

PT BANK CENTRAL ASIA TBK



Live to Inspire

2020 SUSTAINABILITY REPORT





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Live to Inspire

The COVID-19 pandemic has massively changed the ways humans think, go about their activities and do business. The changes affected our lives and stimulate the ability to adapt. It is at this time that BCA continues to be present at the side of all customers with the adaptation of financial services that prioritize good health for employees, customer, and all stakeholders. Innovation continues to be developed in order to be at the forefront of impacting change, and to inspire goodness in life towards sustainable economic growth.

Sustainability Performance Achievements



Operational and Economic Performance



Net income

Rp**27.1**
trillion

5.0% YoY



Tax payment

Rp**6.4**
trillion

16.8% YoY



CASA

Rp**642.1**
trillion

21.0% YoY



Total sustainable
business
financing (KKUB)

Rp**127.0**
trillion

1.5% YoY



KKUB to total
bank financing

22.1%

0.8% YoY



Total frequency
of internet &
mobile banking
transactions

9.6
billion

50.8% YoY



Social and Community Performance

1 Female occupying Director positions

16.7%

2 Female occupying Branch Heads positions

56.7%

3 Female employees out of total employees with promotional opportunities

64.1%

4 Employees participating in Sustainable Finance Training

874

5 Bakti BCA Scholarship

Rp5.5 billion ▲ 3.8%

6 Assisted Schools

20 schools ▲ 17.6%

7 Financial Literacy Education Participants

> 14,000 Students in 10 provinces

8 Customer Engagement (CE) Index

4.67 (scale 1-5)

790 people ▲ 8.1%

727 teachers ▲ 34.9%

> 90,000 People

Branch Service Quality (BSQ) Index

4.87 (scale 1-5)

9,938 students ▲ 14.3%

Corporate Social Responsibility Fund (including COVID-19 assistance)

Rp116.8 billion

BCA employee solidarity for COVID-19

Rp1 billion

Operational costs for handling COVID-19

Rp47.6 billion





Environmental Performance

Solar panels installed in 2 buildings generating 16,654 kWh of electrical energy in 2020 (2.6 times greater than in 2019)



66 building branches supporting the **green office** concept

2 offices with a **waste management** system



22.5% Reduced paper usage or approximately **18.1** tons with emission reduction potential of 37.2 tons of CO₂ eq

14,700 mangroves potential to absorb **31.7** tons of CO₂ eq/year

2,100 trees in the peat restoration areas potential to absorb **8.0** tons CO₂ eq/year

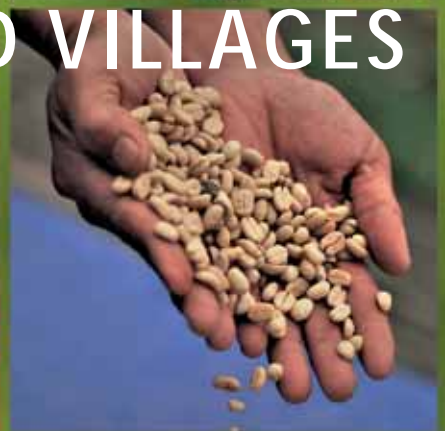
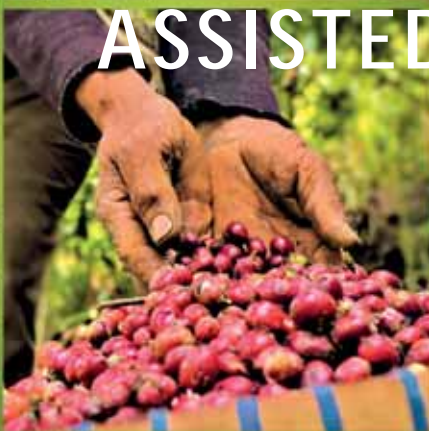
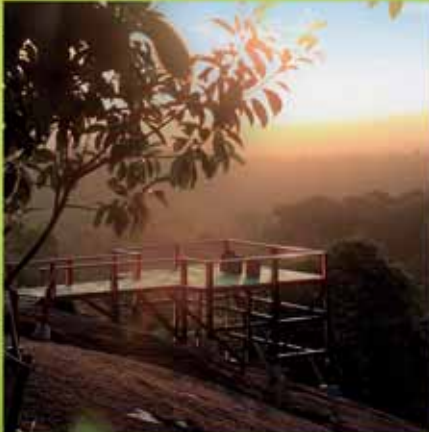


8,909 hatchlings released



31 orangutan rehabilitated in Kalimantan





12 BAKTI BCA ASSISTED VILLAGES

- **Pentingsari Tourism Village**, Sleman, Yogyakarta
- **Wirawisata Goa Pindul**, Gunung Kidul, Yogyakarta
- **Aik Rusa Berehun Tourism Village**, Terong, West Belitung
- **Tamansari Tourism Village**, Banyuwangi, East Java
- **Bukit Peramun**, West Belitung
- **Gunung Lumut**, East Belitung
- **Nagari Siloek**, West Sumatra
- **Wayang Wukirsari Tourism Village**, Imogiri, Yogyakarta
- **Kampung Batik Gemah Sumilir Tourism Village**, Pekalongan, Central Java
- **Kampung Adat Sijunjung**, West Sumatra
- **Doesoen Kopi Sirap**, Semarang, Central Java
- **Pucak Tinggan Tourism Village**, Badung, Bali

Providing Convenience & Reliability in Transaction



VIRA
Banking virtual assistant accessible through a number of popular chat apps



Application for online investing on mutual funds and bonds and insurance information



BagiBagi
An easier way to transfer digital money at the same time to Sakuku account through BCA mobile



QR code-based peer-to-peer transfer with BCA mobile and 'Sakuku' e-wallet

Debit Online
Control feature for debit card transactions via BCA mobile



Mobile apps for access to BCA internet banking and mobile banking services

Lifestyle
Easy access to airplane and train tickets, hotels, and game vouchers via BCA mobile



Online merchant payment feature emphasizing speed of transaction



Top Up Flazz
BCA mobile Convenience of top up Flazz balance via mobile phone



Online savings account opening through BCA mobile

Buka Rekening Baru

Number of Accounts

>24
million accounts



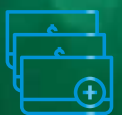
Online Account Opening in 2020

>1.6
million accounts
(contributed >48% of total account growth)



Composition of Number of Transactions in Digital Channels

99.0%
to total transaction





SUSTAINABILITY ASPECTS HIGHLIGHTS

Economic Aspects Performance

Description	Unit	2020	2019	2018
Internal Performance				
Operating income	Rp billion	75,165	71,623	63,034
Net profit	Rp billion	27,147	28,570	25,852
Loan disbursements	Rp billion	574,590	586,940	538,100
MSME loan disbursements	Rp billion	77,174	81,429	71,118
Infrastructure financing (including non-cash loan)	Rp billion	45,470	41,734	32,237
Third Party Funds (TPF)	Rp billion	834,284	698,980	629,812
Total frequency of internet and mobile banking transactions	Million times	9,585	6,356	4,196
Total taxes paid	Rp billion	6,421	7,719	6,854
Opening (closing) branches*	Branches	(8)	7	14
Economic Performance regarding Sustainable Finance				
Nominal products and/or services that meet sustainable business activity criteria categories (KKUB)**	Rp billion	127,005	125,144	109,947
KUR disbursements	Rp billion	132.7	125.7	116.2
Percentage of total sustainable business activity categories (KKUB) financing portfolio to total loan portfolio	%	22.1	21.3	20.4
Financial Inclusion Performance				
Laku BCA growth				
- Number of agents	Agents	2,633	2,375	1,722
- Number of accounts	Accounts	152,678	139,470	55,979
- Amount of Laku BCA customer funds	Rp billion	23.5	14.6	4.9

* Branch closures due to reduced banking transactions in these branches.

** KKUB financing portfolio as of December 31, 2018 & 2019 restated to adjust with the KKUB financing portfolio identification results as of December 31, 2020



Social Performance

Description	Unit	2020	2019	2018
Internal Performance				
Female employees with promotion opportunities	%	64.1	63.8	62.0
Female occupying Director positions	%	16.7	27.3	25.0
Female employees to total employees	%	61.3	60.8	60.4
Number of training participants	People	39,237	67,548	60,448
Number of training days	Days	160,361	248,738	207,513
Number of training hours	Hours	976,700	1,660,212	1,275,086
Employee training and education expenses	Rp million	208,954	395,659	273,279
Number of financial literacy education participants (CSR)	People	105,522	107,267	99,425
Customer Engagement (CE) index	Scale 1-5	4.67	4.67	4.63
Branch Service Quality (BSQ) Index	Scale 1-5	4.87	4.86	4.81
Customer complaint settlement level	%	99.3	99.4	99.1
Percentage of (whistleblowing) complaints that have been completed investigated out of the total number of complaints received	%	81.8	100.0	100.0
Social Responsibility Activities				
Social responsibility activity funds realization	Rp billion	116.8	122.8	105.6
Number of non-degree education graduates	People	164	142	167
Number of assisted clinic patients	People	16,611	17,976	15,570



Environmental Performance

Description	Unit	2020	2019	2018
Internal Performance				
Electricity consumption ^{a)}	kWh	80,048,325	80,073,145 ^{a)}	77,582,416 ^{a)}
Electricity consumption intensity	kWh/m ²	185	186	182
GHG emissions generated	tCO ₂ eq	71,046	71,340	68,230
Paper consumption at the head office ^{b)}	Ton	63	81	93
Paper waste reduction	Ton	18	12	1 ^{c)}
Mileage of office car use	Km	1,484,923	n/a	n/a
Water consumption	m ³	67,365	55,322	45,168
Branch offices that support green office concept	Branches	66	61	34
Environmental Responsibility Activities				
Realization of social responsibility funds	Rp million	575	685	1,118
Reintroduction of orangutan in Kalimantan	Orangutan	0	6	6
Orangutan rehabilitation	Orangutan	31	0	0
Biodiversity conservation	Turtle nests	100	100	100
	Mangrove	14,700	20,200	12,000
Peat area restoration	Trees	2,100	-	-

a) Restatement of data for 2018 and 2019, as the data calculations coverage has increased from 3 Main Offices to 6 Main Offices, Head Office Data Center, and 115 KCU Buildings.

b) Printer Pooling reported is for WSA II, WSA I, WPI, Menara BCA, Chase Plaza, Halo Serpong, Landmark Pluit.

c) 2018 paper data refers to purchased and not-used data.



Sustainable Business Financing [FS8]

Description	2020		2019		2018	
	Rp billion	%	Rp billion	%	Rp billion	%
Sustainable business activity categories (KKUB) financing portfolio*	127,005	100.0	125,144	100.0	109,947	100.0
a. Renewable energy	4,643	3.7	3,020	2.4	2,343	2.1
b. Energy efficiency	441	0.3	547	0.4	1,589	1.4
c. Management of living natural resources and sustainable land use	31,761	25.0	28,455	22.7	23,946	21.8
d. Eco-friendly transportation	7,725	6.1	5,965	4.8	5,437	4.9
e. Sustainable water and waste water management	1,014	0.8	1,014	0.8	1,094	1.0
f. Eco-friendly and eco-efficient products (less residue)	4,169	3.3	4,629	3.7	4,332	3.9
g. Environmentally-friendly buildings that meet national, regional, or international certification standards	77	0.1	85	0.1	89	0.1
h. MSME activities	77,174	60.8	81,429	65.1	71,118	64.7
Non-MSME KKUB financing portfolio based on segment	49,831	100.0	43,715	100.0	38,829	100.0
- Corporate	48,810	98.0	42,649	97.6	37,474	96.5
- Commercial	1,020	2.0	1,066	2.4	1,355	3.5
Infrastructure financing portfolio (including non-cash loan)	10,430	100.0	8,436	100.0	8,194	100.0
- Toll roads	2,915	28.0	2,945	34.9	2,975	36.3
- Electricity	1,690	16.2	1,457	17.3	1,663	20.3
- Railroads	1,955	18.7	1,096	13.0	1,462	17.8
- Airports dan ports	2,855	27.4	1,923	22.8	1,000	12.2
- Drinking water and sanitation	1,014	9.7	1,014	12.0	1,093	13.3

* KKUB financing portfolio as of December 31, 2018 and 2019 restated to adjust with the KKUB financing portfolio identification results as of December 31, 2020. Overall financing portfolio based on the industry sector is shown in the 2020 annual report. [\[FN-CB-410a.1\]](#)



Jahja Setiaatmadja
President Director



MESSAGE FROM THE BOARD OF DIRECTORS [102-14, 102-15]



Facing the challenges of the COVID-19 pandemic in 2020, BCA has strengthened its cooperation with all stakeholders and has continued to innovate by improving its digital technology-based financial services. BCA supports the Government in its efforts to provide a stimulus to the real sector for the national economic recovery (PEN) due to the impact of the COVID-19 pandemic through policy adjustments and strategies to stay with our customers in all situations. In addition, BCA also supports the Government's call to start shifting to a low-carbon economy. In response to this call, we are making adjustments to our credit policy with an environmental, social and governance (ESG) insight, as well as mapping our banking activities to start mitigating and adapting to climate change.

Dear Respected Stakeholders,

The message from the World Economic Forum on January 21-24, 2020, made us all aware that environmental risks are the main risks and will have an impact on world economic conditions. The call for a low-carbon economy and support for the achievement of the Sustainable Development Goals (SDGs) continues to resonate, especially during the COVID-19 pandemic. In line with the dynamics of Government policies and conditions during 2020, BCA has undertaken a number of initiatives to quickly adapt to the latest market needs.

The COVID-19 Pandemic Empathy Program and the #BankingFromHome Movement that prioritize digital features were two of the initiatives we put in place during 2020. These activities have had huge positive impacts amid the challenges, including breaking chain of the pandemic and reducing customer mobilization to the branch offices. All of our efforts enabled us to provide services that were safer, easier, more comfortable, and met customer needs. Anywhere and at anytime.

Policies to Respond to Sustainability Challenges

The health of our customers and employees was a sustainability challenge during the COVID-19 pandemic. We responded to this by adjusting our work activities and implementing strict health protocols, in line with the Government and WHO health protocols related to COVID-19. We encouraged our customers to make their transactions through the BCA mobile application and internet banking KlikBCA. In all branch offices, body temperatures were checked, hand sanitizers were provided and we implemented social distancing. Other preventive measures included implementing COVID-19 risk self-assessments, and disinfecting the facilities and

infrastructure in the banking hall, and the counter desks and waiting chairs on a regular basis.

Overall, the pandemic also had an impact on the challenges of managing the interrelated economic and social aspects. From an economic perspective, the spread of the COVID-19 outbreak directly and indirectly impacted debtor performance. To improve the weakening economic stimulus and to support the Government's policy, BCA issued a regulation for restructuring BCA debtors' loan facilities, for those affected by the spread of COVID-19. The provision was guided by the Financial Services Authority Regulation No. 11/POJK.03/2020 concerning the National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019. BCA also made adjustments to its BCA Credit Card provisions and implemented a BCA Credit Card Easing Program based on Bank Indonesia Letter No. 22/263/DKSP/Srt/B dated April 15, 2020 concerning the Policy for Implementing Credit Cards in Emergency Times for COVID-19. The provision for interest subsidies for MSME and BCA KPR loans was also instigated in the framework of the national economic recovery program (PEN).

BCA continued to provide banking services that could be accessed safely and comfortably by our customers. Education on technology-based banking services became more relevant with the increased variety of digital banking services provided by BCA. Online opening accounts via BCA mobile, and adjusting the limits for fund transfers, were some of the adjustments made to our banking services. Our customers no longer have to come to the branch offices to make these transactions, and debtors' businesses can continue to adapt to the new normal period.

Apart from challenges related to COVID-19, BCA continued to manage other sustainability challenges, one of which is the impact of climate change. BCA's support and inspiration to reduce the negative impacts of climate change is manifested by implementing financing policies that cover the environmental, social and governance (ESG) aspects. Overall, in response to the sustainability challenges, BCA has developed a Sustainable Governance with three pillars as a strategy for implementing Sustainable Finance. These three pillars cover the economic, environmental, and social aspects, which are reflected in the Pillars of Responsible Banking, Sustainability Culture, and Social Value Creation. In 2020, BCA has reviewed the Basic Bank Credit Policy (KDPB) of PT. BCA, Tbk with the addition of a new policy to prohibit lending to businesses with potential environment, social and governance (ESG) risks.

Sustainable Finance Implementation and Target Achievement Strategies

Throughout 2020, BCA continued to carry out its operational activities to the maximum extent possible, especially by remaining at the side of its customers. All BCA employees adapted and carried out their respective responsibilities, including serving the needs of all customers and implementing the principles of Sustainable Finance.

Sustainability performance includes the economic, social and environment sustainable finance performance. For economic performance, we recorded a net profit of Rp27.1 trillion, down 5.0% compared to last year. Loans disbursed in 2020 amounted to Rp574.6 trillion, a decrease of 2.1% YoY. Sustainable financing amounted to Rp127.0 trillion (an increase of 1.5% YoY), with non-MSMEs contributing Rp49.8 trillion and MSMEs contributing Rp77.2 trillion. The non-MSME Sustainable Financing helped increase the overall Sustainable Finance portfolio in 2020.

We appreciated the regulator's swift response in relaxing the restructuring policy as this helped the banks and customers through these difficult times. BCA has always been on the side of its customers during these economic challenges, helping them by restructuring their loans since the beginning of the pandemic. As of the end of December 2020, BCA's total loans restructured amounted to Rp104.2 trillion, or around 18% of the total loans, for approximately 100,000 customers.

Apart from lending, BCA also remained focused and committed to providing excellent service during the COVID-19 pandemic to both customers and employees.

We continued to serve all of our customers and partners with enthusiasm and inspiration. Transaction Banking BCA goes hand in hand to support the Financial Inclusion program. Through LAKU BCA, we served 152,678 customers in the regions, supported by 2,633 LAKU BCA agents who assist customers in non-bankable areas with their financial transactions. One significant impact of this financial inclusion service was the opening of access to financial services for migrant workers and their families, as well as access to financial services in remote areas. Customers with special needs also enjoyed equal services, and ease in making their transactions, through the ATM Wicara.

In providing services to our employees, throughout 2020, BCA continued their competency development through webinars, with 39,237 employees attending online training. Sustainable Finance Training was also held, and was attended by 874 employees. The employee competency management activities respected the concept of human rights and ensured equal opportunities and mutual respect for diverse backgrounds. This diversity and equality policy is contained in the 2019-2021 Collective Labor Agreement. BCA used internal communication media for this education and development, using Community of Practice (COP), BLIMS (digital library), Instagram @bcasemuaberes. In November 2020, BCA held a Sustainability Awareness Month to introduce the concept of environment, social, governance (ESG) to all BCA employees. About 24,500 BCA employees were exposed to the values of Sustainable Finance when BCA organized this event.

We truly appreciate the excellent service and solid performance provided by the BCA personnel during the pandemic situation, despite the adjustments they had to make in their work activities. The spirit of "One BCA" with the tagline "One Goal, One Soul, One Joy" united the determination, ideas, and dreams into their work, creating a feeling of goodness within BCA. One of BCA's forms of concern for employees' health was to improve facilities and implement health protocols, at a cost of Rp47.6 billion. We will continue to maintain this healthy and safe working environment to ensure that all BCA personnel are able to perform well.

BCA's social responsibility through its Bakti BCA Program continued to show BCA's concern for the communities. Throughout 2020 Bakti BCA Program, 396 students took part in the non-degree Accounting Education Program, and 172 students took part in the non-degree Technological Information Education Program. In addition, the total distribution of Bakti BCA scholarships was worth Rp5.5 billion, an increase of



3.8% from last year. Bakti BCA also provided assistance to prevent the transmission of the COVID-19 virus by distributing funds of around Rp21.4 billion. Assistance was given to hospitals, local communities with donations of basic food, as well as assistance through mentoring.

From an internal environment perspective, BCA has started developing strategies for mitigating and adapting to climate change, both internally and externally, with reference to the Task Force on Climate related Financial Disclosures (TCFD). The development started by compiling a road map for initiative disclosures in reducing the negative impact of climate change, formulating strategies, and identifying the business sectors considered at high risk from extreme weather.

The implementation of climate change mitigation and adaptation mapping began in six locations, namely Gedung Menara BCA, Wisma Asia II, Wisma BCA Pondok Indah, Wisma BCA Foresta, Landmark Pluit and Alam Sutera. These buildings have implemented various green office concepts including LED lighting, building automation system (BAS), eco-friendly air conditioning and wastewater management. These six buildings make up our initial study to explore how to implement green offices in other buildings gradually. In supporting the renewable energy concept, BCA has installed solar panels in two buildings, namely Wisma Asia II and KCU Gading Serpong.

In line with BCA's support for the implementation of Sustainable Finance, efforts were made to increase the amount of financing for ESG-minded businesses, and to encourage debtors to pay more attention to environmental sustainability. These debtors include palm oil companies with Indonesian Sustainable Palm Oil (ISPO) and/or Roundtable on Sustainable Palm Oil (RSPO) certificates; companies that follow the PROPER environmental performance appraisal with a minimum result of Blue PROPER; financing for Hydro Power Plant (PLTA) and Mini Hydro Power Plant (PLTMH) projects; and a biogas power plant (PLTBg). BCA ensures that all debtors comply with the labor, human rights, and Good Corporate Governance regulations.

Business Risks, Opportunities and Prospects

Many factors can trigger business risks and opportunities. When managing risks, BCA always applies prudential banking or the prudence principles. Throughout 2020, health risks and credit risks were our main concern, especially during the COVID-19 pandemic. On the

other side, we looked at business opportunities arising from digital banking and the development of IT-based system innovations. These business opportunities need safe and reliable digital banking service solutions that include maintaining the confidentiality of customer data, and we have implemented quality security management in line with ISO 27001 standards in our information security management systems.

We have seen that the prospects for sustainable financing are still wide open. The Government's agenda for infrastructure development in Indonesia is still ongoing, accompanied by exclamation for a transition to a low carbon economy. The potential for developing power plants using new and renewable energy sources is still ongoing. There are still financing opportunities for green buildings, green manufacturing, and other green projects in line with the increasing awareness of stakeholders in the environment, social and governance aspects.

Appreciation

We would like to express our appreciation to all of our customers, BCA employees, working partners, investors, and other stakeholders for hard work, commitment and good cooperation in getting through this challenging year. Our appreciation also goes to regulator and the Government for policies that are responsive during pandemic. We are optimistic that we will soon welcome a new day, with new enthusiasm, and new innovations with even better performance. BCA will be here and will continue to be alongside all of our stakeholders, to inspire Indonesia and bring about a sustainable economic future.

On behalf of the entire BCA Board of Directors, I would like to sincerely thank you. Let's continue to maintain the health and sustainability of the environment surrounding us.

