
Borrowings and Deposits from Other Banks	8,799	7,690	5,899	6,835	3,802
Debt Securities Issued <sup>3</sup>	610	2,332	2,821	2,504	3,133
<b>Total Equity</b>	<b>131,402</b>	<b>112,715</b>	<b>89,625</b>	<b>75,726</b>	<b>62,332</b>
<b>Comprehensive Income</b>					
Operating Income	56,982	53,779	47,876	41,373	34,622
Net Interest Income	41,827	40,079	35,869	32,027	26,425
Operating Income other than Interest	15,155	13,700	12,007	9,346	8,197
Impairment Losses on Financial Assets	(2,633)	(4,561)	(3,505)	(2,239)	(2,016)
Operating Expenses	(25,190)	(23,379)	(21,714)	(18,393)	(14,790)
Income Before Tax	29,159	25,839	22,657	20,741	17,816
<b>Net Income</b>	<b>23,321</b>	<b>20,632</b>	<b>18,036</b>	<b>16,512</b>	<b>14,256</b>
Other Comprehensive Income (Expenses)	755	6,772	(344)	(147)	(777)
<b>Total Comprehensive Income</b>	<b>24,076</b>	<b>27,404</b>	<b>17,692</b>	<b>16,365</b>	<b>13,479</b>
<b>Net Income Attributable to:</b>					
<b>Equity Holders of Parent Entity</b>	<b>23,310</b>	<b>20,606</b>	<b>18,019</b>	<b>16,486</b>	<b>14,254</b>
Non-Controlling Interest	11	26	17	26	2
<b>Comprehensive Income Attributable to:</b>					
<b>Equity Holders of Parent Entity</b>	<b>24,064</b>	<b>27,378</b>	<b>17,674</b>	<b>16,339</b>	<b>13,477</b>
Non-Controlling Interest	12	26	18	26	2
<b>Earnings per Share</b> (in Rupiah, full amount)	<b>945</b>	<b>836</b>	<b>731</b>	<b>669</b>	<b>579</b>

All numbers in this document use English notation, unless otherwise stated.

1. Including temporary syirkah funds amounting to Rp 3,978 billion in 2017, Rp 3,467 billion in 2016, Rp 2,802 billion in 2015, Rp 1,952 billion in 2014 and Rp 1,444 billion in 2013.

2. Third party funds excluding deposits from other banks.

3. The debt securities issued represent bonds and medium-term notes issued by BCA Finance, a subsidiary of the Bank that is engaged in 4-wheeler financing.

	2017	2016	2015	2014	2013
<b>Financial Ratios<sup>4</sup></b>					
<b>Capital</b>					
Capital Adequacy Ratio (CAR) <sup>5</sup>	23.1%	21.9%	18.7%	16.9%	15.7%
CAR Tier 1	22.1%	21.0%	17.8%	16.0%	14.8%
CAR Tier 2	1.0%	0.9%	0.9%	0.9%	0.9%
Fixed Assets to Capital	19.8%	22.4%	18.6%	21.2%	21.8%
<b>Assets Quality</b>					
Non Performing Earning Assets and Non Earning Assets to Total Earning Assets and Non Earning Assets	0.9%	0.8%	0.6%	0.5%	0.4%
Non Performing Earning Assets to Total Earning Assets	1.1%	1.1%	0.7%	0.6%	0.5%
Allowance Provision on Earning Assets to Total Earning Assets	2.1%	2.3%	2.0%	1.6%	1.5%
Non Performing Loans (NPL) - gross <sup>6</sup>	1.5%	1.3%	0.7%	0.6%	0.4%
Non Performing Loans (NPL) - net	0.4%	0.3%	0.2%	0.2%	0.2%
<b>Rentability</b>					
Return on Assets (ROA) <sup>7</sup>	3.9%	4.0%	3.8%	3.9%	3.8%
Return on Equity (ROE) <sup>8</sup>	19.2%	20.5%	21.9%	25.5%	28.2%
Net Interest Margin (NIM) <sup>9</sup>	6.2%	6.8%	6.7%	6.5%	6.2%
Cost Efficiency Ratio (CER)	44.4%	43.9%	46.5%	44.2%	42.9%
Operating Expenses to Operating Revenues (BOPO)	58.6%	60.4%	63.2%	62.4%	61.5%
<b>Liquidity</b>					
Loan to Funding Ratio (LFR) <sup>10</sup>	78.2%	77.1%	81.1%	76.8%	75.4%
Current Accounts & Savings Accounts (CASA) Ratio	76.3%	77.0%	76.1%	75.1%	78.9%
Liabilities to Equity Ratio	479.3%	507.5%	570.4%	635.8%	701.2%
Liabilities to Assets Ratio	82.7%	83.5%	85.1%	86.4%	87.5%
Liquidity Coverage Ratio (LCR) <sup>11</sup>	353.0%	391.3%	363.3%	na	na
<b>Compliance</b>					
Percentage Violation of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage Lending in Excess of Legal Lending Limit					
a. Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
b. Non Related Parties	0.0%	0.0%	0.0%	0.0%	0.0%
Minimum Reserve Requirement					
a. Primary Reserve Requirement - Rupiah	7.0%	7.3%	7.5%	8.4%	8.3%
b. Reserve Requirement - Foreign Currency	8.5%	8.5%	9.1%	8.6%	8.5%
Net Open Position (NOP)	0.5%	0.2%	0.4%	0.6%	0.2%
<b>Other Key Indicators</b>					
Number of Accounts (in thousands)	17,048	15,583	14,129	13,370	12,486
Number of Branches <sup>12</sup>	1,235	1,211	1,182	1,111	1,062
Number of ATMs	17,658	17,207	17,081	16,694	14,048
Number of ATM Cards (in thousands)	15,767	14,402	13,090	12,429	11,639
Number of Credit Cards (in thousands)	3,296	2,983	2,748	2,583	2,458

4. Parent company only, financial ratios have been presented based on Circular Letter of Indonesia Financial Services Authority No.43/SEOJK.03/2016 dated 28 September 2016 regarding Transparency and Publication of Commercial Bank.

5. CAR is calculated with credit risk, operational risk and market risk based on Circular Letter of Bank Indonesia No.11/3/DPNP dated January 27, 2009 which was later changed into Circular Letter of Indonesia's Financial Services Authority No. 24/SEOJK.03/2016 tanggal 14 Juli 2016 regarding the Risk Weighted Assets Calculation for Operational Risk using the Basic Indicator Approach; and calculated based on Indonesia's Financial Services Authority Regulation No. 11 /POJK.03/2016 dated January 29, 2016, regarding Capital Adequacy Ratio (CAR) for Commercial Banks.

6. Calculated from total non performing loans (substandard, doubtful, loss) divided by total loans.

7. Calculated from income (loss) before tax divided by average total assets.

8. Calculated from net income (loss) divided by average Tier 1 Capital.

9. Calculated from net interest income (expense) divided by average of earning assets.

10. Calculated from total loan portfolio to third party divided by total third party funds and securities that met certain criterias and issued by the Bank for funding purposes.

11. Calculated from total High Quality Liquid Asset (HQLA) divided by total net cash flow based on Indonesia Financial Services Authority Regulation No 42/POJK.03/2015 regarding Liquidity Coverage Ratio for Commercial Bank.

12. Including cash offices.

# GRI Standard Content Index

The 2017 BCA Sustainability Report was prepared 'in accordance with' the GRI Standards with the 'core' option. This report refers to the information disclosed for public in the 2017 Annual Report of BCA.

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## Tumbuh dan Memberi Manfaat

Creating Growth, Providing Values



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