Jakarta, February 2021

Jahja Setiaatmadja

President Director

RECOGNITION AND ENGAGEMENT

Corporate



Forbes

- Forbes' List of The World's Best Bank 2020: #1 in Indonesia
- Forbes' List of Global 2000 2020: #487

BrandZ

- Most Valuable Brands 2020 - Top 100 Most Valuable Global Brands 2020

Asiamoney

- Asiamoney Best Bank Awards 2020 - Best Domestic Bank

Management



The Economist

- Top Eight Banks – Performance under Current CEO*, per October 2020

* Out of top 50 banks by market capitalization, CEO or equivalent

Customer Service



Contact Center World (CCW)

- Contact Center World (CCW) Asia Pacific Award 2020 - 25 Gold Medals, 5 Silver Medals, 2 Bronze Medals and Dream Team Award

Digital Banking Service



Ministry of Finance of Republic of Indonesia

Ministry of Finance of Republic of Indonesia Award

- Best Work Performance of SUN Retail Distribution Partner in 2019
- Best Work Performance of SBSN Retail Distribution Partner in 2020 - Conventional Bank Category
- IBBCA Predicate - Private Bank Category

ESG



FIHRRST

- A+ Rating of Public Company with Best Sustainability Report for 2019

Employees



HR Asia (Magazine) & Business Media International

- HR Asia Award 2020 - Best Companies to Work for in Asia 2020

MSCI

Ranked first in the 10 main constituents of MSCI Indonesia as of December 2020

The MSCI index takes into account the exposure to ESG performance against its peers in the Indonesian capital market. BCA also received an A rating in the MSCI ESG Ratings for the period of December 2020.

FTSE4Good

Ranked 2nd in the top 10 constituents of FTSE4Good Asean as of December 2020

The FTSE4Good Index is selected and sorted transparently and determined based on ESG criteria in the ASEAN capital market.

KEHATI

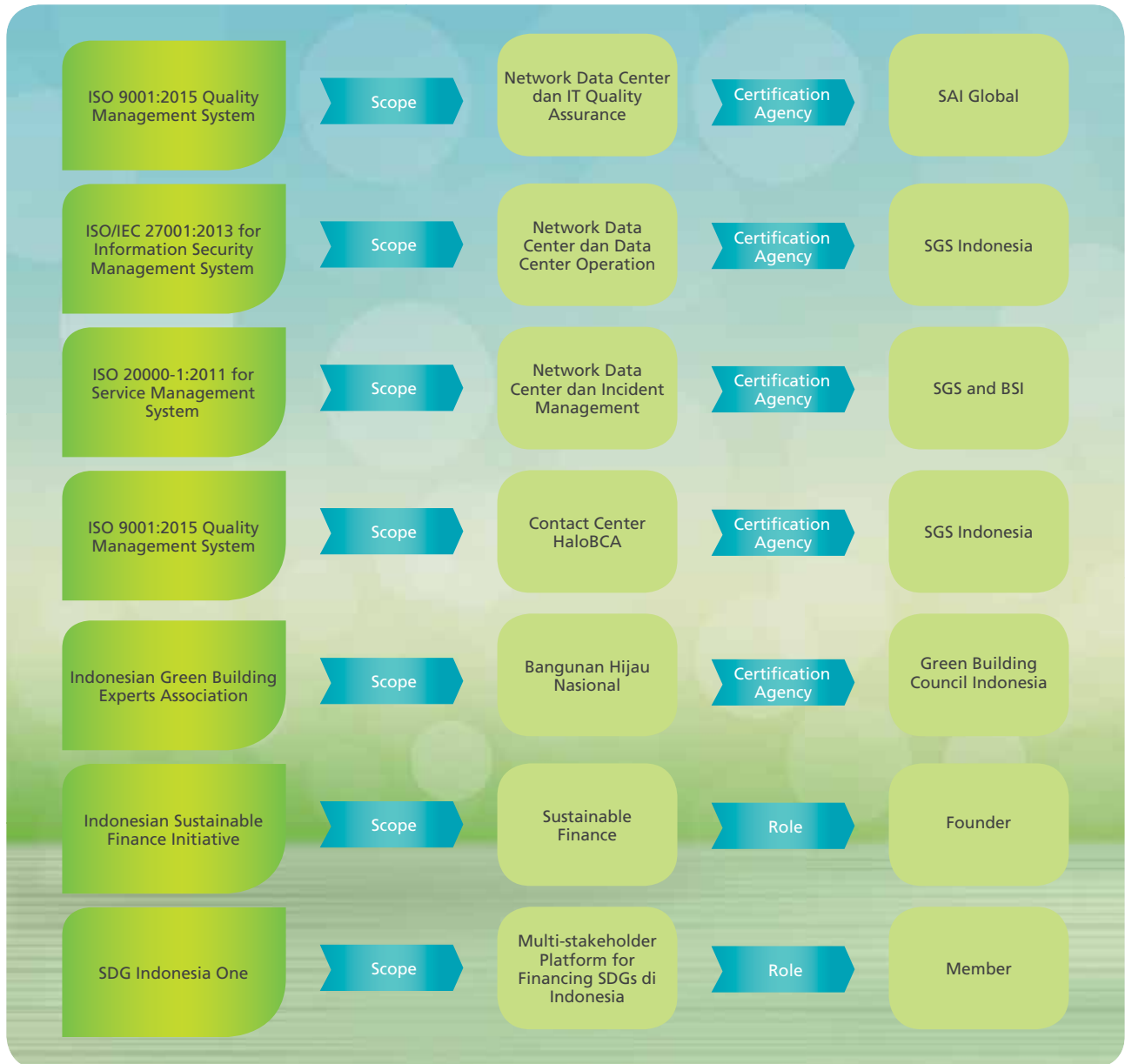
BCA was included in the list of SRI-KEHATI index companies for the period December 2020 - May 2021. This shows that the company is committed to managing the environmental, social, and governance (ESG) aspects.

www.kehati.or.id and www.idx.co.id



External Initiatives and Certification [102-12]

BCA implements national and international standards, principles and initiatives to improve the Bank’s capabilities in terms of operations, services, quality feasibility, and other important banking aspects. To ensure that the standards and principles followed are running optimally, internal monitoring and evaluations are carried out, together with assessments by independent parties to gain certification.



Membership of Industry Associations related to Sustainable Finance [102-13]

Association
National Bank Association (Perbanas)
Indonesian Bank Custodian Association (ABKI)
Indonesian Mutual Fund Management Association (APRDI)
ACI Financial Market Association (ACI FMA)
Indonesian Payment System Association (ASPI)
Banking Compliance Director Communications Forum (FKDKP)
Soverign Debt Securities Trader Association (HIMDASUN)
Indonesia Contact Center Association (ICCA)
The Institute of internal Auditors (IIA) Indonesia Chapter
Indonesian Audit Committee Association (IKAI)
Security Investor Protection Fund (SIPF)
Asia Pacific Loan Market Association (APLMA)
European ATM Security Team (EAST)
International Monetary Conference (IMC)
Certified Information System Audition - Information Systems Audit & Control Association (CISA)

BCA's commitment to Sustainable Finance is not only demonstrated through its role as the **"First Mover on Sustainable Banking"**, but also in its participation as one of the founders of the Indonesian Sustainable Finance Initiative (IKBI).

BCA's support for IKBI activities in 2020 [102-12]

Activity	Time	Role
South East Asia Bank Workshop – Jakarta CDP and IKBI	March 3, 2020	Participant
Series of Webinars on Sustainable Finance (IKBI and UNEP-FI)	June 8-12, 2020	Participant
FGD - Renewable Energy Investment Funding (in collaboration with the Indonesian Renewable Energy Society)	June 24, 2020	Interviewee
"Enabling Environment for Private Sector Engagement in Climate Adaptation Project" Workshop Presentation	July 13, 2020	Participant
Webinar Science Based Targets Initiative	October - November 2020	Participant
Sustainable Finance Business Class	December 4-15, 2020	Participant



COMPANY PROFILE



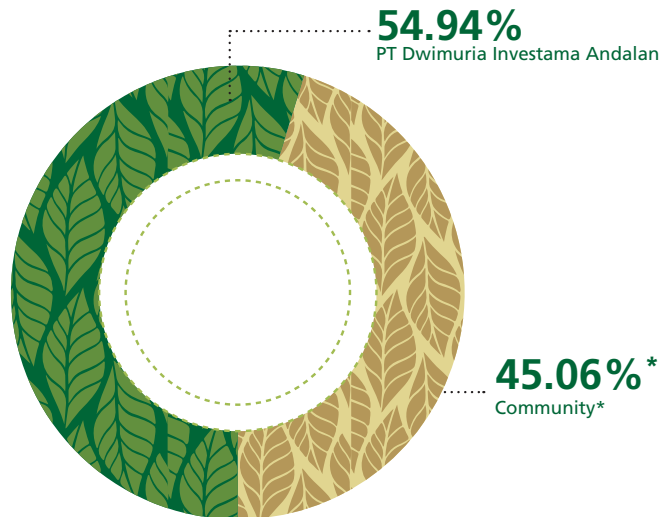
General Company Information [102-1, 102-5]

PT Bank Central Asia Tbk. (BCA) is a private bank established in 1957. For more than 63 years, we have never stopped offering a variety of banking solutions to satisfy all of our customers’ financial needs from various backgrounds. Through our many quality and targeted products and services, BCA financial solutions support the personal financial planning and the development of its business customers. Supported by our strong branch network, the breadth of our ATM network, as well as other electronic banking networks, anyone can enjoy the ease and convenience of BCA transactions offered.

Through our “Always by Your Side” commitment, BCA will continue to maintain its customers’ and stakeholders’ trust and expectations. Winning their trust and providing the best solutions for our customers’ financial needs is an honor and pride for BCA.

As one of the largest private commercial banks and payment settlement banks in Indonesia, BCA active in payment settlement and lending to support the business development in Indonesia and its economic development. Currently, BCA is not included in the list of Global Systemically Important Banks (G-SIB), however, we will continue to improve the Bank’s competencies and performance to maintain its position as one of the largest and best private banks in Indonesia.[FN-CB-550a 1]

BCA is a publicly-listed company with shareholder composition is as follows:



* The publically owned shares as of December 31 2020 includes 2.49% owned by parties affiliated with PT Dwimuria Investama Andalan. In addition, Commissioners and Directors own 0.19% of the Company’s shares.

Corporate Vision, Mission and Values

Vision

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

Mission

- To build centers of excellence in payment settlements and financial solutions for businesses and individuals;
- To understand diverse customer needs and provide the right financial services to optimize customer satisfaction;
- To enhance our corporate franchise and stakeholder value.

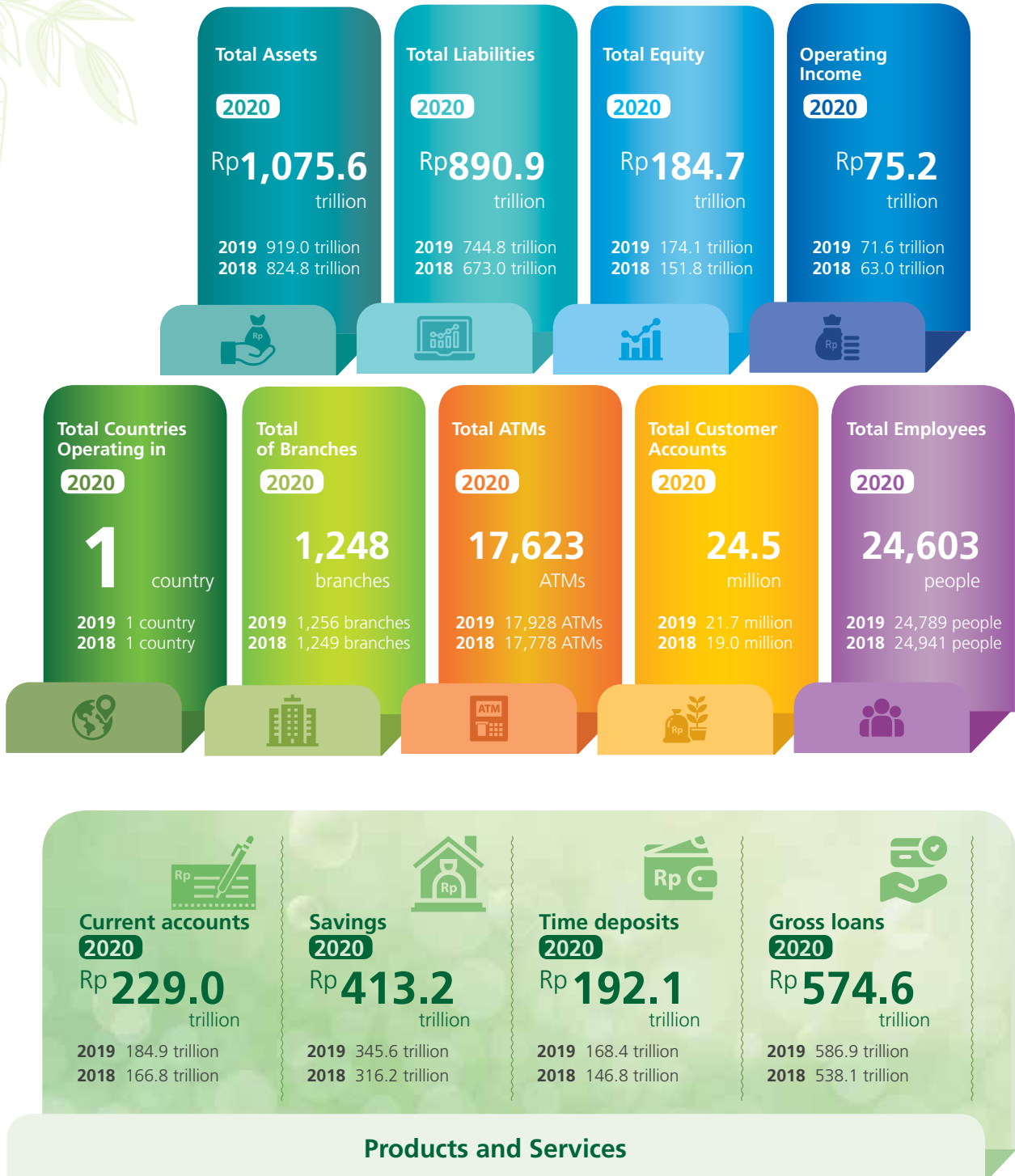




Corporate Values [102-16]



Business Scale [102-7,102-4] [FN-CB-000.A]



Products and Services

The business scale also includes market share and customer type. BCA ensures that its presence can be reached by various groups, such as individual customers, corporations, commercial customers, to Micro, Small and Medium Enterprises (MSMEs). Hence, BCA continues to develop technological innovations to provide digital banking that can be accessed anywhere and at anytime to fulfill the need for banking transactions easily. [102-6]



Operational Areas and Changes in Branch Offices [102-4, 102-6, 102-10]

BCA operates throughout Indonesia. Its branch offices are located in cities and towns, and none of these offices are located in or adjacent to conservation or protected areas

In 2020, there were changes due to the closure of several branches due to reduced transactions at these branches.

Products and Services [102-2]

Further information on banking products and services can be found on the Company website <https://www.bca.co.id/id/Individu/Produk> and in the 2020 Annual Report.

REPORT PROFILE

“BCA delivers its Sustainability Report in **response** to stakeholder **needs**, and it **conveys information on** the economic, environment, social, and governance performance risk management.”



Basis of the Report [102-54]

BCA’s sustainability performance reporting fulfills its commitment to support the Sustainable Development Goals (SDG) and to comply with the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 related Sustainable Finance in Indonesia. The sustainability performance covers the economic (profit), environment (planet), social, and sustainability governance aspects. The Sustainability Report also reflects the BCA Sustainability Pillars.

Other guidelines used to prepare the Sustainability Report include:

- Global Reporting Initiatives (GRI Standards) “core option”;
- GRI Financial Sector Supplement Disclosures (FS);
- Sustainability Accounting Standards Board (SASB) for Commercial Banks category; and
- Sustainable Banking Assessment (SUSBA) Environmental, Social, and Governance (ESG) Integration Pillars from The World Wildlife Fund (WWF).

Report Cycle [102-50, 102-51, 102-52]

BCA publishes its Sustainability Report annually, separately from its Annual Report, however the contents of these two reports are complementary. This report is a continuation of the 2019 Sustainability Report, which was published on March 11, 2020. This report contains the sustainability performance for the period January 1 - December 31, 2020, and includes comparisons with the previous two years’ data in important performance sections.



Annual General Meeting of Shareholders BCA 2020.



Analyst Meeting Semester I 2020 - Navigating the Company Through Pandemic.

Determination of Material Topics [102-46]

Material Topics Determination Process

1

Stakeholder Identification

BCA has identified seven key significant influence stakeholders (employee, customer, general public, business partner/supplier/vendor, regulator, investor/shareholder, media) on the Company's business continuity.

2

Identification of Important Issues and/or Key Topics

Focus group discussions (FDG) were held with representatives of each stakeholder group during October and November 2020 through virtual meetings. There were ten topics of concern to stakeholders and have been designated as material topics.

3

Topic Priority Analysis

During the FDGs, significant issues, stakeholder needs, and material topics were discussed. After considering the impact of the internal and external sustainability issues and the situation during 2020, BCA developed a matrix to prioritize the material topics.

4

Topic Analysis for Priority SDG Support

An analysis of the SDG support was carried out to understand the content of each objective, the benefits for the business, and the basic responsibilities the Company must fulfill. Through internal management discussions, BCA conducted a SDG analysis based on the SDG Compass linked to the banking business solutions and sustainability impact

5

Relationship of the Material Topics to SDG Support

The material topics determined through the FDGs were evaluated for their impacts on stakeholders and their supports for the SDGs. An analysis was carried out to ensure the material topics management was in line with the Bank's strategy.



Material Topics Matrix [102-47]

Materiality matrix and contribution to SDGs



Report Content Scope [102-45]

All data and information presented in the Sustainability Report were derived from internal data after validation by the relevant work units. Specifically for financial information, the data source was taken from the consolidated financial statements and covers all subsidiaries. The subsidiaries are PT BCA Finance, BCA Finance Limited, PT Bank BCA Syariah, PT BCA Sekuritas, PT BCA Multi Finance, PT Asuransi Umum BCA (BCA Insurance), PT Asuransi Jiwa BCA (BCA Life), PT Central Capital Ventura (CCV), and PT Bank Digital BCA (BCA Digital). Apart from financial data, other data was derived from BCA as the parent company.

Report Changes and Information Restatements [102-48, 102-49]

There were no significant changes in this report, such as changes in the reporting period, the scope of information, or the reporting cycle. However, we analyzed the material topics and there is a position change in material topics from the previous year.

Equality, Health, Safety, and Occupational Security (EHSOS) became the main material topics based on the 2020 conditions, when the COVID-19 pandemic occurred. These topics highlight how BCA prioritizes its employees' and customers' health conditions during the pandemic. BCA realizes that none of its activities can be carried out without supporting good health. For this reason, the efforts taken to control and break the spread of the COVID-19 virus are delivered more comprehensively in this report, without reducing the other information needed by stakeholders. In this report, there are several significant data restatements of information reported in the previous report. The data restatements are due to adjustments in data coverage and changes in calculation methods.

Material Topic Boundaries and Management Approach [102-46, 103-1, 103-2, 103-3]

**Equality,
Occupational
Health, Safety
and Security
(EOHSS)**

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
<p>Employees, Customers, Business Partners/Suppliers/Vendors.</p>	<p>Compliance with health protocols at work will have a positive impact on the health and safety of employees, customers and business partners/suppliers/vendors.</p>
<p>Why this topic is material: The importance of implementing EOHSS within BCA supports the smooth running of its banking operations, especially during the pandemic. Occupational health and safety forms the basis for human resources and business sustainability. Responsibility for EOHSS management: Business Continuity & Crisis Management function in the Risk Management Working Unit, and Compliance & Risk Management Director. Related Policies/Regulations: Guidelines for Handling COVID-19. Evaluation mechanism: Number of work accidents, number of working days lost due to illness.</p>	

**Economic
Performance**

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
<p>Employees, Customers, General Public, Business Partners/Suppliers/Vendors, Regulators, Investors/Shareholders.</p>	<p>Business performance is carried out in accordance with the Bank's Business Plan (RBB). The impact of managing positive economic performance will provide value to all stakeholders.</p>
<p>Why this topic is material: Economic performance forms the basis for managing all the Bank's business activities. Responsibility for economic performance management: Corporate Finance Division report the economic performance to Corporate Secretary henceforth submitted to the Planning & Finance Director. Related Policies/Regulations: Financial Accounting Standards, Bapepam-LK regulation No.KEP-347/BL/2012 dated June 25, 2012, namely regulation No. VIII G.7 concerning "Presentation and Disclosure of Financial Statements of Issuers or Public Companies." Evaluation mechanism: Monthly financial audit by the Internal Control Function and by the External Auditor Tanudiredja, Wlbisana, Rintis & Rekan Public Accountant Firm.</p>	



Quality of Service and Digitalization

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
------------------------	--

Employees, Customers, General Public, Business Partners/Suppliers/Vendors. Service quality with technological innovation will have an impact on customer and partner trust. In the long run, this trust will be the basis for the reputation and sustainability of the Bank.

Why this topic is material: Excellent service quality is very important and needs to be managed and continuously improved to ensure customer trust. Digitalization innovation services are also an important aspect in the context of sustainability and adapting to the fast pace of change. BCA instills the "Customer Focus, Integrity, Teamwork and Strive for the Best" values to maintain the Company's internal synergy.
Responsibility for Quality of Service and Digitalization management: Operations-Services Strategy Development Division, Transaction Banking Products Development Division, Transaction Banking Director and Deputy President Director.
Related Policies/Regulations:
 1. The service standard uses SMART SOLUTION
 2. ISO 27001 standard certification on information security management systems
 3. A special security monitoring center (SMC) team that oversees all threats and attacks against information technology systems, both internal and external.
Evaluation mechanism: Customer engagement survey, branch service quality survey.



Product Portfolio

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
------------------------	--

Employees, Customers, Investors/Shareholders. A clear portfolio of products and services according to customer needs will have a positive impact on their business and financial transactions. On the other side, environmental, social, and governance (ESG) risk management will assist investors in making investment decisions.

Why this topic is material: Product portfolios, especially ESG-based financing are very important in the implementation of sustainable finance to reduce environmental and social risks that have an impact on financial performance.
Responsibility for loan portfolio with ESG insight: Corporate Banking, Transaction & Finance Group, Commercial Business & SME Division, Risk Management Work Unit, Compliance Work Unit and Planning & Finance Director.
Related Policies/Regulations:
 1. POJK 51/POJK.03/2017 concerning Sustainable Finance
 2. POJK 60/POJK.04/2017 concerning Green Bonds
 3. Board of Directors' Decree No. 196/SK/DIR/2019 concerning Sustainable Finance Provisions.
Evaluation mechanism: Non performing loans, portfolio growth, exclusion lists.





Protection of Customer Privacy and Data Security

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
------------------------	--

Employees, Customers, Regulator.	To maintain customer trust in BCA, data security and customer privacy are managed through an adequate IT system. Protection of customer data is also a form of respect for human rights.
----------------------------------	--

Why this topic is material: Personal data and financial security for customer privacy is the foundation of trust for the banking business. Thus, the privacy and security of customer data is a vital aspect to be maintained in accordance with regulations.

Responsibility for Protection of Customer Privacy and Data Security: Enterprise Security Unit and Deputy President Director.

Related Policies/Regulations:

1. The Information Security Management System for Data Center Network Services and Data Center Operation Services has received ISO/IEC 27001:2013 certification;
2. Board of Directors' Decree No. 011/SK/DIR/2019 dated January 25, 2019 concerning Revision of Head Office Information Security Policy and Region Office Information Security Policies;
3. Board of Directors' Decree No. 035/SK/DIR/2017 dated March 24, 2017 concerning Operational Risk Management Policy;
4. Board of Directors' Decree No. 164/SK/DIR/2015 dated November 20, 2015 concerning Consumer Protection Provisions.

Evaluation mechanism: Customer engagement survey.



Fraud Prevention

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
------------------------	--

Employees, Customers, General Public, Business Partners/Suppliers/Vendors, Regulators, Investors/ Shareholder.	Fraud and corruption behavior will have an impact on the loss of trust and ultimately harm the company.
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Why this topic is material: Financial crime is one of the main risks of financial institutions, especially with technological developments. Prevention of financial crimes includes anti fraud, anti-corruption, anti-money laundering, and anti-terrorism financing (APU/PPT).

Responsibility for fraud prevention: Anti Fraud Bureau Function, Compliance Work Unit, Compliance & Risk Management Director and President Director.

Related Policies/Regulations: OJK Regulation No. 39/POJK.03/2019 concerning Anti Fraud

Evaluation mechanism: Whistleblowing System, periodic audits at least every three years, Three Lines of Defense.





Training and Education

Boundary


Impact on Stakeholders	Impact Identification (Positive and/or negative)
Employees, Customers, General Public, Business Partners/Suppliers/Vendors.	Training and education have a positive impact on employee quality and increase employee productivity. Qualified employees will provide excellent service for customers.

Why this topic is material: Human resources (HR) are the driving force in the Company in providing services and maintaining the Bank's business continuity. Maintaining the trust of the general public, regulators, and suppliers starts when employees join the Company by instilling the BCA values through training and development. Having adequate competent and quality HR greatly supports the current and future business development. Therefore, HR quality and competence continues to be improved through training and development.

Responsibility for training and education: Learning and Development Division and Human Capital Management Director.

Related Policies/Regulations: PKB 2019-2021 chapter XXIV Human Resource Development article 71.

Evaluation mechanism: Using the step-by-step Kirk Patrick measurement model, to develop a 3600 rating model for training and development to measure effectiveness.



Financial Inclusion and Literacy

Boundary

Impact on Stakeholders	Impact Identification (Positive and/or negative)
Employees, Customers, General Public, Business Partners/Suppliers/Vendors, Regulator..	Financial products and services that can be easily accessed by customers will have an impact on the management of financial transactions.


Why this topic is material: It is the obligation of all banks, including BCA, and it is the responsibility of the Bank to provide services that are easily accessible and provide banking education so that in the long term it can help the national economy.

Responsibility for financial inclusion and literacy performance: Financial Inclusion Bureau, Corporate Social Responsibility Work Unit, Transaction Banking Director and President Director.

Related Policies/Regulations:

1. The Financial Literacy Program Management is carried out by the Corporate Social Responsibility Work Unit (SKCSR), through Board of Directors' Decree No. 125/SK/DIR/2016 concerning SKCSR Organizational Structure
2. Board of Directors' Decree No. 143/SK/DIR/2017 dated October 2,3, 2017 concerning the Financial Inclusion Bureau establishment
3. Circular No.168/SE/POL/2018 dated September 6, 2018 concerning Implementation Guidelines to Increase Financial Inclusion.

Evaluation mechanism: Achievement of targets for number of agents, number of accounts, number of participants in financial literacy.



Energy and Emissions

Boundary

Impact on Stakeholders

Impact Identification (Positive and/or negative)

Employees, Customers, Investors/Shareholders.

Controlled use of energy will help reduce emissions and have an impact on reducing CO₂ which causes climate change.

Why this topic is material: Energy and emissions are environmental aspects that affect human life, and can directly interfere with business continuity. Therefore, the Bank as a business entity that provides financing is required to support wise energy use and reduction of greenhouse gas emissions.

Responsibility for energy use and emissions reduction management: Procurement and Facility Management Division and Network Distribution Director.

Related Policies/Regulations:

1. POJK 51/POJK.03/2017 concerning Sustainable Finance
2. POJK 60/POJK.04/2017 concerning Green Bonds
3. Memo regarding Agent of Change

Evaluation mechanism: Calculation of energy efficiency and resulting emissions.



Boundary

Impact on Stakeholders

Impact Identification (Positive and/or negative)

Employees, Customers, General Public.

The presence of BCA has a positive impact on customers and society, especially as a driving force for the national economy.

Why this topic is material: Information on indirect economic impacts is important for stakeholders to report on BCA's performance and support, especially in helping improve community welfare.

Responsibility for economic performance management: Corporate Social Responsibility Work Unit and President Director.

Related Policies/Regulations:

1. Decree No. 132/SK/DIR/2020 dated July 24, 2020 concerning Additional Loan Restructuring Policy for COVID-19 Affected Debtors;
2. Decree No. 141/SK/DIR/2020 dated August 5, 2020 concerning Interest Subsidies for Micro, Small and Medium Enterprises Loans in the Context of the National Economic Recovery Program (PEN);
3. Decree No. 149/SK/DIR/2020 dated August 31, 2020 concerning Loan Guarantees for MSMEs Affected by COVID-19 in the Context of the National Economic Recovery (PEN);
4. Board of Directors' Decree No. 197/SK/DIR/2018 dated December 10, 2018 concerning Provisions for Micro, Small and Medium Enterprises (MSMEs) Loans;
5. Board of Directors' Decree No. 196/SK/DIR/2019 concerning Sustainable Finance Provisions.

Evaluation mechanism: Program Realization Report submitted to the Board of Directors and Board of Commissioners periodically.



Indirect Economic Impact



Validation and Verification [102-32, 102-56]

The contents of this report have been validated by internal parties and verified by an independent external party.



Internal parties:

- Data and information, including material topics were approved and validated by all data contributors and the highest management from related functions, to ensure the accuracy and reliability of the data.
- Disclosure of performance and sustainability strategy was reviewed by the Finance & Planning Director and other relevant Directors.
- The Board of Directors conducted a review of the verification results from an independent party.
- The Board of Directors and Board of Commissioners approval sheets are presented in this report.

External parties:

- Financial data, audited by Public Accounting Firm Tanudiredja, Wlbisana, Rintis & Rekan.
- The verification was carried out by SR Asia, an assurance service, using the AA 1000 AS (V3), Type 1 and 2 Standards, specifically for economic performance with a Moderate Level. The assurance process was one of the activities undertaken in developing this Sustainability Report to ensure the reliability of its information and data presented. BCA ensured that there was no conflict of interest in this verification process and that the selection of SR Asia as an assessor was determined independently.

Previous Year's Report Feedback

We received input related to the 2019 Sustainability Report with suggestions on how to improve the ESG performance continuously. Following this input, BCA has disclosed more information on reducing CO₂ emissions in an effort to reduce the impact of extreme climate change. This information disclosure is in response to questions from many investors, as well as the initiation of recording and development of climate change mitigation and adaptation strategies. Information on employment, diversity and equality, as well as human rights is also presented in a more comprehensive manner, complementing the information in the 2020 Annual Report.

We have also paid attention to the verification process (assurance) response in the 2019 report. We have adjusted the sustainability strategies and policies, and carried out stakeholder mapping to ascertain their input and needs. We have improved on the results of the strategy adjustments, stakeholder mapping, and identification of material topics, and these are presented in this report.

For the input received, BCA would like to extend our thank you and will continue to improve the quality of our reporting. Responses to this 2020 sustainability report can be submitted to: [102-3, 102-53]

Corporate Secretary and Communication

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SUSTAINABILITY GOVERNANCE

“Sustainability governance at BCA is implemented through management and business operation, in accordance with Good Corporate Governance (GCG) principles which are integrated with sustainability principles.”





Sustainability Governance Structure

BCA has established the Environment Sustainability Governance (ESG) Sub-Division based on the Board of Directors' Decree No. 136/SK/DIR/2019 dated August 30, 2019. Structurally, the ESG Sub-Division becomes part of the Corporate Secretariat and Communication Division under the Corporate Secretary. This division reports to the Finance and Planning Director who in turn reports the sustainable financial performance to the President Director.

The ESG Sub-Division main duties cover two aspects, namely:


Corporate Secretariat and Integrated Good Corporate Governance (GCG) Aspects

Increase corporate value through good corporate governance (GCG) principles implementation.

Sustainable Finance Aspects

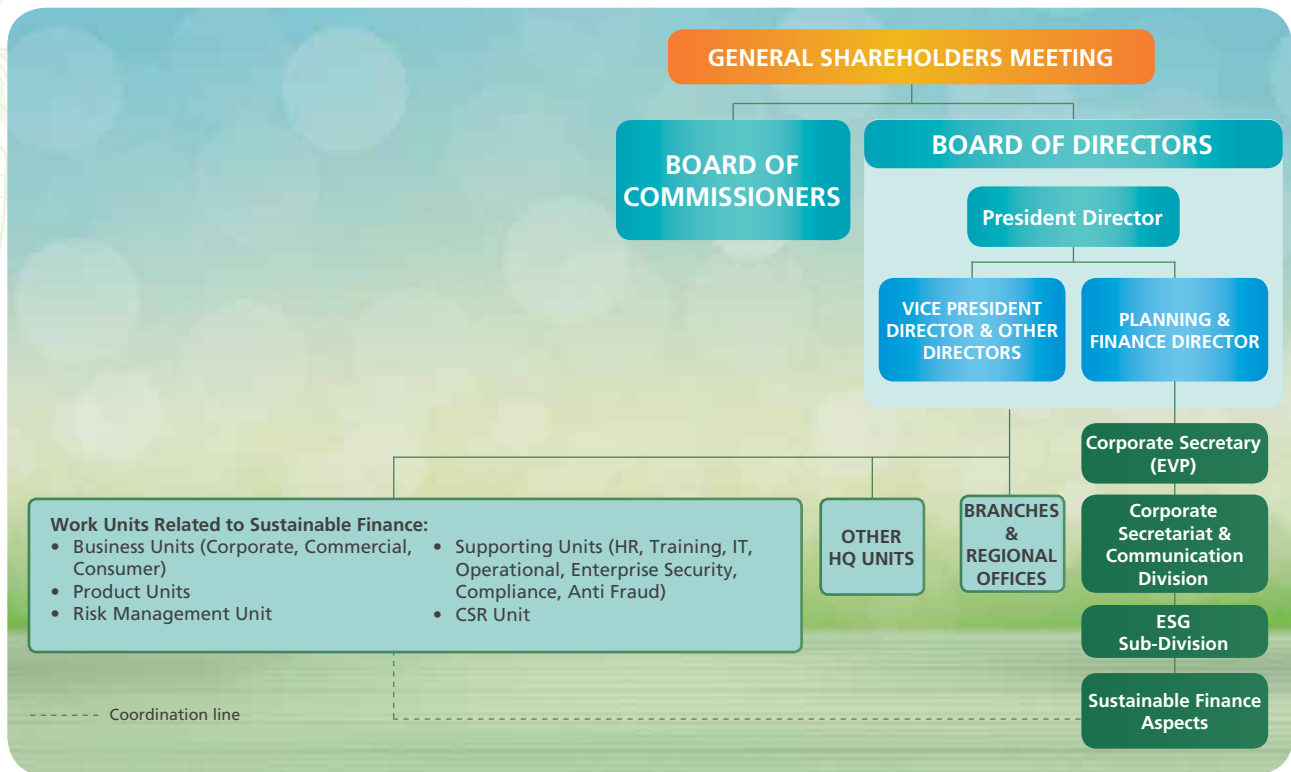
- Develop and implement a Sustainable Finance culture in the organization to support the Company's sustainability.
- Monitor the implementation of Sustainable Finance in accordance with the RAKB.

In building a culture of sustainable finance and compiling the RAKB, the ESG Sub-Division coordinates closely with related units, including the Corporate Banking, Transaction and Finance group, SME and Commercial Business division, Credit Analysis group, Procurement & Facility Management division, Risk Management unit and CSR unit, Operation Strategy Development division, and Strategic Information Technology group. The ESG Sub-Division ensures that Sustainable Finance is carried out optimally, and is measured by achievement of the RAKB targets that form the Key Performance Indicator (KPI). Even though there is an ESG Sub-Division, the overall implementation of sustainability governance is the responsibility of all BCA employees, including the Board of Commissioners and the Board of Directors who are involved in its supervision.

Throughout 2020, the ESG Sub-Division continued to disseminate an understanding of sustainable finance, one of them is through the Sustainability Awareness Month program. In addition, the ESG Sub-Division adjusted policies, provided input on the Sustainable Finance performance to the Corporate Secretary, and evaluated the implementation of the Sustainable Finance Action Plan. 

Complete information related to the highest governance bodies and committees composition, as well as performance evaluations for the Company's highest bodies can be found in the 2020 Annual Report.

Sustainability Governance Structure [102-18] [102-19]



Directors' Duties Related to Sustainable Finance

In general, the President Director and the seven Directors are collectively responsible for implementing Sustainable Finance, under the coordination of the Planning & Finance Director. Other Directors include the Credit & Legal Director, Corporate Banking Director, Network Distribution Director, SME & Commercial Banking Director, Human Capital Management Director, and Compliance & Risk Management Director. The Board of Directors ensures that there is no conflict of interest with management in managing the sustainability aspects. Through the General Meeting of Shareholders (GMS) BCA delivers its sustainability performance to its stakeholders, however, there is no specific voting policy on the environment or social issues. All shareholders still have the same voting rights to express their opinions.

The Planning & Finance Director's main duties related to sustainable finance, include: building and implementing a sustainable finance culture in various aspects of the organization, ensuring the application of the eight principles of sustainable finance, and the implementation of the Sustainable Finance Action Plan (RAKB); publication of Sustainability Report; and keep on monitoring sustainable finance issues. These duties are supported by all other members of the Board of Directors, and also includes the Board of Commissioners whose duties are to oversee all sustainable finance planning and implementation. Management's roles in sustainability governance are contained in the Board of Directors' Decree No 193/SK/DIR/2020 dated December 14, 2020 concerning Sustainability Governance.

During 2020, for its implementation of sustainable governance in line with all regulations, BCA did not receive any fines or sanctions related to legal violations of Bank Indonesia Regulations, Financial Services Authority Regulations, or other banking-related regulations. [FN-CB-510a.1]



Sustainability Strategy

For BCA, sustainability is part of Bank’s commitment to realizing its Vision and Mission, as well as to create a better future for all stakeholders. BCA makes this happen by implementing Sustainable Finance and supporting the achievement of the Sustainable Development Goals (SDG).

BCA’s Sustainable Finance Vision and Mission was established through the Board of Directors’ Decree No. 196/SK/DIR/2019 dated November 29, 2019, and forms the basis for implementing Sustainable Finance. BCA’s strategy to maximize the Sustainable Finance implementation is also supported by the Environment Sustainability Governance (ESG) Sub-Division that was formed based on the Board of Directors’ Decree No. 136/SK/DIR/2019 dated August 30, 2019, as well as the approval of the Sustainability Governance Guidelines.

To strengthen its commitment, BCA periodically reviews all ESG policies and procedures that have been implemented. Besides, BCA has developed a Sustainable Finance (SF) Policy and mapped the Sustainable Business Activity Category (KKUB) as a guideline for implementing the Bank’s business activities that support the SDGs. This policy is used as a tool for monitoring and evaluating the implementation of Sustainable Finance through an internal audit process at least once every three years. BCA already has KPI in the work units to measure their sustainability performance.

Sustainable Finance [102-16]

Vision



To be the Bank of choice and a major pillar of the Indonesian economy, that aligns with Indonesia’s sustainable development.

Sustainable Finance

Values

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

Sustainable Finance [102-16]

Mission



To align all our corporate activities with the principles of sustainable finance.

The Sustainability Strategies to support the implementation of sustainable finance include:

- Provision of financing for sustainable business activities
- Improving internal capacity, and
- Adjusting the organization, risk management, corporate governance, and/or standard operational procedures.



Support for the Sustainable Development Goals

“This year we started **inventorizing** the **CO₂ emissions** resulting from our banking activities in 6 head office buildings and 115 of our 138 Main Branch Offices as an effort to mitigate the negative impact of global warming.”

In 2020, BCA developed three pillars as part of its strategy for supporting sustainability, covering Responsible Banking, Sustainability Culture and Social Value Creation. The three pillars fall under the Corporate Vision, Mission and Values, and the Sustainable Finance Vision, Mission, and Values. For each Pillar, the scope of activities covers the economic, environment, social, governance aspects. These three pillars form BCA's strategic direction when conducting its sustainability activities and support the achievement of the Sustainable Development Goals (SDGs).

Sustainability Pillars

BCA Sustainability Pillars

Determining BCA's main support for



The Sustainable Development Goals

Of the 17 Sustainable Development Goals (SDGs)
BCA has prioritized the following 9 goals:



The Implementation of Policies and Strategies



Responsible Banking Pillar

This pillar covers the key material topics for the Bank to conduct its business responsibly and support the achievement of the Sustainable Development Goals



Sustainability Culture Pillar

This pillar covers the implementation of sustainability values and Bank's efforts to carry out its operational activities responsibly.



Social Value Creation Pillar

This pillar covers the community engagement and empowerment programs:

- Bakti BCA program
- Financial literacy & inclusion program



Mapping of Priority Sustainable Development Goals (SDGs) is carried out through the SDG Compass stage.

01 **Understanding the Sustainable Development Goals**
 An understanding of the importance of aligning each SDG goal to a sustainable business activity is carried out continuously, one way was at the second quarterly analyst meeting on July 27, 2020.

02 **Determining Priorities**
 Internal discussions with the Planning & Finance Director on mapping the business strategies, objectives, and targets related to SDGs. As a result, nine SDGs were prioritized to receive BCA's support.

03 **Determining the Targets**
 Targets are set in line with the strategies and business objectives, in accordance with the SDGs support priority.

04 **Integration**
 The integration stage involves mapping each target to a key performance indicator (KPI) for each work function.

- Building learning culture to fulfill SDG 4 as KPI for all members of the Board of Directors
- Supporting Sustainable Finance to fulfill SDG 7 and 8 as KPI for all members of the Board of Directors
- Bank soundness level to fulfill SDG 8 and 16 as KPI for all members of the Board of Directors.
- IT Development Project, IT Infrastructure and platform - always on to fulfill SDG 9 as KPI for the Deputy President Director
- Oversee Corporate Social Responsibility Program to fulfill SDG 10 as KPI for the President Director.

05 **Reporting and Communication**
 All targets and performance achievements are evaluated regularly and submitted to the Director of Planning & Finance as part of our improvement process.

Support for Priority Sustainable Development Goals

BCA mapped the Sustainable Development Goals to support its achievements. BCA prioritized nine objectives for its internal and external activities, namely goals 3, 4, 5, 7, 8, 9, 10, 13 and 16.

Target Achievement 2020:

- Zero work accidents
- Implemented health programs, including health talk, health training, health education via video and infographics.
- Cooperated with Halodoc for online consultations.
- Provided a counseling program for employees in need.
- Developed green offices with open and more ergonomic work spaces.
- Implemented work from home program.

Target 2021:

- Zero work accidents
- Improving activities that have been carried out in 2020.

Achievement Strategy:

1. Instigate strict health protocols based on Memorandum 685/MO/HCM/2020.
2. Organize virtual health activities due to the pandemic.

Good Health and Well-Being



Target Achievement 2020:

- Sustainable Finance training for 23% of the employees directly involved in sustainable finance.
- 30 permanent employees receive S2 scholarship.

Target 2021:

- Sustainable Finance training participants 20% of the employees directly involved in sustainable finance.
- 30 Permanent employees receive S2 scholarships.
- Reach 105.5 thousand participants of financial literacy and inclusion.

Achievement Strategy:

1. Develop e-learning training programs, in-class training, in collaboration with educational institutions.
2. Develop a selection filter for scholarship recipients.
3. Cooperate with third parties to organize financial literacy and inclusion activities.

Quality Education



Gender Equality



Target Achievement 2020:

- 56.7% female branch bank heads of the total bank branch heads.
- Equal remuneration for female and male employees at the same entry level (male employee is 2.8% higher than female employee).
- 878 women (47.7%) of the total employees fill middle-up manager positions.

Target 2021:

- Maintain an equal percentage of female and male employees with opportunities to:
 - serve as Branch Head.
 - fill a position as a middle-up manager.

Achievement Strategy:

1. Application of CLA Preamble and Article 59 paragraph 2 Point i concerning equal rights and the prohibition of any discrimination against employees.
2. Support the careers of female employees up to managerial level or above.
3. Provide equal services for both male and female customers, so that BCA can maintain its business relationships.
4. Start planning to formulate internal BCA gender equality policies.

Affordable and Clean Energy



Target Achievement 2020:

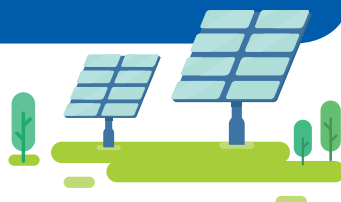
- Average growth of 1.5% in sustainable business activity category (KKUB) financing portfolio.
- Calculated the emission data for 6 Head Office buildings and 115 of the 138 Main Branch Offices.

Target 2021:

- 5.5% increase in KKUB portfolio.
- Calculate the emission data for all Branch Offices.

Achievement Strategy:

1. Provide syndicated loans for Hydro Power Plant (PLTA) and Mini Hydro Power Plant (PLTMH) projects.
2. Cooperate with ICED and/or financing on a bilateral or syndicated basis with other financial institutions.
3. Map the mitigation strategies for reducing CO₂ emissions at BCA Buildings in stages.





Target Achievement 2020:

- People's Business Credit (KUR) realization of Rp132.7 billion.
- Laku BCA Development:
 - Number of agents: 2,633 people.
 - Number of accounts: 152,678.
 - Total funding of Rp23.5 billion.



Target 2021:

- KUR target of Rp138.3 billion.
- Laku BCA Development:
 - Number of agents: 2,850 people.
 - Number of accounts: 236,000.
 - Total funding of Rp21 billion.

Achievement Strategy:

1. Disburse 60% of KUR financing to the production sector (non-trading).
2. Provide equal employment, education and career opportunities in line with Policy No CLA 2019-2021 (article 11, article 71).
3. Provide inclusive financial services, including Laku BCA, Duit, SimPel, Tabunganku.
4. Map the banking services required to provide financial access to the unbankable community.
5. Carry out Bakti BCA community empowerment and business training activities.
6. Cooperate with village administrators, local communities, and local governments.

Decent Work and Economic Growth



Target Achievement 2020:

- Customer engagement index (CE): 4.67 (from a scale of 5).
- Branch service quality index (BSQ): 4.87 (from a scale of 5).
- No complaints received regarding data privacy and security.
- 1.6 million new accounts opened using digital banking.

Target 2021:

- CE Active index: 4.65.
- BSQ Index: 4.70.
- There will be no major fraud.
- No complaints received regarding data privacy and security.
- 2 million new accounts opened using digital banking.

Achievement Strategy:

1. Develop digital innovations through digital banking features and solutions.
2. Conduct digital banking education and socialization, for example - opening an online account.
3. Improve service quality through training and appreciations.
4. Ensure implementation of ISO 27001-information security management system.
5. Implement machine learning and artificial intelligence.
6. Implement data loss prevention (DLP) and two-factor authentication for electronic information security.

Industry, Innovation, and Infrastructure



Climate Action



Target Achievement 2020:

- 1.5% increase in KKUB portfolio.
- The level of 'efficiency' for energy consumption intensity in the head office buildings at Landmark Pluit and Wisma Pondok Indah were in accordance with SNI 03-6196-2000.

Target 2021:

- 5.5% increase in KKUB portfolio.
- Expanding the scope of Agent of Change (AOC) from the Head Office (33 Divisions) and 138 KCUs (main branches), to increase awareness of achieving GHG emission reduction at the Head Office and KCU.
- Develop a database to collect records on the impact from operational activities on climate change.
- Expand GHG reduction targets for Scope 1 and 2.

Achievement Strategy:

1. Finance products that reduce the use of natural resources and produce less pollution.
2. Finance railroad projects (LRT, commuter line, and railink), as well as financing waste treatment installations.
3. Reduce paper usage, use teleconferencing, video conferencing, smart buildings, and digital services.
4. Provide insights into environmental, social, and governance (ESG) aspects to prospective debtors.
5. Disburse bilateral or syndicated financing with other financial institutions to ESG-oriented businesses.
6. Adaptation behavior in smart building and implementation environmentally friendly technology, a culture of sustainability, and educate employees through agents of change.



Reduce Inequality

Target Achievement 2020:

- Average of 29.1 training hours/employee in one year.
- Financial literacy and inclusion to 105,222 participants.
- Remuneration for employees above the minimum wage.
- KUR disbursements of Rp132.7 billion.

Target 2021:

- Average of 37 training hours/employee in one year.
- Financial literacy and inclusion to 90,000 participants.
- Remuneration for employees above the minimum wage.
- KUR financing of Rp138.3 billion.

Achievement Strategy:

1. Equal remuneration for female and male employees based on work performance.
2. Conduct planned and targeted training.
3. Carry out financial literacy and inclusion activities in collaboration with third parties.
4. Implement the Bakti BCA programs.



Peace, Justice, and Strong Institutions

Target Achievement 2020:

- 100% regulatory compliance.
- Zero reports of corruption.
- Maintain BCA's position as 'Best Financial Sector'.

Target 2021:

- 100% regulatory compliance.
- Zero reports of corruption.
- BCA's minimum bank soundness rating was 2.

Achievement Strategy:

1. Evaluate all business activities are in accordance with regulations.
2. Make the whistleblowing system more effective.
3. Conduct training and socialization on the code of ethics.



Stakeholder Engagement [102-40, 102-42, 102-43, 102-44]

BCA identifies key stakeholders, namely parties related to the bank’s business activities that influence the Company’s sustainability and vice versa, including the involvement of local parties related to the Sustainable Finance process. There are seven key stakeholder groups that have been mapped to their needs, and BCA’s engagement and needs response. This stakeholder engagement is managed collectively by various units, one being the Corporate Secretary & Communication Division.

Method of Engagement and Frequency		Significant Topics and Stakeholder Needs	Respons to Stakeholder Needs
Meetings/Mean of Engagement and Frequency			
 <p>Regulator</p>			
<ul style="list-style-type: none"> Compliance implementation report, at least once a year, or incidentally Evidence of the announcement for the Annual and Extraordinary General Meeting of Shareholders (AGMS and EGMS), a summary of the Consolidated Financial Statements, at least once a year or incidentally Monthly reports, Public Expose Implementation Plan, at least once a year or incidentally 	<ul style="list-style-type: none"> Compliance and implementation of the precautionary and governance principles Environmental and social risk analysis for lending Anti Fraud and anti corruption, Anti Money Laundering/Terrorism Financing Prevention Green banking Financial inclusion and literacy Sustainable finance Payment of taxes and other obligations 	<ul style="list-style-type: none"> Implement compliance Prepare a Sustainable Finance Action Plan (RAKB) Prepare annual report and sustainability report Ensure governance is carried out properly Establish an ESG Sub Division to monitor the implementation of the RAKB and green banking Increase the reach of banking access Pay taxes according to obligations and on time 	
 <p>Investors and Shareholders</p>			
<ul style="list-style-type: none"> GMS at least once a year Quarterly reports, every quarter Annual reports Sustainability Reports 	<ul style="list-style-type: none"> Financial performance Improved information on environmental, social and governance (ESG) performance Security of customer privacy in the use of digital products Support for actions to address climate change Loan management 	<ul style="list-style-type: none"> Carry out a strategy to achieve business targets Disclose ESG performance information more comprehensively in the Sustainability Report Follow up recommendations on ESG aspects from rating agencies and observers Develop a Security Monitoring Center (SMC), implement Data Loss Prevention, and continuously improve IT systems to anticipate cyber crime Develop strategies and road maps for action to address climate change Pay attention to the loan portfolio mix, maintain the level of Non-Performing Loan (NPL) The Investor Relations work unit held 213 meetings during 2020 	
 <p>Employees</p>			
<ul style="list-style-type: none"> Internal communication media, periodically Internal meetings based to the needs of the related divisions, at least once a year Sharing Sessions, regularly Sports and artistic events, regularly 	<ul style="list-style-type: none"> Training and education Career path planning Employee understanding of Human Resources (HR) management support applications Equality, health, safety and security of employees (K5) Work and retirement welfare Freedom of association Balance of life and work to enable employees to stay fit 	<ul style="list-style-type: none"> Availability of communication facilities, for example internal media, gatherings, sharing sessions, and Halo SDM Availability of a whistleblowing system In-class training and e-learning Performance appraisals and promotion systems Provide adequate work facilities to ensure K5 The existence of a Labor Union Provide welfare during work and retirement Guarantee the safety and rights of employees in accordance with the Collective Labor Agreement (CLA) Availability of facilities and infrastructure to carry out activities 	



Method of Engagement and Frequency		Respons to Stakeholder Needs
Meetings/Mean of Engagement and Frequency	Significant Topics and Stakeholder Needs	
<p>Customers</p>		
<ul style="list-style-type: none"> Banking activities at branch offices, frequency at any time Other meetings, frequency at any time if needed 	<ul style="list-style-type: none"> Sufficient information on financial products and services Competitive lending rates Data confidentiality and customer privacy Excellent service and innovations Banking access Fraud prevention 	<ul style="list-style-type: none"> HaloBCA: 1500888, websites and social media Information on banking products and services available on the BCA website Provide loan interest rates by taking into account the interest rates set by Bank Indonesia Quality service with regular customer surveys Develop technological innovations Security Monitoring Center (SMC), running Data Loss Prevention (DLP), and continue to improve technological innovation systems to anticipate cyber crime Implement financial inclusion and literacy Run SMART SOLUTION
<p>Business Partners/Suppliers/Vendors</p>		
<ul style="list-style-type: none"> Interaction through website, any time Code of conduct for vendors, socialization of procurement requirements annually Meetings with the Logistics and Procurement Division, if needed at least once a year 	<ul style="list-style-type: none"> Openness in building cooperation Clear tender procedures Smooth communications Occupational health and safety (OHS) Timely payments 	<ul style="list-style-type: none"> Provide the required information Instigate fair and appropriate partner selection process Socialize procurement procedures policies Instigate good communications and cooperation Ensure healthy and safe working conditions Payment system according to work contracts
<p>General Public</p>		
<ul style="list-style-type: none"> General seminars or training, held regularly Community development activities Meetings with institutions related to Sustainable Finance, including WWF, USAID-ICED 	<ul style="list-style-type: none"> Continuity of empowerment programs over the following years Education and training Strategically assisted Bakti BCA programs Banking access 	<ul style="list-style-type: none"> Bakti BCA program Internships and provision of job opportunities as needed Financial inclusion and literacy programs
<p>Media</p>		
<ul style="list-style-type: none"> Banking information, periodically or incidentally Media coverage (print, online, electronic) Daily communication 	<ul style="list-style-type: none"> Schedule of meetings during press conferences Clarity of material to be reported Similarity in perception and knowledge regarding ESG to facilitate reporting 	<ul style="list-style-type: none"> Provide 138 press releases in 2020 Develop communication facilities, for example press conferences, pressrooms on the BCA website, e-mail humas@bca.co.id Update information related to banking solutions or company performance on the www.bca.co.id website

Note:
The method of mapping and stakeholder engagement is carried out in accordance with the AA1000 SES: 2011 Stakeholder Engagement Standard, namely: dependency, responsibility, tension, and influence.

● dependency ● responsibility ● tension ● influence

Sustainable Finance Competency Development

The number of participants in the Sustainable Finance training in 2020 reached 23%, exceeding the target of 15% of the total employees directly related to Sustainable Finance. Of the total 874 participants include 6 Board of Director, 719 were employees directly related to sustainable business activities (credit-related work units). This training was held internally through 3 webinars. BCA also included representatives from the subsidiaries and members of the Board of Commissioners Support Committees as training participants.

Sustainable Finance Training Participants

Departmental Level	Number of Participants (people)		
	2020	2019	2018
Board of Commissioners	-	3	-
Directors	6	8	2
Senior Manager	36	70	15
Middle Manager	306	162	45
Line Manager	341	221	70
Staff	185	185	24
Non staff	-	7	-
Total	874	656	156

On the external side, BCA began to actively provide education and share experiences related to sustainability to BCA's stakeholders. On July 30, 2020, BCA was invited to share its experiences in one of the Sustainability Basic Knowledge training sessions, addressed to students and lecturers at the Faculty of Business Economics (FEB) Unika Atmajaya. BCA also became a resource person for Sustainability Business in BCA and Services Excellent HaloBCA, addressed at all Prodia management levels on October 6, 2020. For its vendors, BCA collaborated with BPJS Ketenagakerjaan to provide webinars related to Sustainability Business on December 18, 2020, which were attended by 827 participants with the BCA Director of Planning and Finance as a resource person.

Sustainable Finance Training Module Development [FS4]

BCA develops its Sustainable Finance training module material by involving stakeholders through dialogue and discussion. The training modules have been completed and will be used starting in 2021. There are also e-learning based training modules on the application of environmental and social procedures within the business lines, especially the credit line. The availability of comprehensive training modules is expected to help improve employees' competencies to enable them to identify potential debtor businesses, in accordance with the ESG aspects.



Sustainable Finance Risk Identification Procedure [102-11, F52, F59] [FN-CB-410a.2, FN-CB-550a.2.]

”

BCA has a policy to minimize lending risks, not only for the economic aspect, but also for the environment, social and governance aspects, including the risk of climate change that over time could have a significant impact on lives.

”

To enable us to address sustainability risks, BCA conducts routine stress tests to ensure there is an understanding in the Company of the business dynamics, including the dynamics caused by the COVID-19 pandemic. Sustainable financial risk management has become a part of corporate risk management that must be evaluated every year. The President Director and the Director of Planning & Finance actively supervise the implementation of the RAKB, where every three months the RAKB performances are delivered in the Analyst Meetings. The ESG-oriented credit management is carried out by the Corporate Banking, Transaction & Finance Group, Commercial & SME Business Division, Credit Risk Analysis Group, under the supervision of the Director of Corporate Banking, Director of Commercial Banking & SME and Director of Credit & Legal.

BCA has identified that the Sustainable Finance risk lies in the provision of credit with ESG insight. We have adjusted the credit terms for businesses that have a high ESG risk. ESG risk identification is carried out at the time of reviewing the credit proposal. All policies and procedures related to the social environment and governance have been regularly reviewed by BCA management as needed, the previous review was conducted in 2019. These results will affect the risk rating of the debtor and determine the credit decisions. Periodically, the Risk Management Unit monitors the loan portfolio, including ensuring that the portfolio is properly diversified according to the Bank's risk appetite. During 2020, monitoring was carried out monthly, and the results were submitted to the Risk Director and the Director for each business unit (Corporate, SME and Commercial, and Consumer).

For debtors who have complied with the basic credit requirements, but have not met the ESG aspects, BCA agreed on an action plan with the Debtor based on a certain deadline to improve its performance in accordance with the conditions of each debtor.

All debtors must provide information in accordance with their performance. At least once a year, at the same time as credit extension and/or credit facility review, the Credit Team will supervise the performance.

BCA also implements an escalation scheme involving the Credit Committee, which functions to provide decisions or recommendations on credit submitted by large debtors, specific industries, and if there is a special request from the Board of Directors. The Credit Committee is directly responsible to the Board of Directors for its performance. In addition, BCA also conducts audits with a minimum frequency of once every three years covering the suitability of the application of environmental and social policies in the credit extension process.



● Sustainable financing for Ginger Emprit farmers.



Credit Approval Process Mechanism

Marketing

- The Bank only provides loans to individuals and companies that have a healthy business, trustworthy governance, and have the ability to pay off their loans.
- Specify one KKUB in the sustainable financing classification.

Credit Analyst

- Assesses the business prospects of (potential) debtors, including potential business growth, market conditions, quality of management and workforce, Environmental Impact Analysis (AMDAL) documents, and Assessment of Company Performance Rating in Environmental Management (PROPER)
- Specify one KKUB in the sustainable financing classification.

Compliance Unit

- The Compliance Unit is responsible for reviewing compliance with regulations, including loan restructuring, and loan extensions/changes.

Decision Maker

- The decision maker from the business development side and the decision maker from the credit risk analysis side jointly have the main responsibility for making credit decisions.

Branches/Credit Unit

- Monitors and follows up credit transactions based on the PROPER assessment. If the PROPER assessment results still do not meet the requirements, it is necessary to have a follow-up plan agreed upon by BCA and the debtor as well as monitoring the results within a certain period of time.

Supervision

- Monitors and detects any potential non-performing loans early and takes immediate action to avoid losses. Supervision is carried out by the Internal Audit Division and the Risk Management Unit (SKMR).



Environmental, Social and Governance (ESG) Risk Management Policies Implementation [102-11, FS1, FS2, FS3]



Jaideep Singh & Ivan

Representatives of APG Investment Management Investors

“BCA’s management quality and performance across cycle have led to APG’s long term investment in and engagement with the bank. We strongly support BCA’s effort to improve its ESG disclosure and encourage management to prudently integrate ESG in its business. We would like BCA to demonstrate responsible leadership in the banking industry in a part of the world that is home to technologically inclined young demographics and also some of the world’s most sensitive biomes.”

BCA applies ESG risk management using a precautionary approach that is in line with the Sustainable Finance implementation. In 2020 BCA has reviewed the ESG policies and procedures that have been implemented. In addition, BCA has also implemented seven new policies related to Sustainable Finance and COVID-19. Policies related to Sustainable Finance are reviewed periodically or as needed.

In general, the entire process of providing BCA loans is carried out in accordance with the General Loan Requirements Manual. However, specifically for managing loans with ESG risk, BCA has implemented policy No. 169/SK/DIR/2020 dated October 23, 2020 concerning non-financing to prospective debtors who have businesses with risks pertaining to:

- Illegal logging activities, production and trade in timber or other forestry products from forests that are not sustainably managed.
- Activities that involve all forms of forced labor or exploitation of children under the age or violations of human rights (such as: prostitution, people trafficking, smuggling).
- Production, trade, shipment and import of weapons outside an official business entity/institution that has received special permission/special legality from the Government.
- Production, trafficking of narcotics, psychotropic substances and addictive substances outside an official business entity/institution that has received special permission/special legality from the Government.

- Activities that have a negative impact on UNESCO World Heritage Sites or national and/or international protected areas.
- Activities that violate the rights of local communities, such as activities that take over land ownership from the customary communities/indigenous people without the consent of the communities/residents.
- Trade activities in wildlife or wildlife products (such as ivory, horns, shark fins).

Relevant general policies with ESG risk management implemented with refers to various regulations, including Guidelines Implementation of ESG Integration for Banks issued by OJK in 2015; BCA’s Basic Bank Credit Policy (KDPB); Law No. 32 of 2009 on Environmental Protection and Management; as well as Law No. 13 of 2003 on Labor, which is in line with the basic principles of the International Labor Organization (ILO).

To ensure that the financing we provide supports ESG, BCA researches debtor information as to whether there are any warnings/violations/problems related to ESG. BCA periodically updates its debtor data regarding ESG compliance. Identification is also carried out based on certain standards for the MSME sector debtors, for example empowering women or financing in outermost, frontier, disadvantaged (3T) areas.

“ BCA has established an ESG risk management policy with an exclusionary principle, which covers:

- Requirements for debtors/prospective debtors to fulfill environmental regulations in accordance with the type and scale of the business activity's impact, which includes environmental permits accompanied by environmental impact analysis (AMDAL) documents, environmental management efforts/environmental monitoring efforts (UKL/UPL).
- Results of the environmental management performance assessment (PROPER) issued by the Ministry of Environment. If the PROPER assessment results do not meet environmental requirements, then BCA will request more information on the debtor's follow-up. Currently, BCA demands a minimum requirement of PROPER Blue for each debtor as a sign of compliance with all environmental regulations.
- Climate change risk, one of which is through risk management and three lines of defenses carried out by internal control.
- For debtors with significant risks to climate change, forest destruction and biodiversity, BCA will request a risk mitigation plan be periodically submitted as an improvement report.

Climate Change Risk Identification

In 2020, BCA started to raise awareness among the risk management teams on the impact of climate change. BCA has conducted a preliminary assessment of the climate physical risks and the result shows that climate physical risks are related to the agriculture, construction, and infrastructure sectors.

BCA has identified eight (8) economic sectors related to climate physical risks namely (1) Agriculture, hunting, and forestry (2) Fishery (3) Manufacturing (4) Electricity, gas, and water (5) Construction (6) Wholesale and retail trading, (7) Transportation, warehousing, and communications and (8) Real estate, rental and business services. Some of the possible climate risks identified in these sectors include harvest failure, delay or inability of operations, damaged infrastructure, and delayed projects, which pose risks on the ability of debtors to repay the loan to BCA. Debtor profiles associated with climate change risk include the corporate, commercial enterprises, and public sectors. The risk mitigation carried out by BCA for business sectors at risk of climate change is by implementing an ESG risk management policy, which is an exclusionary principle.

BCA understands that all parts of the country need to support reducing any risk from climate change. Therefore, to support the Government's call to move towards a low-carbon economy, BCA has begun to map transition risks due to climate change. In addition, BCA also supports Indonesia's ratification of the Paris Agreement, and its pledge to reduce GHG emissions by 29% by 2030.

Sustainable Finance Achievements, Opportunities, and Challenges

Since applying the sustainable finance concept, BCA's achievements, opportunities, and challenges have included. BCA's Sustainable Finance achievements and support:

- Participating in the establishment of the Indonesian Sustainable Finance Initiative (IKBI);
- Being ranked second in the private banks with the largest KUR funding category in 2020;
- Receiving appreciation at the 2020 Environmental, Social & Governance Award (ESG) organized by Investor Magazine;
- BCA received an award from ACGS for governance as an Asset Class Company 2020;
- A+ rating for public company with Best Sustainability Report 2019 from Foundation For International Human Rights Reporting Standards (FIHRRST).



The challenges faced when applying Sustainable Finance include:

- Gaps in the understanding and competence of its internal and external stakeholders;
- The rapid changes in information technology, increasing the risk of disruption for banks;
- Tight business competition between banks, many kinds of regulations, and e-commerce competition from non financial institutions.

The opportunities identified when applying Sustainable Finance include:

- More and more businesses are starting to pay attention to environmental aspects when doing business;
- There is increasing attention from the Government and investors regarding sustainable business that delivers environmentally friendly products, for example electric vehicles, use of renewable energy, and green certified buildings;
- Number of MSMEs that started their business by recycling waste;
- Emergence of technology-based MSMEs that can reduce transportation or paper.

Challenges and opportunities go hand in hand, however BCA remains optimistic that the opportunities and plans for its KKUB lending can increase within a range of 5.5%, including KUR financing that is targeted to reach Rp138.3 billion in 2021. Since first applying sustainable finance, BCA has not faced any significant problems or challenges.

Sustainable Finance Action Plan (SFAP/RAKB)

In line with OJK regulations, BCA prepares a RAKB for a five-year period. The RAKB is prepared in line with the business strategies and support for the SDGs. In the RAKB, BCA reports increases in its sustainable finance portfolio, including its financing quality targets and achievements based on KKUB, for the MSME and Non-MSME segments

By the end of December 2020, the Sustainable Finance portfolio had increased by 1.5% with the non-MSMEs environmentally friendly business (KUBL) category growing by 14.0%, and MSMEs decreasing by 5.2%. This achievement was below the target set of 7% due to the conditions caused by the COVID-19 pandemic.

During 2020, internal capacity building was carried through sustainable finance training for units directly related to KKUB financing, 874 or 23% of the total employees attended Sustainable Finance training, exceeding its target of 15%. [FS4]

The development of Sustainable Finance was also supported by adjustments to corporate governance and policies, including:

- a. Board of Directors' Decree No. 193/SK/DIR/2020 dated December 14, 2020 concerning Sustainability Governance Framework;
- b. Board of Directors' Decree 169/SK/DIR/2020 concerning updating the Basic Bank Credit Policy (KDPB) by adding an exclusion list related to ESG;
- c. Circular No. 114/POL/2020 concerning updating the provisions in the BCA Associate Data Management Centralization that added a Partner Compliance Statement document with provisions related to ESG, and the implementation of a Occupational Health and Safety (OHS) management system;
- d. Adding KKUB information to the ICOS (Integrated Credit Origination System) application;
- e. Board of Directors' decree No. 139/SK/DIR/2020 concerning Anti Fraud Declaration and Integrity Pact;
- f. Board of Directors' decree No. 017/SK/DIR/2020 concerning the policy on the provisions for environmentally friendly property and motor vehicle loans;
- g. Issuance of BCA policies related to COVID-19 for BCA customers, debtors and employees.



TOGETHER THROUGH PANDEMIC CHALLENGES

"PT Bank Central Asia Tbk (BCA) as part of national banking continues to show support against various policies and appeals from government in the midst of the COVID-19 pandemic situation."





#ServingOurCustomer

The Novel Coronavirus or 2019-nCoV Pandemic brought many major changes, not only in Indonesia but also across the world. The rapid and massive spread prompted the Government to take action and to introduce policies to handle the situation. At the Presidential press conference at the Bogor Palace on March 15, 2020, the President called out the people to work from home, study at home, and pray from home. Since then, Government and all levels of society have campaigned for social distancing to prevent COVID-19 spreading.

BCA immediately responded to this call and adapted its banking business activities. The safety, security and health of its employees, customers and the general public has become the primary concern for BCA.

*#ServingOurCustomer #CaringOurEmployeee
#HelpingOurCommunity*

CUSTOMER HEALTH AND SAFETY WHEN DOING TRANSACTIONS IN BCA OFFICES

In order to support of the Government extension of Government Regulation No. 21 Year 2020, and the Ministry of Health Regulation No. 9 Year 2020, concerning large-scale social restrictions (PSSB) for Accelerating the Handling of COVID-19, BCA instigated adjustments to its Branch Office services.

BCA is committed to always supporting the Government and banking regulator policies to minimize COVID-19 spreading in Indonesia. Therefore, management instigated policy steps to adjust branch office operations from April 20, 2020 to April 30, 2020, and the weekend banking services have not been operational until now.

Banking is an important sector that has to operate as usual. To protect its customers, employees, guests and the public, as well as to ensure customer cleanliness and comfort when making transactions at the branch offices, BCA implemented a number of health protocols, and guidelines for banking services.

BCA also made use of technology by developing a self assessment application that can be accessed by scanning a QR Code or via a link. Everyone arriving in a BCA area will have to fill in and show the self assessment results to building officials before entering the office areas. The Risk Management Unit prepared mechanisms for coping with any abnormal conditions that occurred.

Health Protocols include:

- Every person coming to a BCA office branch area, whether customer or employee, must undertake a body temperature check, wear a mask and undergo a health self-assessment.
- Social distancing is required in the elevators, banking halls, ATMs using signs to indicate queuing distance and which chairs to sit in.
- Partitions installed at all teller counters and CSO stations.
- Hand sanitizer provided for customers in easily accessible locations.
- All facilities periodically disinfected.



CONVENIENCE OF TRANSACTIONS WITHOUT LEAVING THE HOME & ADAPTING TO NEW NORMAL TRANSACTIONS

#WorkFromHome #BankingFromHome #DibikinSimpel

BCA remains committed to serving its customers and is "always by your side." To help BCA customers conduct their transactions and activities, BCA immediately responded by introducing #BankingFromHome, making it easier for customers to conduct their transactions without leaving their homes, and provided a sense of comfort and safety for customers.

BCA actively socialized its digital banking solutions so that customers did not have to leave their homes through websites and other communication media. Various solutions included opening an account online, checking information, making payments, purchases and money transfers can be done by the BCA banking solutions. BCA stakeholders, including the media, have helped BCA expand and speed up this education.

Making Life Easier, Three Features in the New Normal Era for Security & Convenience of Transactions

1. A QR feature with BCA mobile that allows customers to pay for their shopping using QRIS payments. QRIS is a payment network that uses QR Codes with BCA mobile and other payment applications where BCA supports the Government and has implemented cashless payments via QRIS. In addition, QR with BCA mobile makes it easier for customers to make touch-less payments for their shopping at various merchants who cooperate with BCA.

2. The Cardless Cash Withdrawal feature in BCA mobile allows users to withdraw cash without an ATM card. This feature supports customers in the new normal era who are looking for minimal physical contact with objects or other things.
3. Mastercard Debit Online feature, a feature that makes it easier for customers to make online transaction payments. Uniquely, the Debit Online BCA feature gives customers flexibility in managing their online transactions using BCA mobile. This new feature provides customers with two benefits at the same time, namely easy and unlimited transaction control.

Customer Needs, BCA's Top Priority

- **Increase in Transfer Limit at KlikBCA**

On March 27, 2020, through Board of Directors' Decree No. 048/SK/DIR/2020, adjustments were made to the limit of fund transfer transactions per day per user ID on KlikBCA Individu from Rp100,000,000 (one hundred million rupiah) to Rp250,000,000 (two hundred and fifty million rupiah).

- **BCA Free GoPay Top Up Balance and 50% Discount for Top Up LinkAja**

During the pandemic, BCA continued to urge customers to maximize the use of non-cash transactions through various BCA channels, such as Mobile Banking and Internet Banking in support of physical distancing. During the period April 1 – 30, 2020, the free GoPay balance top up fee program, and a 50% discount on replenishing LinkAja balances, became a collective movement to minimize physical contact when making transactions to ensure more safety during the pandemic period.



#WorkFromHome #BankingFromHome

Easy Transaction, without Go Out from Home

In supporting the government advice to do activities at home, BCA provide banking services for the customer through BCA mobile and KlikBCA.

Individual Customers



BCA mobile

For those of you who don't have a BCA account, don't worry. You can use the Open Savings Account facility through the Open New Account menu available on the BCA mobile application.

Banking transaction services which can be accessed in one hand, including facilities:

1. Saving Account Opening via Open New Account
2. QRku, transfer without account number by QR
3. Chatting while do the transaction by activating the BCA Keyboard
4. Block the BCA ATM Card or Credit Card via m-Admin
5. Credit Card control via m-Admin
6. BCA Credit Card activation via m-Admin
7. Make/Change the PIN of BCA Credit Card via m-Admin
8. Transaction without card via Cardless menu
9. Request of BCA Credit Card limit upgrade via m-Admin
10. E-Commerce transaction via m-Admin
11. E-Wallet Top Up via BCA Virtual Account
12. Flazz Gen2 Top Up via Flazz Blance Info (specific for Android)

Business Customers



KlikBCA Business

No need to leave the house, with KlikBCA Bisnis you can do things below by simply clicking the menu on your computer:

- Account Information
- Fund Transfer
- Foreign Exchange Transfer
- Payroll
- Bill Payment
- Account Sweeping
- Multi Transfer (MFTS)
- BCA Virtual Account
- Tax e-Billing
- Loan Information
- Others



Important

For your convenience and minimizing the risk, make sure that you pay attention at several things below:

- Make sure that your User ID, KeyBCA and KeyBCA Pin are unknown by other
- Logout every time you leave the computer after the banking transaction
- Make sure that your network and internet connection are safe and smooth, as well as to avoid klikBCA Business accesses by public internet network (WIFI)

For more information:

24 hours services of HaloBCA
By phone on 1500888

Type #halobca via
Whatsapp on 0811 1150 988

www.bca.co.id

#dibikinsimpel

Celebration of Beautiful & Memorable Moments without Obstacles

- **Bagi-Bagi THR, ya BagiBagi**

BCA customers continued to feel the joy and warmth of the Eid holiday during the COVID-19 pandemic. Customers could take advantage of #BankingFromHome BCA anywhere and at anytime. Sharing their kindness at Eid Al-Fitr with the family and relatives did not require multiple transfers, just use the BagiBagi feature on the BCA mobile application.



Khairizal Anwar, Rakyat Merdeka
BCA Photographer Competition.

- **Lifestyle features in BCA mobile**

The Lifestyle feature aims to encourage customers to enjoy hobbies and entertainment without switching applications on their BCA mobile. In the Lifestyle feature, customers can search, book and pay for airplane tickets, train tickets, hotels, and various vouchers for gaming needs. The Lifestyle feature complements BCA mobile's features in reaching customer needs through the current digitalization trend.

TOGETHER WITH DEBTORS TO FACE THE ECONOMIC CHALLENGES

COVID-19 had a tremendous impact on businesses. The sectors directly or indirectly impacted included tourism, hotels, transportation, trade and others. In response to the Financial Services Authority Regulation (POJK) No. 11/POJK.03/2020 dated March 13, 2020 concerning "National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019", BCA issued loan restructuring policies for debtors affected by the spread of COVID-19. Loan restructuring schemes for BCA debtors affected by COVID-19 included:

1. Extension of credit terms
2. Postponement of principal instalments
3. Reduction in interest rates
4. Additional credit facilities

The restructuring scheme was determined following reviews on the conditions in each debtor. BCA restructured Rp104.2 trillion or around 18% of the total loans, for approximately 100,000 customers.

BCA also provided relief to BCA credit card holders. In accordance with Bank Indonesia policy during the COVID-19 emergency, starting from May 1, 2020, interest rates, minimum payment limits and late fees for BCA credit card payments were adjusted. With these adjustments, it was hoped that customers would feel more comfortable when making transactions with BCA Credit Cards.

CONTINUING TO ENCOURAGE NEW LOANS IN THE MIDDLE OF NEW NORMAL CONDITIONS

Corporate loan financing will focus on industrial sectors that have great potential, such as the e-commerce, property and building materials, transportation and logistics, and health. BCA is committed to supporting the infrastructure development in Indonesia and disburses syndicated loans for national strategic projects such as the toll road, construction and electricity infrastructure.

During the challenging COVID-19 pandemic times, BCA through the MSME sector, supported the Government's programs to restore the wheels of the national economy. BCA continued its service improvements by adding 2 MSME centers in 2020 in Semarang and Malang. BCA also worked with MSMEs through the "Bangga Lokal Program", to help them develop their businesses. Through promotions and marketing, and educational activities, selected MSMEs were given the opportunity to obtain working capital financing.



In the micro credit segment, BCA continued building partnerships with companies that have the micro market segment access and infrastructure, such as BPR, Klik ACC, iGrow, Akseleran, and Fintech Modalku.



The KPR BCA ONLINEXPO program is available to help satisfy customer needs during the pandemic, especially those who want to buy a new residence. As it is held online, customers and the general public can easily access KPR BCA ONLINEXPO anywhere and at anytime, without the need for face-to-face meetings. More than 200 houses and apartments as well as property agents were present at the event. It also includes other attractive promos that can only be obtained at KPR BCA ONLINEXPO.

#CaringOurEmployee

SOCIALIZATION OF COVID-19 [403-4]

The Risk Management Unit and the Human Capital Management Division are constantly socializing COVID-19 to the employees, with appeals on how to anticipate the spread of COVID-19 and the preventive actions to take. In addition, on March 27, 2020 a COVID-19 call center was established for employees to gain information related to COVID-19.

Guidelines for handling COVID-19 were issued to Employees and Management so they can fully understand the procedures for handling suspected cases, probable cases, close contacts and confirmed cases. Contact tracing is also being carried out to break the chain of the virus spreading.

Employee awareness of COVID-19 continues to be raised through continuous education. Educational material covers understanding COVID-19, its prevention, general characteristics, handling and other health materials. This material is delivered through e-booklets, videos, posters through the internal communication media including MyBCA portal, e-mail, plasma TV, Instagram.

To help employees better understand health issues, BCA also organizes online talk shows with resource persons including health practitioners and nutritionists. Various communication methods and media are used to educate our employees, and how they can share this useful information with their families and loved ones.



PROMOTING HEALTHY LIFESTYLES

Having a healthy and fit body is key, and through its communication media Instagram @bcasemuaberes, BCA invites all employees to exercise with #WorkoutFromHome via IG live. These sports activities are routinely carried out, and include basic yoga, pilates, Asian combat and Asian letics.



ADJUSTMENT OF OFFICE ACTIVITIES [403-6, 403-7]

Office activities adjustments were introduced with due observance of safety measures to minimize potential risks associated with the work from home (WFH) policies, and changes in other internal work processes.

- Introducing split operations for head office/regional office employees associated with customer service operational transactions
- Implementing alternate work from home (WFH) procedures for employees based on conditions and needs.
- Allowing pregnant employees to work from home (WFH) at a gestational age of 5 months.
- Postponing face-to-face activities involving many people, such as meetings and training and replacing them with the conference calls/video conferences
- Establishing working hours for employees who work from the office (WFO)
 - Flexible time for non operational head office
 - Go home early for operational head office/regional office/branches
- Implementing Secure Remote Access to the office. This application allows employees to gain access from home so they can continue working optimally and safely during the COVID-19 pandemic. Secure remote access security uses a combination of 2 factor authentication, VPN and also adopts Zero-Trust technology.

SAFE ENVIRONMENT/WORK AREA FOR EMPLOYEES

Health safeguards and protocols implemented include:

- Every employee who comes to a BCA office must undertake a body temperature check, wear a mask and undergo a health self-assessment
- Employees are urged to use the biometric-based attendance facilities
- Social distancing is required in the elevators, banking halls, ATMs and employee work areas
- All teller counters and CSO stations have partitions installed
- Hand sanitizers are provided at the teller counters and CSO stations
- Disinfecting is carried out regularly, especially in areas that are frequently touched by employees, including doors, elevator buttons, photocopiers, work tables.
- Assessments are carried out on employees who travel from out of town
- Cross building activities are prohibited
- Ozonization of areas where employees have been confirmed with COVID-19.



LUNCH ASSISTANCE

Taking into account the developing situation and BCA's concern for the health of its employees, especially while at work, and to minimize the risk of activities outside the office building, BCA provides lunch for employees in the office.

TRANSPORTATION ASSISTANCE

Responding to the restrictions on public transportation during the Large-Scale Social Restrictions (PSBB), BCA provides shuttle buses at several locations.

Rp47.6 BILLION

The costs incurred by BCA for employees related to COVID-19 amounted to Rp47.6 billion. This cost consisted of health costs, procurement of masks, vitamins, hand sanitizers, disinfectants, rapid test kits, ozonation, thermometers, PPE and others.

EMPLOYEE FINANCIAL NEEDS FULFILLED

BCA assisted in the financial needs of employees at the beginning of the pandemic, by giving part of their bonuses in advance. BCA also continued to pay holiday allowances (THR). To date, there have been no salary deductions and job terminations.



During the pandemic,
employees can still enjoy a

work-life-balance

BCA offers many activities for
channeling hobbies and entertainment
through

IG @bcasemuaberes

#HelpingOurCommunity



”

COVID-19 has had an impact on all of us, including the Indonesian people who are BCA stakeholders. Therefore, BCA fully supports the efforts of the Government and the medical teams in their handling of COVID-19 in Indonesia. BCA is committed to continuing to help the communities, especially those whose economies are affected by COVID-19. Many actions and activities have been carried out by BCA and its personnel.

”



Rp116.8 billion

CSR fund including COVID-19 assistance



Rp1 billion

Solidarity donation from BCA employee & Bakti BCA

AGAINST COVID-19, BCA DISTRIBUTES MEDICAL DEVICES FOR PATIENTS AND HEALTHCARE PERSONNEL

The donations made by BCA included:

- Providing 41,000 rapid test kits for COVID-19 early detection at a total cost of Rp2.6 billion, to be distributed the Association of Indonesian Hospitals (PERSI) to 30 hospitals.
- Providing 9 ventilator units, 7 syringe pump units, 2 isolation transport units, and 2 N95 sterilizer mask units to 6 hospitals at a total cost of Rp6.1 billion.
- Providing personal protective equipment (PPE) for the protection of medical personnel at several health agencies at a total cost of Rp6.3 billion.
- Providing assistance to MSMEs in the form of opportunities to produce cloth masks at a total cost of Rp99 million. MSMEs that received assistance were located in Pekalongan, Kediri, Bogor, Jakarta and Padang.
- Providing assistance to 21,750 families in communities around BCA branch offices that were affected by the pandemic in the form of food packages at a total cost of Rp2.2 billion.
- BCA actively supported government partners and private agencies in dealing with the COVID-19 pandemic at a total cost of Rp3.2 billion.



SPIRIT OF SOLIDARITY, BCA PERSONNEL & BAKTI BCA IN THE MIDDLE OF PANDEMI COVID-19

The spirit to help each other does not come from BCA alone, but also came from all BCA personnel. As a form of empathy and solidarity for the people specifically economically impacted by this pandemic, BCA employees & Bakti BCA initiated an internal fundraising and collected donations of Rp1 billion from April-May 2020.

The donated funds that were collected amounting to Rp1 billion were converted to supply 10,000 basic food packages containing rice, instant noodles, soy sauce, cooking oil, corned beef, sardines and personal hygiene tools such as soap and cloth masks.

The aid was packaged attractively in a goodie bag that also contains infographic educational material on COVID-19 prevention measures and was distributed to 12 BCA Regional Offices throughout Indonesia, whilst taking into account the health protocols established by the Government and WHO.

SUPPORTING THE MOVEMENT TO WEAR MASKS (GPM), BCA DONATES 100,000 MASKS TO THREE PROVINCES

At the beginning of the COVID-19 pandemic, masks became one of the basic necessities to prevent the spread and transmission of COVID-19. Through the Bakti BCA CSR program, BCA empowered its Bakti BCA assisted MSMEs and assisted villages to produce cloth masks.

This activity brought with it 2 benefits, provided added value and revitalized the wheels of the economy for fostered MSMEs and villages, and supported the Movement to Wear Masks (GPM) program. Through this community empowerment around 100,000 masks were directly donated to Central Java, East Java and West Java. Educating and distributing masks makes people more aware of and understand the importance of wearing masks during the COVID-19 pandemic.

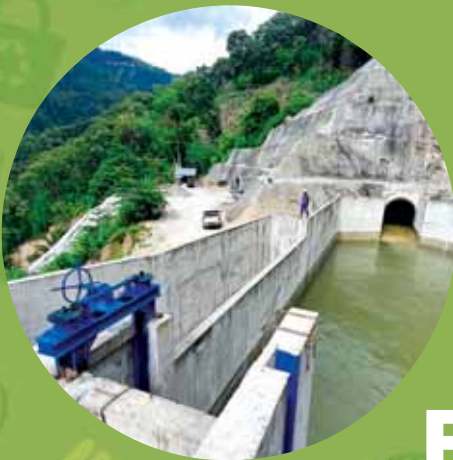
SUPPORT HANDWASH MOVEMENT WITH PORTABLE HANDWASH UNIT

BCA supported the government's efforts to reduce the spread of the COVID-19 virus by installing 60 washing facilities in the BCA offices in Jabodetabek. Chosen locations were based on high population density and closeness to public facilities. The hand washing facilities are expected to improve the hygiene of customers and the surrounding communities.

BCA also donated 21 washing facilities in other areas in the Jakarta area including Pasar Jaya, mosques, Islamic boarding schools, and community health centers.

During its Financial Literacy and Investment Webinar for 500 UGM Vocational School Students, BCA also initiated the repair of the UGM Vocational School canteen, built a co-working space for students, established a BCA cash office, and provided 6 (six) portable washing facilities to support the prevention of COVID-19 at the UGM Vocational School.





INSPIRATION FOR RESPONSIBLE BANKING

“BCA is always by the side of every customer, even during the challenging pandemic times. BCA has delivered a number of technological innovations to continue serving its customers. The wheels of life must never stop, the spirit to remain strong is the inspiration value for BCA’s presence for the whole country.”





Responsible Financing

The largest area of financing is in the Non-MSME Sustainable Business Finance (KKUB) category, and relates to Sustainable Natural Resources and Land Use Management. The process for providing loans to this sector is in accordance with BCA's policy to ensure environmental protection and preservation, and no deforestation.

”

BCA's loan financing portfolio in 2020 fell by around 2.1% compared to last year and overall, BCA's economic performance was quite solid, despite being in a pandemic condition.

”



COMPANY PERFORMANCE AND BUSINESS CONTINUITY

Achievement of Performance against Target

BCA recorded a good financial performance in 2020, despite the challenging of the COVID-19 pandemic. Operating income, which consists of net interest income and other operating income, increased by 4.9% to Rp75.2 trillion as of December 31, 2020, compared to Rp71.6 trillion in the previous year. Net profit reached Rp27.1 trillion, a decrease of 5.0% compared to Rp28.6 trillion in 2019.

The pandemic and the large-scale social restrictions (PSBB) during 2020 greatly affected the wheels of the economy. By understanding this situation, BCA continued to support its banking activities by increasing digital transaction limits to help customers conduct their transactions more easily. By the end of 2020, third party funds collected reached 108.4% of the target, an increase of 19.4% YoY. During the same period, current and savings accounts (CASA) reached Rp642.1 trillion, an increase of 21.0% YoY.

Financial Performance (Rp billion)

Description	2020	2019	2018
Financial Performance			
Loans Disbursed - Gross	574,590	586,940	538,100
Third Party Funds	834,284	698,980	629,812
Operating Income	75,165	71,623	63,034
Operating Expenses	(29,969)	(30,742)	(27,651)
Net Income	27,147	28,570	25,852
Ratio (%)			
Capital Adequacy Ratio (CAR)	25.8	23.8	23.4
Non-Performing Earning Assets and Non-Earning Assets to Total Earning Assets and Non-Earning Assets	0.9	0.9	0.9
Allowance for Impairment Losses (CKPN) on Financial Assets against Earning Assets	2.8	1.9	1.9
Gross NPL	1.8	1.3	1.4
Net NPL	0.7	0.5	0.4
Return on Assets (ROA)	3.3	4.0	4.0
Return on Equity (ROE)	16.5	18.0	18.8
Net Interest Margin (NIM)	5.7	6.2	6.1
Efficiency ratio (BOPO)	63.5	59.1	58.2
Loan to Deposit Ratio (LDR)	65.8	80.5	81.6
Liquidity Coverage Ratio (LCR)	379.2	276.3	278.2

On the other side, the loan portfolio reached Rp574.6 trillion, a decrease of 2.1% YoY, reaching 98.4% of the target set of Rp583.9 trillion. Corporate lending is still the major part of the credit pillar, and this grew by 7.6% to Rp256.6 trillion. However, commercial lending and small and medium enterprises (SMEs) lending decreased 7.6% to Rp197.9 trillion. Housing Loans (KPR) decreased by 4.3% to Rp78.6 trillion. Vehicle Loans (KKB) decreased by 22.2% to Rp28.4 trillion.

An explanation of the overall loan portfolio divided by business sector and segment (corporate, commercial & SME, and consumer) can be found in the 2020 Annual Report. [\[FN-CB-410a.1\]](#) [\[FN-CB-000.B\]](#)

In the face of the conditions in 2020, BCA continued to respond positively to the dynamic business environment with its global and sustainability issues, including the environmental and social issues. We maintained a healthy capital liquidity enabling us to survive during the pandemic conditions.

Climate Change-Related Disclosures [\[102-11\]](#)

As a financial services provider, climate change presents both risks and opportunities for BCA. We follow to the international standards and the guidelines laid down by the Task Force on Climate-related Financial Disclosures (TCFD) when we analyze and carry out our activities as our responsibility to participate in reducing global warming and protecting our business continuity from the negative impacts of climate change.

BCA has adjusted its lending policies, particularly for environmental, social and governance (ESG) oriented financing. Loan requirements at BCA contain a checklist pertaining to the ESG aspects as part of the sustainable finance governance implementation that listed in the Approval Letter of Credit (SPPK).

Financial Implications of Climate Change [\[201-2\]](#)

The current climate change has resulted in shifting seasons, with higher rainfall and drastically increasing temperatures. The extreme weather in early 2020 caused flooding throughout Indonesia and resulted in the closure of several BCA branch offices. These closures disrupted banking operations, although most were resolved through digital banking. As a result of the flooding, 25 BCA main branch offices in Jabodetabek were closed for 1 day. The flooding also caused damage to a number of BCA ATMs and resulted in a potential loss of around Rp5.2 billion.

The negative impact of climate change also affected our debtors whose business is in clove plantations. They experiences a disruption of operational activities due to high rainfall and pest attacks from changing temperature in Dompu, Nusa Tenggara. As a result, there is a potential loss due to crop failure, which may result in delays to loan repayments for their business loans from BCA.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value generated comes from interest income, other operating income and other comprehensive income. The total economic value generated in 2020, was Rp90.3 trillion, an increase of 3.1% from last year. Meanwhile, the economic value distributed related to operational expenses and to stakeholders, such as paying taxes to the Government, paying employee remuneration, and carrying out social and environmental responsibility activities. [\[201-4\]](#)

During the current year, the sources of funds that we used were derived from BCA assets and liabilities, and we did not receive any financial assistance from the Government. However, during the pandemic, BCA supported the Government policies and utilized Government facilities to assist its debtors. BCA participates in a credit guarantee program for debtors whose businesses are affected by COVID-19. In addition, BCA supported many other debtors affected by COVID-19, through loan restructuring and interest subsidies. [\[201-4\]](#)


Economic Value Generated and Distributed (Million Rupiah) [201-1]

Description	2020	2019	2018
Economic Value Generated			
Interest Income and Sharia - Net	65,403,161	63,837,795	56,766,800
Other Operating Income	21,004,028	21,145,101	17,743,675
Other Comprehensive Income	3,889,342	2,568,287	910,375
Total Direct Economic Value Received	90,296,531	87,551,183	75,420,850
Economic Value Distributed			
Interest Income and Sharia - Expenses	11,241,891	13,360,347	11,476,255
Other Operating Expenses (Manpower Costs and General & Administrative Expenses)	29,968,715	30,742,208	27,651,554
Allowance for Impairment Losses on Assets	11,628,076	4,591,343	2,676,602
Dividend Payments	13,634,221	8,752,529	6,410,302
Payments to Government	6,421,398	7,719,024	6,854,404
Community Expenditure (environmental service)	575	685	1,118
Total Economic Value Distributed	72,894,876	65,166,136	55,070,235
Total	17,401,655	22,385,047	20,350,615

SUSTAINABLE FINANCE PORTFOLIO

Rp127.0 trillion
Total 2020 KKUB loan disbursements

1.5% YoY
Increase in KKUB loan disbursements


Outstanding KKUB Loan Portfolio based on Business Segments [FS6]

Description	2020		2019*		2018*	
	Rp billion	%	Rp billion	%	Rp billion	%
Non-MSME KKUB Loan Portfolio	49,831	39.2	43,715	34.9	38,829	35.3
- Corporations	48,810	38.4	42,649	34.1	37,474	34.1
- Commercial	1,020	0.8	1,066	0.8	1,355	1.2
MSME KKUB loan portfolio	77,174	60.8	81,429	65.1	71,118	64.7
Total KKUB Portfolio	127,005	100.0	125,144	100.0	109,947	100.0

*) Data as of December 31, 2018 and 2019 is restated to adjust with the KKUB financing portfolio identification results as of December 31, 2020. Percentage of business portfolios by region, size and sector can be seen in the BCA Annual Report 2020.

The KKUB loan portfolio as at the end of 2020 totaled Rp127.0 trillion, and consisted of 39.2% in KKUB Non-MSME loans and 60.8% in MSME loans. The KKUB loan portfolio increased by 1.5% YoY, lower than the target set at an average of 7%. KKUB financing at the end of 2020 was 22.1% of the total financing for the year. The financing included Non-MSME KKUB loans of Rp49.8 trillion and MSME KKUB loans of Rp77.2 trillion.

KKUB financing of corporate segment in December 2020 is Rp48.8 trillion, or 19.0% of the total corporate loans, an increase of 14.4% compared to last year. The number of corporate KKUB debtors was 11.2% of the total corporate debtors. [F510]

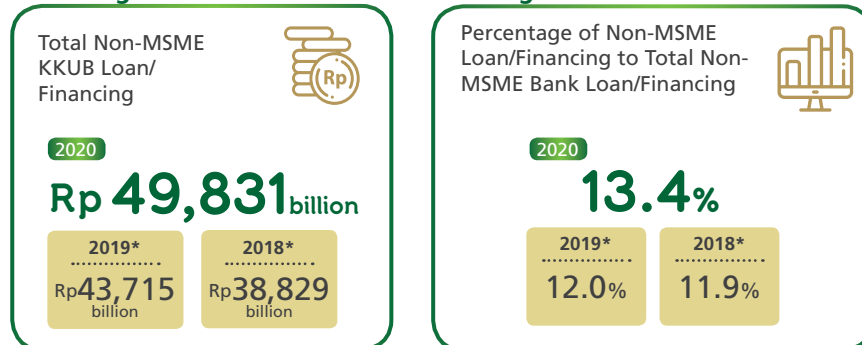
Sustainable Finance Target and Performance

Description	Unit	2020	2019*	2018*
Number of products meeting the sustainable business category				
1. Fund raising	Number of Products	-	-	-
2. Fund distribution **	Number of Products	1	1	1
Total productive assets for sustainable business activities				
3. Total Loans/Financing for Sustainable Business Activities (Rp)	Rp billion	127,005	125,144	109,947
4. Total Non-Loans/Non-Financing for Sustainable Business Activities (Rp)	Rp billion	447,585	461,796	428,152
Total Bank Loans/Financing	Rp billion	574,590	586,940	538,100
Percentage of total loans/financing for sustainable business activities to total Bank loans/financing (%)	%	22.1	21.3	20.4

* KKUB's financing portfolio as of December 31, 2018 and 2019 was restated to adjust with the KKUB financing portfolio identification results as of December 31, 2020.

** Products used for KKUB funds are integrated with the existing credit products.

Percentage of Non-MSME KKUB Financing



*) Non-MSME KKUB loan/financing portfolio as of December 31, 2018 and 2019 is restated to adjust with the KKUB financing portfolio identification results as of December 31, 2020



● Sustainable financing for Renewable energy

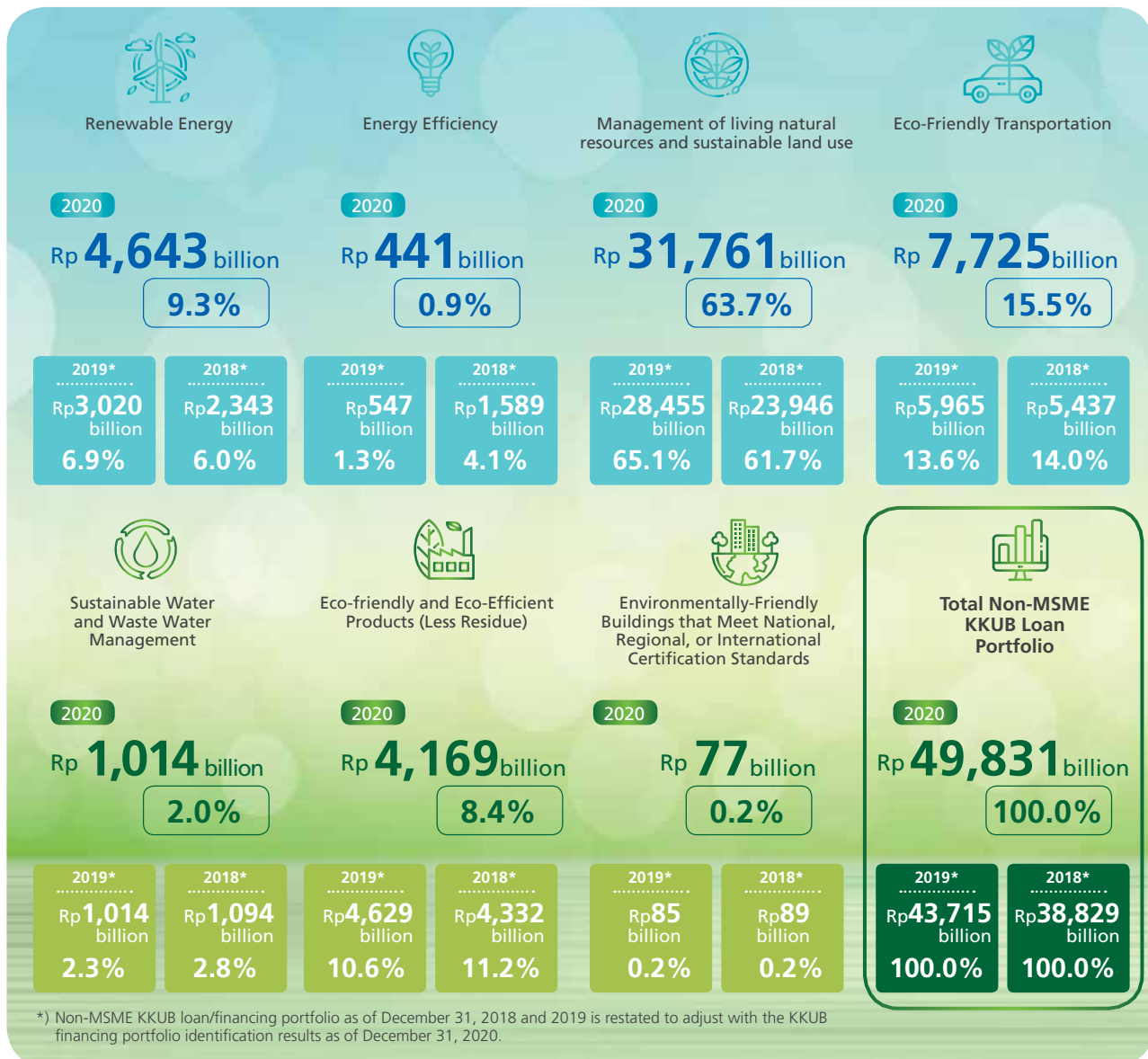


● Sustainable financing for Eco-Friendly Transportation.



” The Sustainable Natural Resources and Land Use Management is still dominated by Non-MSME KKUB financing, with lending to this sector reaching Rp31.8 trillion. The majority of the businesses financed were environmentally friendly palm oil companies. ”

Non-MSME KKUB Loan Portfolio based on Business Sector [FS6,FS8]



GREEN PORTFOLIO MANAGEMENT [FS2, FS3]

Green portfolio management is covered in the terms of financing for the ESG-oriented business sector. BCA manages its ESG risk by referring to Decree No. 169/SK/DIR/2020 dated October 23, 2020.

BCA realizes that the environment needs to protecting. Any environmental damage can have a negative impact on economic and social conditions that affect business activities and in the long run will have a significant impact on the quality of human life. The impact of environmental damage, for example extreme climate change, and environmental degradation that affects agriculture. BCA understand that pollution to water, land and air, as well as the marine ecosystems can impact the economy and social aspects of community life, as river pollution disrupts clean water sources and air pollution increases the risk of respiratory disease. Therefore, BCA encourages its debtors to pay attention to their business activities by preserving the environment, and jointly reducing the risks of any negative impact. BCA support those debtors who are not involved in biodiversity loss, damage to the marine environment, deforestation, flood, water crises, drought, pollution, and violations of human rights and workers' rights in line with the basic principles of the International Labor Organization (ILO).

In its financing policy, BCA also asks corporations, which have a high risk to the environment, and avoid irresponsible land clearing, illegal logging, and other deforestation efforts, the debtor to complete AMDAL documents, requests and monitors the acquisition of environmental-related certifications, such as Indonesian Sustainable Palm Oil (ISPO) or the Roundtable on Sustainable Palm Oil (RSPO) for palm oil companies; Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) for wood or forest processing companies; International Sustainability and Carbon Certification (ISCC) or UTZ Certification for coffee and cocoa products; BONSUCRO Certification for sugar products; and a Green Building certificate for the building sector, as well as a PROPER Rating for all industries that are required to take an environmental performance evaluation.

Financing for Certified Palm Oil Industry Companies [FS10, FS11]

ISPO & RSPO Certification Status	2020		2019		2018	
	Number of Companies	Outstanding (Rp billion)	Number of Companies	Outstanding (Rp billion)	Number of Companies	Outstanding (Rp billion)
Certified	48	18,761	46	19,680	45	16,044

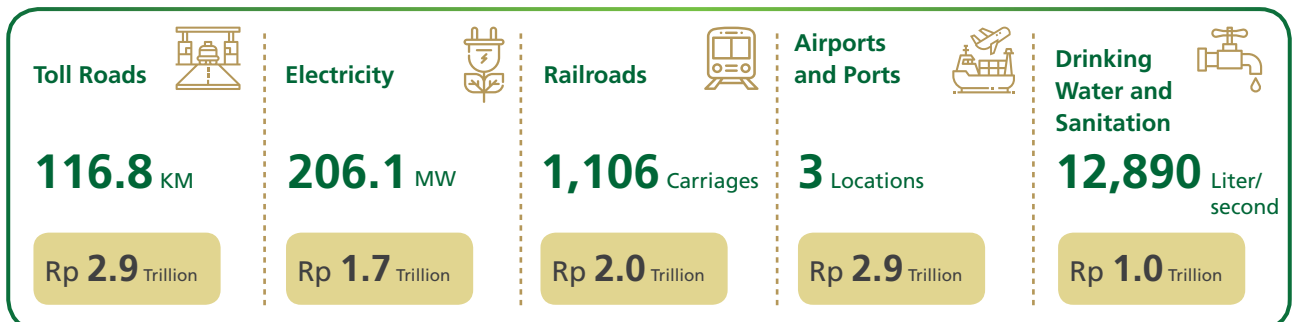
Note: All companies that have obtained certification are corporate debtors, and they include 48 companies, or around 36% of the total corporate debtors engaged in the Palm Oil Plantation sector and the Palm Oil Industry.

Certified Palm Oil Companies
ISPO: 36 Companies
RSPO: 20 Companies

Certified Coffee/Chocolate
Processing Companies
UTZ: 2 Companies

Certified Timber/Forest Processing
Companies
FSC: 6 Companies
PEFC: 5 Companies

SUSTAINABLE INFRASTRUCTURE PROJECT FINANCING [203-1, 203-2]





BCA also contributes towards supporting Indonesia's development by financing the infrastructure sector, including toll roads, electricity, railroads, telecommunications towers, airports and executive ports, as well as drinking water and sanitation. In 2020, infrastructure development lending increased by 9.0% compared to 2019, due to an increase in financing toll roads, airports and railroad infrastructure.

Infrastructure Financing (including non-cash loans) (Rp billion)

Sector	2020	%	2019	%	2018	%
- Toll Roads	17,293	38.0	12,946	31.0	10,341	32.1
- Electricity	14,498	31.9	19,155	45.9	15,376	47.7
- Railroads	3,353	7.4	2,080	5.0	2,320	7.2
- Telecommunication Towers	6,408	14.1	4,593	11.0	2,107	6.5
- Airports and Ports	2,904	6.4	1,946	4.7	1,000	3.1
- Drinking Water and Sanitation	1,014	2.2	1,014	2.4	1,093	3.4
Infrastructure Financing Portfolio (Including Non-Cash Loans)	45,470	100.0	41,734	100.0	32,237	100.0

Rp45.5 Trillion
2020 Total Infrastructure Loan Disbursements

Rp10.4 Trillion
Total Infrastructure Sustainable
Financing Portfolio

9.0% YoY
Increase in Infrastructure Lending

23.6% YoY
Increase in the Infrastructure Sustainable
Financing Portfolio



”

BCA applies the sustainable finance principles, which integrates the ESG aspects, into its infrastructure sector loan disbursements. As of the end of 2020, the infrastructure projects sustainable financing portfolio accounted for 22.9% of the total infrastructure loans, an increase of 2.7% compared to 2019.

”



Sustainable Infrastructure Financing (Rp billion) [F56]

Description	2020	2019*	2018*
Toll Roads	2,915	2,945	2,975
Electricity	1,690	1,457	1,663
Railroads	1,955	1,096	1,462
Airports and Ports	2,855	1,923	1,000
Drinking Water and Sanitation	1,014	1,014	1,093
Total	10,430	8,436	8,194

*) Data as of December 31, 2018 and 2019 is restated to adjust with the KKUB financing portfolio identification results as of December 31, 2020.

The acceleration in Indonesia's infrastructure also includes power plant construction projects to support the Government's 35,000 MW electricity project. We have identified financing for electricity projects from an ESG perspective, and BCA has financed projects including mini-hydro, biomass and biogas power plants across several islands in Indonesia.

ESG-Based Electricity Sector Financing Portfolio by Region (Rp billion) [F56]

Description	2020	2019	2018
Sumatra	1,103	779	944
Java	353	251	238
Nusa Tenggara	49	50	47
Sulawesi	54	202	227
Kalimantan	131	175	206
Total	1,690	1,457	1,663

SUPPORTING MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)

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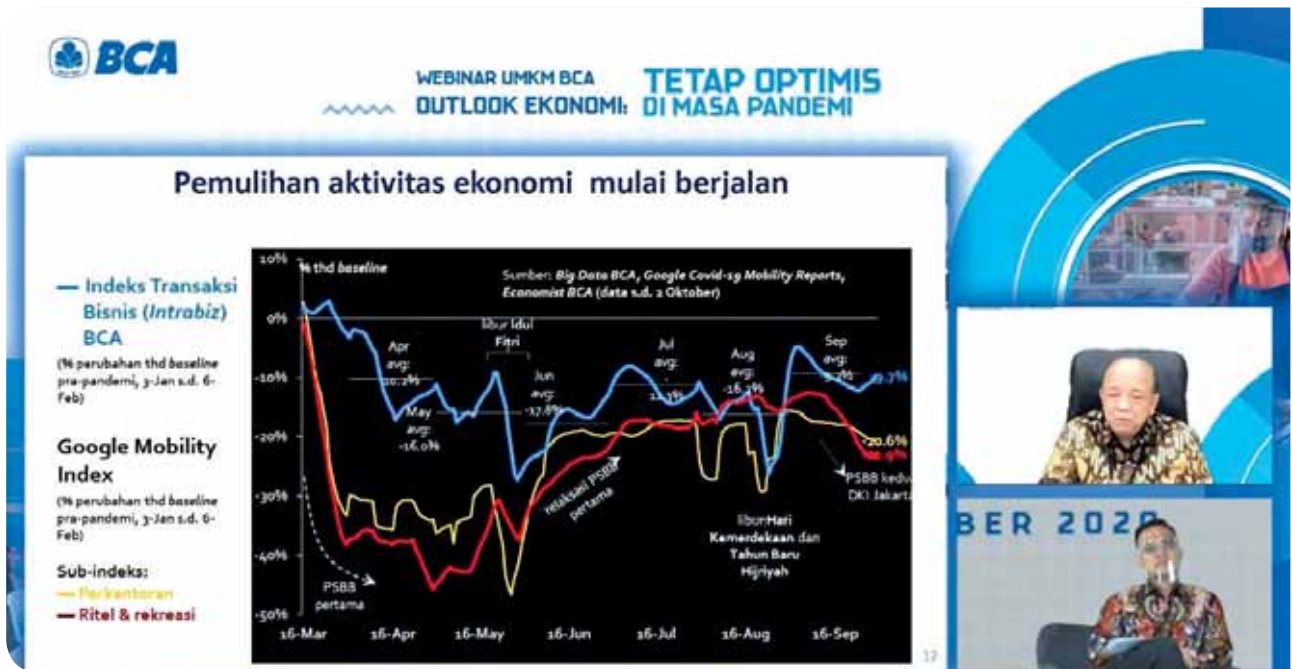
As BCA's contribution to developing the Indonesian economy, in 2020 BCA lending to the MSMEs sector reached Rp77.2 trillion, or 13.4% of total loans.

”



Supporting MSMEs during the Pandemic [203-2] [FN-CB-240a.1]

MSME loans disbursed during 2020 amounted to Rp77.2 trillion, or a decrease of Rp4.3 trillion from last year. This was mainly due to the COVID-19 pandemic impact on the economic sector and weak demand so that debtors tend to maintain inventory and receivables at a healthier level, as well as make efficiency in running their business by reducing usage of credit facilities or reducing/paying off part of their credit facilities.





”
 By the end of 2020, BCA had restructured loans amounting to Rp18.5 trillion for 10,830 MSMEs debtors.
 ”



● Empowering woman through MSMEs.

*Picture was taken before pandemic

Competitive Pricing for MSMEs

During the pandemic, in support of the MSMEs, BCA also promoted competitive interest rates for MSMEs through several special programs, including a program for processing loans at MSME Centers, Trading Areas, and KI warehouses. With competitive pricing it is hoped that MSMEs will continue to run their business.



Opening 2 MSME Centers

To expand its network, BCA re-opened 2 additional MSME Centers, in the Semarang and Malang areas, to add to the Centralized MSME network in Jabodetabek, Surabaya, Bandung, dan Medan.

The MSME Centers serve as loan processing units for the Region Offices, and support the growth of quality MSME loans in the Branches and Regions. It is hoped that by having MSME Centers, MSME loan processing will be faster.



Traditional Market Kiosk Financing

BCA continues to work with a Traditional Market development company to provide investment loans to purchase kiosk as part of the Tigaraksa market revitalization program in Balaraja Banten, as part of a traditional market modernization program. The Total market revitalization financing disbursements amounted to Rp13.6 billion. Currently, 166 traders occupy the Tigaraksa Market where they have applied a modern waste management system so that the market looks neat and orderly.



Partnership Program with Principal Companies

BCA operates a partnership program with several principal companies who act as anchors for smallholder farmers and breeders. This cooperation took place up to the end of December 2020, and included:

1. Collaborating with regional rural banks (BPR) to disburse KUR to cattle breeders in Ngajum district, Malang regency, with a limit of Rp20.0 billion, and outstandings of Rp8.0 billion, from 16 MSME debtors.
2. Collaborating with anchor companies to disburse KUR to ginger farmer MSMEs, with a limit of Rp15.0 billion, and outstandings of Rp12.1 billion;
3. Collaborating with anchor companies to disburse KUR to tobacco farmer MSMEs, with a limit of Rp20.0 billion, and outstandings of Rp11.5 billion.

Loan Disbursements through Direct, Channeling, or Joint-Financing Patterns

- Financing 46 MSME Palm Plasma Farmer Cooperatives/Groups with total outstandings as at December 2020 of Rp598.6 billion.
- Financing 420 debtors through KlikACC fintech with outstandings of Rp30.3 billion.
- Financing 3,765 retired civil servants through Koperasi Nusantara with total disbursements of Rp82.0 billion.
- Financing program through Modalku fintech with total disbursements of Rp13.6 billion.



Samsul Bahri
Tobacco farmer in Magelang

BCA's service is good and fast. Loans are provided in only 5 days and the process is simple. Tobacco planting capital helps farmers who lack the necessary capital. Hopefully the loan period can be extended.



The channeling cooperation pattern is also carried out by disbursing of business loans (KUR) through Perkreditan Rakyat (BPR) Karya Perdana Sejahtera (KPS). This channeling collaboration with BPR KPS is aimed at supporting community businesses in the Gunung Kawi area, Malang, including the cattle breeding business through PT Santosa Agrindo (PT Santori), a partner of the MSME cattle breeders. PT Santori will transfer technology to the breeders as well as act as an offtaker, distributing KUR with a limit of Rp20 billion.



Personal Business Loans (KUR) [F57, F58] [FN-CB-240a.1]

As a form of commitment to supporting sustainable finance, BCA distributes KUR and ESG-oriented financing. BCA distributes financing for productive businesses, ranging from corporate, commercial, to MSMEs. In addition, BCA also focuses on business that encourage increased activities and creativity in disadvantaged (unbankable) areas. The productive businesses include handicrafts, processed agricultural products, animal husbandry and nurseries. KUR disbursements follow the principle of equality, regardless of background. We also provide assistance and learning on financial products and/or services to help their businesses.

Rp132.7 billion



Total 2020 KUR disbursements

5.6% YoY

Increase in KUR disbursements

2020 KUR Disbursements [FN-CB-240a.1]

Type of KUR	Number of Debtors	Maximum Financing (Rp billion)	Composition %
Micro	446	16.1	12.1
Retail	660	116.6	87.9
Total	1,106	132.7	100.0

As at the end of December 2020, the KUR disbursement portfolio had reached Rp132.7 billion, with 1,106 debtors, an increase of 5.6% compared to 2019. The KUR disbursements take place through intermediary branches, and BCA also collaborates with off-takers and channeling schemes. The KUR disbursements this year were dominated by the production business sector. During 2020, the NPL value of BCA KUR was 2.7%, below the target of 3%. [FN-CB-240a.2]



Tasrip
Ginger Farmer

“Thanks to the KUR program, the ginger farmers have been greatly helped. Initially, I had problems raising capital, but now it’s easier and the loan process is very fast. Now I can grow ginger at the right time without any worries about capital.”

KUR for Emprit Ginger (*Zingiber officinale rosc*) Farmers [FS5, FS6, FS8]

The Emprit ginger (*Zingiber officinale rosc*) farming in Tegal and Jepara indirectly supports the local community's economy and has a positive impact on social and environmental aspects. From a social aspect, there are around 50 female employees who receive benefits directly or indirectly, so they can support their families. From an environmental perspective, ginger emprit farmers use organic fertilizer from cow dung.

In 2020, BCA with PT Azma Agro Nusantara disbursed loans to 287 ginger farmers in Tegal and Jepara with a total value of Rp22.9 billion with a tenor of 10 months. By extending these loans, it is hoped that farmers will continue to produce during the pandemic. With the funding provided, farmers can sow seedlings to harvest 3 times, with a yield of around 15 tons.

During 2020, the assistance to the Emprit ginger farmers was constrained due to the COVID-19 pandemic. However, we still provided skills, knowledge, and insights on Emprit ginger farming through online training, including how to grow crops using existing land and ginger seeds, and how to make organic fertilizers. KUR financing helps the Emprit ginger farmers, as it uses an installment system with payments made after the harvest (yarnen).

Empowering Women through MSMEs [FS5, FS8]

Since 2017, BCA has disbursed super-micro business financing through its "Dana Mandiri Sejahtera" Venture Capital Program specifically for mothers in Central Java, West Java and Banten. The supervision for credit responsibility is carried out by other mothers in the communities. The program has been extended three times with the smooth loan quality. The annual disbursements totaled Rp10 billion to 3,654 female debtors.

SUPPLY CHAIN AND PROCUREMENT PRACTICES [102-9]

The smooth operations in all BCA branch offices and head office units is supported by reliable supply chains and procurement practices. The vendors or partners who work together to support a smooth goods and services procurement at BCA include Public Accounting Firms, IT developer vendors, goods, services and transportation suppliers, building/branch office maintenance and repair contractors, and electronic equipment providers. In the supply chain, we involve a number of parties, including local parties.

For its procurement practices, BCA has established a supplier or vendor selection policy, including the strategy and procurement process, competency policies, prohibition of discrimination against suppliers, and compliance with the code of ethics. Through the Enterprise Backoffice Integration (EBI) application, the entire procurement system is integrated, starting from the budgeting process, preparing purchase orders/contracts, leasing, building maintenance, procurement, to payments. This system indirectly supports environmentally friendly business practices, equality, and good corporate governance compliance, in line with the environmental, social, and governance (ESG) concepts.

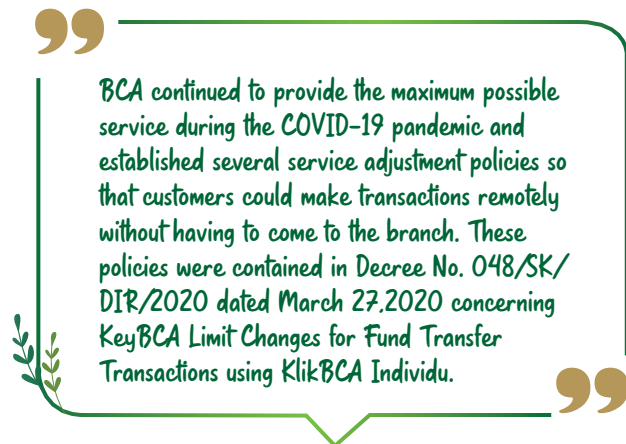


Service Quality



As one of the banks with the largest market capitalization in Southeast Asia, BCA continues to develop and provide banking solutions for its customers. The service quality we deliver covers security, comfort, reliability, and easy access to banking transactions. BCA's strategies for improving service quality includes:

- Developing its Human resource competencies and capabilities;
- Optimizing its digital network systems, internet services and social media;
- Strengthening the solution center;
- Developing digital banking services;
- Instilling an innovation culture to continuously create new technology;
- Establishing a Digital Service Center Unit for digital service operations.

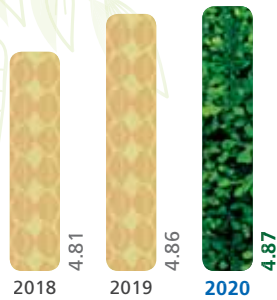


Customer Satisfaction Survey [102-43]

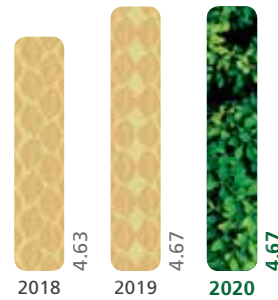
One method of determining the banking services quality and performance is through customer satisfaction surveys. Customer satisfaction surveys are conducted annually by independent parties. The method used assesses the customer engagement and branch service quality by telephone. The customer engagement survey was conducted using the international Gallup method.

Customer Satisfaction Index (scale 5)

Branch Service Quality (BSQ) Survey Results



Customer Engagement (CE) Survey Results



Positive and Negative Impact Arising from Sustainable Finance Products and/or Services

To maintain the quality of its banking services and to deliver banking with an ESG perspective, BCA evaluates the positive and negative impacts of all products and/or services prior to launch. The evaluations and assessments also includes fund raising and distribution products.

For its funding products and/or services, BCA manages and mitigates any risks based on its predetermined risk appetite, including risks associated with the social and environmental aspects. Negative impact in its banking services could arise from the placement or use of funds from criminal acts, such as gambling, illegal arms trade and terrorism. BCA manages this risk by implementing an Anti Money Laundering and Counter-Terrorism Funding policy in the Bank’s daily operations.

Banking products and services with a positive impact include lending to debtors in the renewable energy sector, environmentally friendly transportation, and MSMEs. By lending to the environmentally friendly sector, BCA indirectly supports businesses that pay attention to environmental preservation and contribute towards climate change mitigation.

Products with a positive impact on the social aspect include banking solutions that businesses use to empower marginalized communities, women’s groups, and people with disabilities. The positive impact of Sustainable Finance products and/or services can also be felt by customers who use the ATM Wicara, and through the financial inclusion products intended for the unbankable people.

However, we have also identified products and/or services with a negative impact on social aspect, include lending to labor-intensive industries that have the risk of employing underage workers, paying wages below the minimum wage, or carry the risk of human rights violations. To avoid these risks, BCA enforces strict credit terms and mitigates risks by increasing its supervision and conducting surveys on business premises to ensure that potential risks do not occur.

Handling Customer Problems and Complaints



BCA provides facilities for customers to report any problems or complaints through its communication services: contact center HaloBCA: 1500888, website www.bca.co.id, e-mail halobea@bca.co.id, Twitter @HaloBCA, video calls, video banking, webchat or Whatsapp.



All problems or complaints received through HaloBCA must be resolved according to the service level agreement (SLA) with a different resolution time for each type of problem. This commitment helps improve service excellence and maintain superior performance.

Number of Complaints and Percentage Resolve



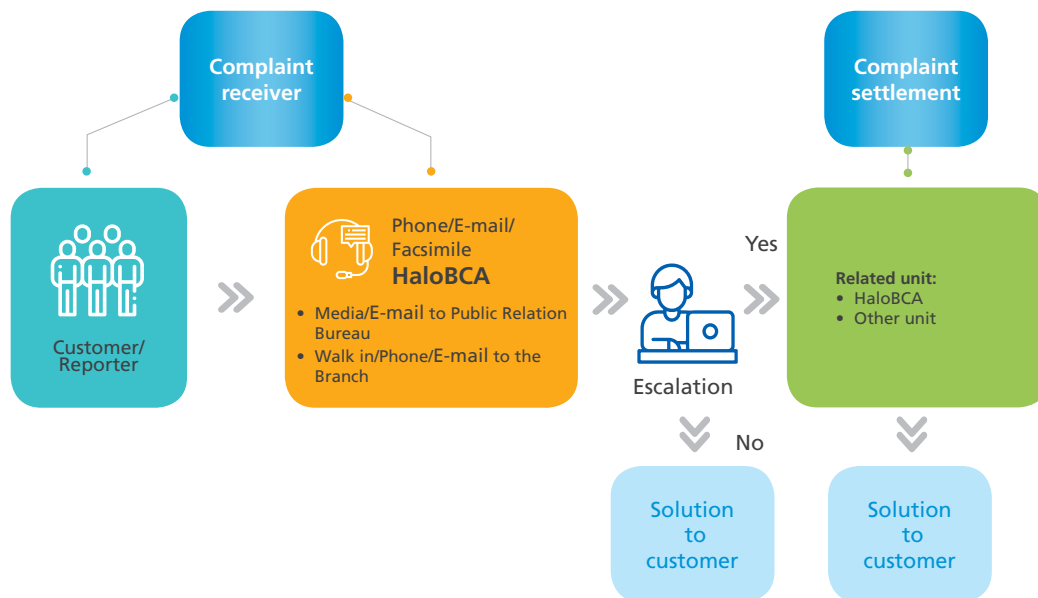


In 2020, HaloBCA received 14,244,827 phone calls, with 12.61% customer complaints, 61.70% requests, 26.67% customers need for banking information, and 0.02% with suggestions. The largest number of complaints from customers related to cards being stuck in ATM machines, money stuck in ATMs, accounts being debited but money not received, and credit cards being rejected.

To reduce the number of complaints, BCA is actively developing banking products and services educational programs and facilities. Educational facilities are available through BCA's official social media. The aim is for customers to better understand BCA's banking solutions and become more aware of the latest banking fraud/crime modes along with tips on transaction security.

The customer complaints and resolution procedures are implemented in accordance with Bank Indonesia regulations concerning customer complaints and banking mediation, as well as OJK Circular (SE OJK) No. 17/SEOJK.07/2018 dated December 6, 2018. Education on the complaint procedures is also carried out via telephone, e-mail, letters, or text messages (SMS).

Customer Complaint Mechanism and Complaint Resolution



If a customer is not satisfied with the resolution given by HaloBCA, the customer can mediate through Bank Indonesia, when HaloBCA with the related unit will assist in the mediation process in order to deliver a win-win solution for both parties.

In connection with the Bank's obligation to submit a Customer Complaint Handling and Resolution Report to Bank Indonesia and the Financial Services Authority, BCA Branches are required to recap all customer complaints received, processed and resolved by the Branch itself (KCU and its KCP). Complaints included in the recap report are those that may cause potential financial losses to customers. The customer complaints recapitulated by the Branches does not include complaints processed and resolved by the Head Office Work Unit (UKKP) to avoid any overlap with the recap submitted by the UKKP. HaloBCA recapitulates

the reports by BCA branches throughout Indonesia and UKKP, the resolved customer complaints, and then submits a consolidated report to the Regulators based on their deadline and method. There are 3 (three) types of customer complaint reports, namely:

- Customer Complaint Handling and Resolution Report;
- Customer Complaint Services and Resolution Report;
- Handling of Customer Complaints Regarding Deposits and/or Withdrawals of Money Report;

The deadline for submission of the three Branch reports is determined in the Digital Service Center Support Bureau memo requesting the report data.

To present accurate and actual information, HaloBCA uses Halo Info as the information source, as this contains information on BCA products and programs.

Technology and Digitalization Development

”

The use of information technology has become a key success factor in banking, no more so than during the COVID-19 pandemic. Thus, BCA has taken full advantage of technology by accelerating the adoption of digital and non-cash payments.

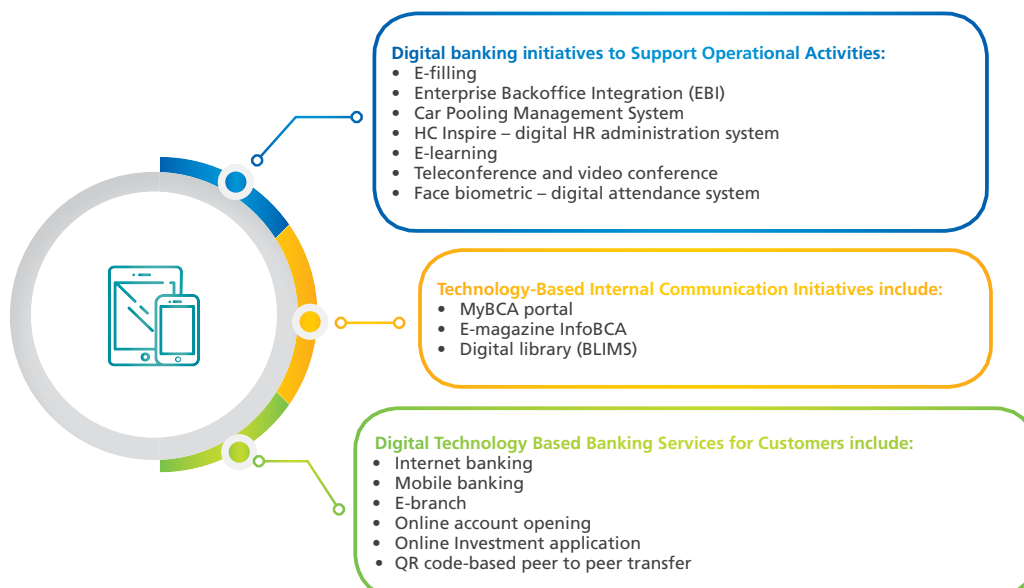
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Information Technology Development Innovations

One of BCA's success factors is its Information technology applications that deliver quality banking services and products, enhance the customer experience, and encourage internal productivity. BCA's information technology uses effective and efficient technology to deliver quality, reliable and safe banking products and services in line with the Bank's objectives, together with strong and comprehensive information technology risk management processes.

Some of the innovations implemented in 2020 included:

- Predictive analytics with big data-based machine learning;
- Event driven/stream processing and in-memory data processing for increased performance and availability of application services;
- Infrastructure modernization to improve the mainframe system infrastructure and network security so that network security is maintained;
- Partial release to production to ensure the reliability of applications used by customers;
- Citizen developer concept using a low code platform;
- Platforms for third parties (notaries, developers, and insurers) in the Loan Digitalization process;
- API-based Open Banking to support the development of the digital ecosystem;
- Future Branch to simulate and digitize transaction services at branches;
- Campaign Management Platform to provide the right products or services based on customer needs;
- Android-based Point of Sale (POS) to support payments at merchants;
- New General Ledger using new more cost efficient technology.





Optimization of E-channel and Digital Banking

Digital banking service solutions not only increases customer comfort and convenience, but also indirectly supports Sustainable Finance, particularly environmental conservation efforts, such as saving energy, reducing paper use, and reducing carbon emissions.

By the end of December 2020, BCA had saved 18.1 tons of paper at the Head Office. This reduction in paper helps preserve trees that absorb CO₂ emissions. As a result, BCA contributed to reducing emissions by 37.2 tCO₂ eq.

Paper Consumption

Description	2020	2019	2018
Waste paper used (Ton)	62.5	80.7	92.6
Paper consumption reduction (Ton)	18.1	11.9	1.0
Emission reduction (tCO ₂ eq)	37.2	24.5	2.0

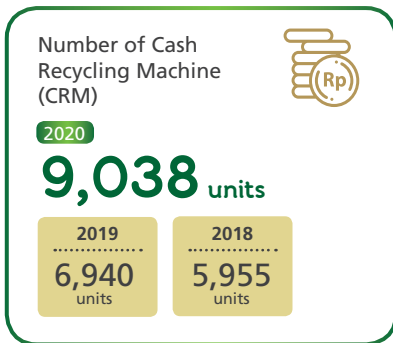
Note:

Data obtained by calculating the printer pooling reported at WSA II, WSA I, WPI, Menara BCA, Chase Plaza, Halo Serpong, Landmark Pluit.

“
 Through the Branch 2020 project, the branch office's transactional banking function (i.e. 80% transactions and 20% building relationships with customers) will change significantly towards a relationship banking function (80% building relationships with customers).
 ”

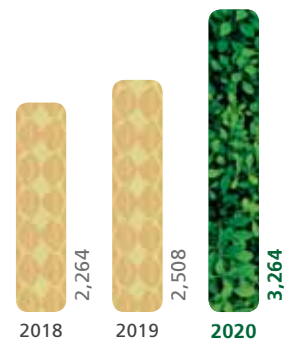
All customers expect easy service access, transactional security, and speedy transaction efficiency. BCA answers this need through its digital banking service solutions, and these are beginning to shift towards traditional transactions.

Cash Recycling Machines (CRM) will gradually replace conventional ATMs, as they have better functions, including cash withdrawals as well as cash deposits, thus supporting the efficiency of money management.

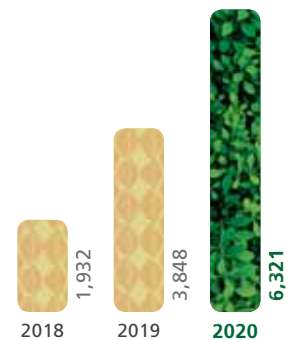


Total Transaction Frequency (million times)

Internet Banking



Mobile Banking



Products and/or Services Innovation and Development

When developing its products and services, BCA considers any creative and innovative ideas from its employees. Every year, BCA holds the BCA Innovation Awards (BIA). All employees can participate in the event, giving them the opportunity to share creative ideas to develop and improve banking solutions and operational processes. This is part of BCA's commitment to make innovations part of the work culture.

As well as the BIA, BCA also holds a BCA Innovation Convention (BIC). Through these two events, employees are encouraged to channel their ideas and innovative solutions for the financial sector, as well as their support for ease of access, efficiency, comfort, and environmentally friendly behavior.

634

Number of proposals submitted in the BCA Innovation Awards

27

The number of innovation proposals implemented up to 2020

RESPONSIBILITY FOR BANKING PRODUCTS AND/OR SERVICES

Product Evaluation Procedure

All new products and/or services designs, including Sustainable Finance products and/or services, launched by BCA pass through an evaluation and approval process by authorized parties. The evaluation process cycle starts with the initial idea, planning, compliance with related provisions and policies, risk review, support for ESG aspects, up to security for customers, as stipulated in the Board of Directors' Decree No. 080/SK/DIR/2015 dated June 18, 2015 concerning the Product/Activity Policy and the Supporting Information Technology Systems.

Compliance with regard to risk assessments for planned new products and activities refers to the Financial Services Authority Regulation (POJK) No. 18/POJK.03/2016 concerning the Implementation of Risk Management for Commercial Banks and the Implementation of regulations. This evaluation process including the development of Sustainable Finance products, and involves Bank Indonesia and the Financial Services Authority. All financial products and services launched to the public must obtain approval from Bank Indonesia and/or the Financial Services Authority. During the reporting period, no banking solutions were suspended or withdrawn from the public after being launch. [\[417-2, FS15\]](#)

Marketing Communications Compliance [\[417-3\]](#) [\[FN-CB-510a.1\]](#)

BCA financial products and/or services are marketed through several channels, including digital media, print, direct sales, or cross selling. When using digital media as a means of communication, we always comply with the code of business ethics legal regulations. In an effort to mitigate communication risks, development of marketing communication materials refers to the advertising code of ethics. During 2020, BCA did not encounter any incidents of non-compliance related to marketing communications, and no sanctions/fines were imposed on the Bank.



Customer Data Privacy and Security Protection

Data, Transactions Security, and Customer Data Confidentiality [418-1] [FN-CB-230a.2]

”

BCA has ISO 27001 certification covering the information security management system standards for its network and data center systems. In addition, BCA was one of the first private banks to receive the prestigious certification, PCI DSS 3.2.1, for all entities managing cardholder transactions and data, including the data centers. ”



With the rapid development of information technology, customer interactions with BCA digitally have also increased. However, this can also lead to a risk of technology crime, so BCA continues to improve its IT security system. BCA's IT security system has been developed to protect data security and ensure the IT system's availability to serve customer transactions, including preventing and anticipating cyber-crime and potential fraud.

For Data Loss Prevention (DLP), BCA's ongoing data security strategy is to increase the security of important electronic information, and to prevent information theft and access by unauthorized parties. To ensure security in BCA's internet-based internal applications, BCA has implemented a Two Factor Authentication security to ensure access to the database is carried out only by authorized personnel.

BCA ensures that all company data is classified according to the level of data confidentiality. BCA uses a Database Activity Monitoring solution to ensure that the database is accessed only by authorized people and applications. This solution is equipped with machine learning and artificial intelligence features to ensure no anomalies occur. To further protect the security of confidential data in the database, BCA has implemented Database Masking technology to protect confidential data from being exposed to unauthorized parties.

BCA is one of the private banks that the first bank to received certification on Payment Card Industry Data Security Standard (PCI DSS) 3.2.1 that intended for all entities that manage transactions and cardholder data, including Data Centers. In addition, BCA also obtained ISO 20000-1:2018 certification in order to improve the service management system (SMS).

To ensure service security for all customers, the Director of Information Technology also oversees through regular reports submitted by the Strategic IT Group Division. During 2020, BCA held training related to e-learning social engineering awareness for all BCA employees. BCA did not encounter any significant cases related to violations or misuse of customer data and privacy. In 2020, no customer data was lost. Therefore, there were no sanctions/fines imposed on BCA or its employees. [418-1][FN-CB-230a.1]

”

BCA provides banking solutions supported by a reliable data security system. ”

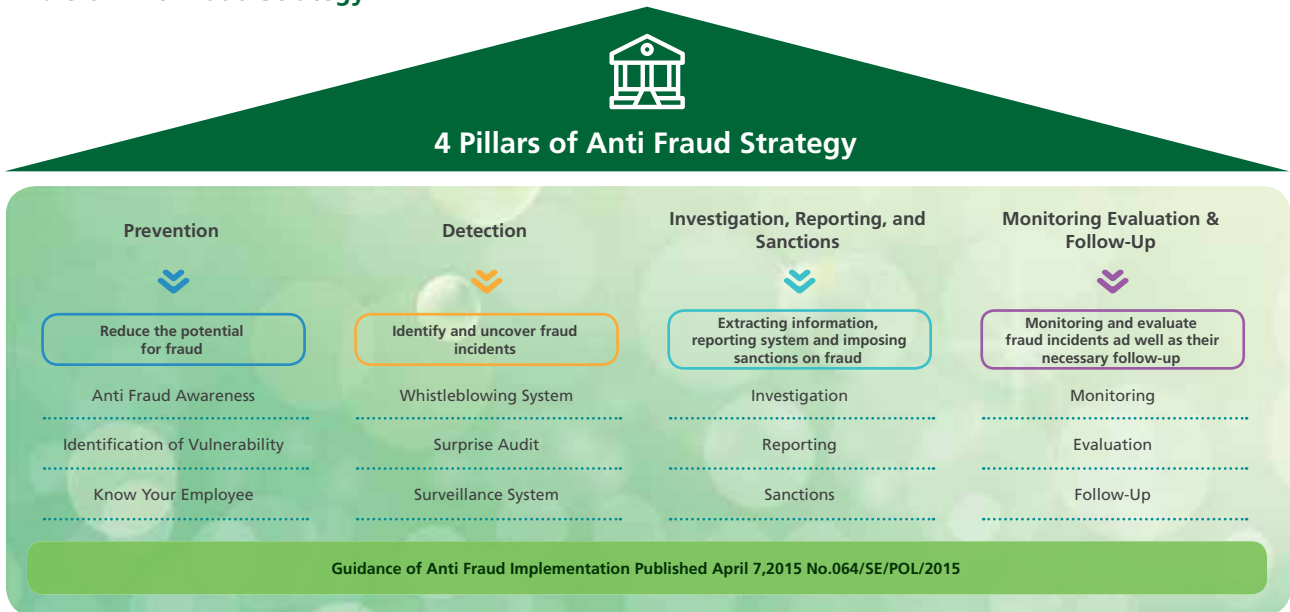
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Fraud and Financial Crime Prevention

“ We have implemented an anti-corruption management system based on ISO 37001: 2016 that applies to all BCA employees and management, as well as our partners and vendors. ”

Our commitment to enforcing anti fraud refers to the four Anti Fraud Strategy Pillars. Fraud prevention efforts are carried out on an ongoing basis through an effective control system, and include prevention, detection, investigation and monitoring.

Pillars of Anti Fraud Strategy



Anti Fraud and Anti Corruption [205-1, 205-2, 205-3]

BCA has an Anti Fraud Bureau that oversees the anti fraud strategies and evaluates their implementation. The Anti Fraud Bureau is also tasked with increasing the effectiveness of the anti fraud strategies, in accordance with OJK regulation No. 39/POJK.03/2019.

Anti Fraud enforcement efforts include optimizing the application of anti-gratification, disseminating anti fraud information, conducting internal audits, improving data security systems, and raising awareness of the whistleblowing system. BCA audits all branch offices, on a three-year basis with a priority scheme based on the audit results. If there is an indication of fraud, the BCA Internal Audit can immediately conduct an investigation at the Branch Office or related work unit. All regional offices, branch offices, and head office operational units have an internal control unit.

In 2020, BCA also updated its Anti Fraud Declaration, which was signed by the President Director, to commit to:

1. Conducting business fairly, honestly, and transparently;
2. Avoiding doing business with third parties who are not committed to the Company policies; and/or
3. Sanctioning any violations of policies and commitments.





99%

Employees receiving anti fraud socialization and training

Employee Anti-corruption Training by Position Level in 2020 [205-2]

Position Level	Total Employees (a)	Training hours (b)	Training hours per employee (b) : (a)
Senior Positions (including Board of Commissioners and Board of Directors)	0	0	0
Manager (senior, middle dan line manager)	164	1,148	7
Staff	1,602	11,214	7
Non Staff	13	91	7
Total	1,779	12,453	7

*) Anti-corruption training includes anti fraud training.

Fraud prevention is also carried out during the lending process. The entire process of extending loans is carefully monitored and evaluated. During 2020, there were 9 fraud cases committed by permanent employees, all of which have been resolved. On the other side, there was no termination of contracts with partners or debtors due to fraud or other regulatory violations. [205-3]

BCA pays special attention to functions where there is the potential for fraud. BCA management has identified the highest degree of corruption is in the teller or frontliner functions/jobs. BCA has implemented risk assessments in all lines of work (100%) following ISO 37001 standards concerning the Anti Bribery Management System. In 2020, there were allegations and acts of corruption. We followed up on all suspected corruption cases in accordance with the mechanisms for imposing dismissals, and other sanctions. [205-1, 205-3]

Efforts to raise awareness, communicate and enforce anti fraud include: [205-2]

01

Employee Awareness

Employee Awareness through in class training, e-learning, completing the Integrity Pact, anti fraud comics, anti fraud educational videos, and the whistleblowing system;



02

Customer Awareness

Education/socialization to customers to increase customer awareness of the latest banking fraud/crime modes along with tips on transaction security are disseminated through BCA websites, KlikBCA Banners, Vira, Online Media, Social Media (Facebook, Youtube, Twitter and Instagram).



03

Vulnerability Identification

The Branch/Region/Head Office work units with the Risk Management Unit, are required to conduct a Risk Control Self Assessment (RCSA) on the operational risk identification, measurement, monitoring and control processes;



04

Know Your Employee

Applied through rotation/transfer/promotion, implementation of mandatory 5 consecutive days leave^{*)} BI Checking for recruitment/promotion.

*) Adjustments during the 2020 pandemic, this policy is not implemented.



Preventing Financial Crime and Technology Crime

Money laundering and financing terrorism practices are considered financial crimes. BCA has implemented Anti Money Laundering and Prevention of Terrorism Funding (AML and PTF) policies for all transactions in the branches. AML and PTF Guidelines are contained in the Board of Directors' Decree No. 145/SK/DIR/2019 dated September 20, 2019.

As technology advances, the risk of crime in digital financial services will increase. To mitigate this risk, BCA provides banking safety education for all customers and has increased security at all digital banking outlets and e-channels, one way by installing CCTV at ATM locations or digital banking outlets.

Information Technology System Security

BCA's main priority is ensuring the security of its BCA e-channel application so as to increase customer confidence and convenience in making transactions. BCA has improved the security in its digital channels transaction platforms by utilizing machine learning technology and artificial intelligence to detect malware on customers' computers early. BCA regularly conducts application vulnerability testing in collaboration with IT security consultants.

For mobile device security, BCA has implemented Secure E-mail on its mobile devices to protect stored e-mails, as well as Anti Virus to ensure mobile devices are free from malware. In addition to e-mail security, e-mail sandboxing has been added to ensure that incoming e-mails to BCA are free from malware, as well as using additional e-mail tagging to provide additional information if the e-mail comes from outside BCA.

BCA has also implemented a container protection solution to ensure the security of its platforms and applications. On the network side, as the banking transactions traffic lane, BCA has also improved its security, and has started to implement the Next-Generation Intrusion Prevention System with its advanced detection and protection capabilities to prevent vulnerability exploits and malware, and by so doing increase the Bank's network security.

BCA's server security improvements involve ensuring the anti-virus is always up to date, as well as improving the patch management process, and equipping the servers with virtual patching solutions. In addition, BCA has also enhanced its Security Log Management to correlate logs that detect any potential frauds that may occur. BCA's Security Monitoring Center team oversees all internal and external threats and attacks on the information technology system.

HR competencies are continuously being strengthened through IT system security knowledge-sharing and training so as to anticipate the latest cyber attacks. To increase security awareness, BCA maintains a continuous dialogue within the company, and externally through the company website, and cyber security socialization activities. To increase employee awareness, BCA also conducts e-mail phishing tests on an ongoing basis, and all employees are required to follow Social Engineering Awareness e-learning. During 2020, no customer data was lost. [\[FN-CB-230A1\]](#)



Wilson

Sr. IT Analyst Customer Touchpoint Solution

“Previously, many customers spent a long time waiting in queues to do their transactions at the branches. Now, they don’t need to come or queue anymore, but just use their gadgets. BCA has improved many digital services, including digital Customer Service, HaloBCA Chat (via Whatsapp), and BCA Virtual-assistant chat (via Line, FBM, GoogleAssistant) called Vira. All of BCA’s services are created to serve all generations.”

WHISTLEBLOWING SYSTEM [102-17, FN-CB-510a.2]

BCA operates a whistleblowing system to support transparency and to detect and prevent fraud as early as possible. Internal and external parties can report frauds or violations committed by any perpetrators within the bank.

Whistleblowers don’t need to worry, as the company guarantees the confidentiality of data and protects the whistleblower’s identity. Whistleblowers can submit complaints through the bca.co.id website, and their reports will automatically be received by the whistleblowing system manager. Reports that have been validated by the whistleblowing system manager as reports that meet the criteria will be forwarded to the Anti Fraud Bureau for follow-up.

Complaints - Whistleblowing System

Year	Status	Total	Explanation
2020	In progress (Open)	4	Still in process
	Finished (Closed)	18	No complaints had to be resolved through legal channels and 18 complaints were resolved internally. All reports did not meet the criteria.
2019	In progress (Open)	0	No complaints had to go through legal channels, and 15 complaints were resolved internally.
	Finished (Closed)	15	One complaint resulted in sanctions (SP1), and one case in the process of imposing sanctions, and other reports received did not meet the criteria *).
2018	In progress (Open)	0	No complaints had to go through legal channels, and 23 complaints were resolved internally.
	Finished (Closed)	23	Two complaints resulted in termination of employment, while other reports received did not meet the criteria *).

*) Incomplete data/informational only/customer complaints.



INSPIRATION FOR SUSTAINABILITY CULTURE

“Occupational health and safety (OHS) is continuously being instilled in BCA employees so that it becomes a culture that supports the principles of sustainability. During the COVID-19 pandemic, OHS became an obligation that had to be implemented everywhere, including when serving customers. A culture of mutual service and sharing has become an inspiration for any changes that occur.”





INSPIRATION FOR SUSTAINABILITY CULTURE

For BCA, sustainability involves using all its potential through innovations to secure the present and the future for all generations. This responsibility forms the basis for the Bank's internal and external operational activities that pays due regard to natural preservation. Internally, all BCA personnel must work together to follow the corporate values, the culture of caring for the environment, and the achievement of efficiency targets. Externally, responsible financing must also form the basis of any process in extending credit to borrowers. It is hoped that this culture of sustainability is reflected in every behavior by BCA's agents of change, both towards their fellow BCA employees and the customers.

BCA created a Sustainability Awareness Month program as a campaign for the internal implementation of sustainability. The aim of this campaign is to increase awareness and educate its employees, as well as encourage and inspire sustainability. This campaign is run in a fun and entertaining way, and is supported by management and involves around 24,500 BCA employees. The campaign has 3 phases, namely Awareness (Informing and educating the BCA's employees about Sustainability, BCA's role & plan to achieve sustainability), Engagement (involving employees to discuss deeper topics through talk shows and activities), Retention (reminding employees about how to live sustainably and other support programs, and listen to feedback on new ideas and progress).

Fair Operations

In addition to providing equal opportunities for all segments of society to become customers, either as debtors or creditors, BCA also conducts fair operations for all employees. The fair treatment policy for all employees is contained in the Collective Labor Regulation (CLA) Chapter 4, article 5, article 29 paragraph 5, article 71 and article 72 that pertains to equality and fairness in performance appraisal, promotion and education policies, and freedom of association. For the promotion process, activities are carried out in a transparent, objective and fair manner, regardless of ethnicity, religion, race, class, and gender. BCA ensures that every employee has the same opportunities and chances for career development.

Fairness is also manifested by BCA through its policy of providing periodic wage/salary increases every year, the amount of which is based on a work performance assessment, the prevailing wage/salary scales, and the Company's ability. Likewise, equal opportunities are provided to its business partners, either as suppliers or vendors.

BCA also has consumer protection policies, which cover transparency, fair treatment, reliability, confidentiality and security of consumer data/information, as well as complaint handling and resolving consumer disputes in a simple, fast, and affordable manner.

Fair operations also covers anti-corruption enforcement in the workplace. Anti-corruption enforcement involves handling AML/PTF fairly based on legal channels, and reporting any findings to the PPATK. As well as internal performance, fair operations is also applied when working with business partners, whereby each business partner is obliged to sign a compliance letter containing statements to run their businesses fairly, to respect human rights, and to comply with regulations related to social aspects.

Human Rights and Employment

EQUALITY AND DIVERSITY [102-8]

BCA's business continuity is supported by 24,603 competent and creative human resources (HR). They all have equal opportunities to improve their work quality and gain experience in diversity in their working interactions. This work culture is a form of appreciation for human rights (HAM), and its implementation is monitored by the Human Capital Management Division. In practice, the human rights aspect ensures equality and diversity, and that there is no underage or forced labor.

The 2019-2021 CLA Article 7 paragraph 2 contains information concerning the absence of child labor and forced labor. A clear policy on working hours to ensure there is no forced labor is contained in CLA Article 13, Article 14, Article 19, Article 20, and Article 21. The equality and work diversity in BCA as at the end of December 2020 is shown in the following tables. All BCA employees are full-time employees.

Total Employees based on Gender and Employment Status

Employment Status	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Permanent	8,913	14,280	9,049	14,162	9,366	14,467
Not permanent (contract, probation, trainee)	617	793	658	920	507	601
Total based on gender	9,530	15,073	9,707	15,082	9,873	15,068
Total overall	24,603		24,789		24,941	

Total Employees based on Gender and Position

Position	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	5	0	5	0	5	0
Director	10	2	8	3	9	3
Senior Manager	105	81	105	76	108	66
Middle Manager	843	795	846	759	814	712
Line Manager	3,678	6,068	3,677	5,929	3,721	5,880
Staff	4,096	7,719	4,131	7,946	4,212	8,230
Non-Staff	793	408	935	369	1,004	177
Total based on gender	9,530	15,073	9,707	15,082	9,873	15,068
Total overall	24,603		24,789		24,941	

Employee Composition based on Gender and Length of Service

Length of Service	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
> 20 Years	4,434	5,991	4,772	6,049	5,246	6,440
> 15 - 20 Years	292	532	489	947	600	1,112
> 10 - 15 Years	380	528	352	489	327	446
> 5 - 10 Years	1,782	3,806	1,317	2,547	928	1,698
> 1 - 5 Years	1,990	3,328	2,016	3,969	2,262	4,705
≤ 1 Years	652	888	761	1,081	510	667
Total based on gender	9,530	15,073	9,707	15,082	9,873	15,068
Total overall	24,603		24,789		24,941	



Employee Composition based on Gender and Work Area

Work Area	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Jabodetabek (including Head Office)	5,537	8,038	5,419	7,969	5,096	7,457
West Java (excluding Jabodetabek)	535	1,021	612	1,059	840	1,353
Central Java and DIY	624	1,177	661	1,218	705	1,243
East Java	1,229	2,062	1,310	2,070	1,397	2,151
Sumatra	815	1,372	865	1,380	932	1,448
Kalimantan	257	489	279	478	307	490
Eastern Indonesia	533	914	561	908	596	926
Total based on gender	9,530	15,073	9,707	15,082	9,873	15,068
Total overall	24,603		24,789		24,941	

Employee Composition based on Gender and Education Level

Education Level	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Doctorate Degree	6	1	4	1	4	1
Master's Degree	499	433	484	399	469	369
Bachelor's Degree	6,758	11,841	6,596	11,581	6,449	11,294
Diploma (D1-D4)	439	1,174	455	1,253	571	1,427
High School (or lower)	1,828	1,624	2,168	1,848	2,380	1,977
Total based on gender	9,530	15,073	9,707	15,082	9,873	15,068
Total overall	24,603		24,789		24,941	

Employee Composition based on Gender and Age Group

Age Group	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
< 25 Years old	1,181	1,786	1,056	1,756	953	1,787
> 25 - 30 Years old	1,972	3,967	1,992	4,129	1,969	4,159
> 30 - 35 Years old	1,240	2,278	1,020	1,742	804	1,256
> 35 - 40 Years old	408	622	369	638	415	788
> 40 - 45 Years old	845	1,710	1,059	2,108	1,258	2,454
> 45 - 50 Years old	1,827	2,805	2,133	2,945	2,429	2,946
> 50 Years old	2,057	1,905	2,078	1,764	2,045	1,678
Total based on gender	9,530	15,073	9,707	15,082	9,873	15,068
Total overall	24,603		24,789		24,941	

Employee Turnover [401-1]

At the end of 2020, BCA's employee turnover was 3.5%. This was relatively lower compared to last year.

Description	2020	2019	2018
% Employee Turnover Rate	3.5	4.9	3.7

Employee Turnover Rate based on Gender and Age Group

Age Group	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
< 30 Years	186	264	254	408	246	337
30 - 50 Years	214	347	291	397	228	310
> 50 Years	150	132	123	125	82	74
Total based on gender	550	743	668	930	556	721
Total overall	1,293		1,598		1,277	

Employee Turnover Rate based on Gender and Placement Area

Placement Area	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Jabodetabek (including Head Office)	376	533	476	640	387	490
West Java (excluding Jabodetabek)	40	42	35	69	27	47
Central Java and DIY	32	42	20	38	16	37
East Java	42	53	60	79	56	66
Sumatra	32	45	39	61	29	43
Kalimantan	7	16	14	15	10	13
Eastern Indonesia	21	12	24	28	31	25
Total based on gender	550	743	668	930	556	721
Total overall	1,293		1,598		1,277	

During 2020, BCA recruited 1,776 new employees, comprising 761 males and 1,015 females. This was higher than the 1,453 new employees recruited in 2019 due to the Company's business growth and the need for more human resources.

New Employees based on Gender and Age

Age Group	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
< 30 Years	670	899	600	819	370	449
30 - 50 Years	81	107	15	19	9	5
> 50 Years	10	9	0	0	0	0
Total based on gender	761	1,015	615	838	379	454
Total overall	1,776		1,453		833	

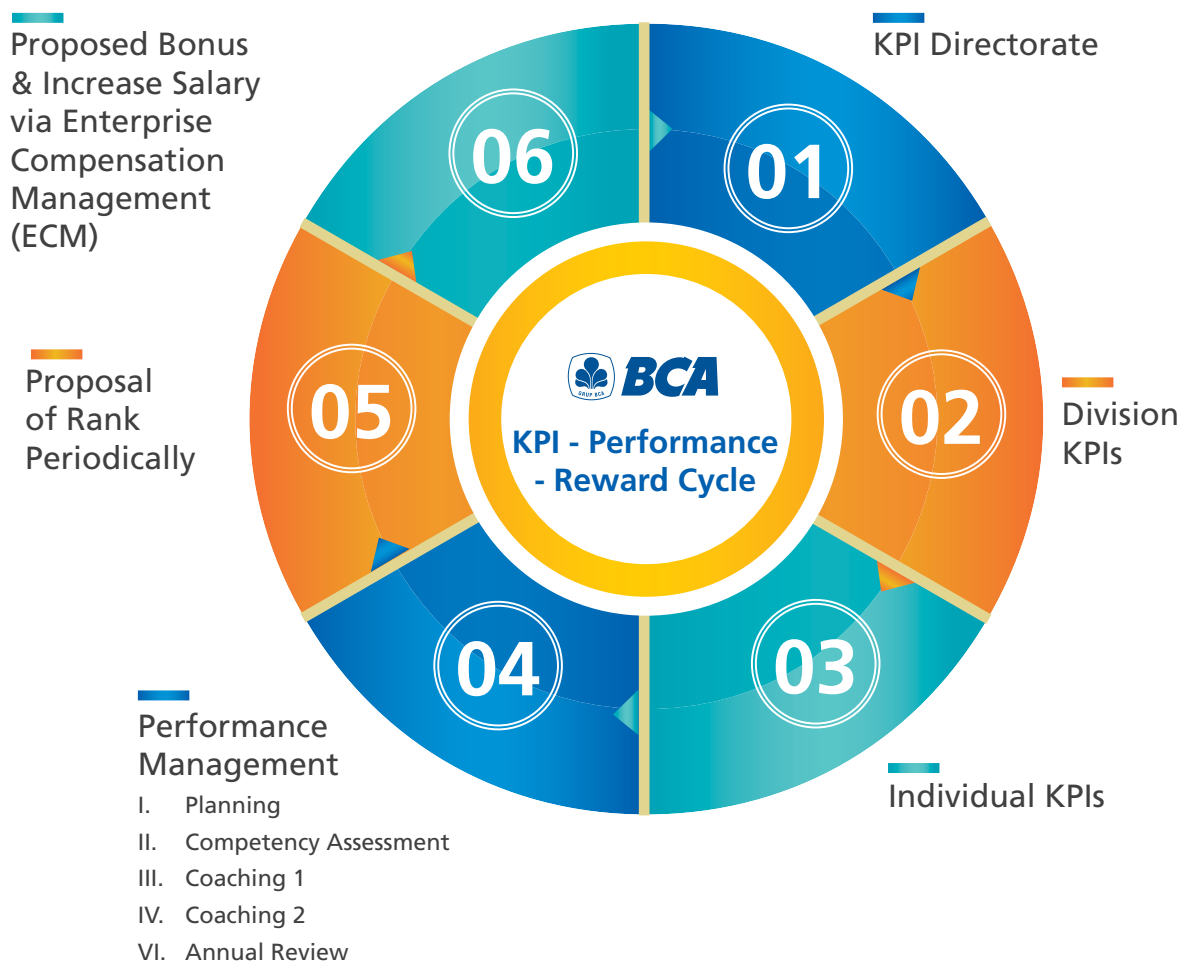


New Employees based on Gender and Placement Area

Placement Area	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Jabodetabek (including Head Office)	672	812	566	732	361	404
West Java (excluding Jabodetabek)	18	39	11	12	2	6
Central Java and DIY	21	24	6	15	4	10
East Java	17	39	16	41	4	16
Sumatra	25	45	8	19	3	13
Kalimantan	1	30	5	10	3	2
Eastern Indonesia	7	26	3	9	2	3
Total based on gender	761	1,015	615	838	379	454
Total overall	1,776		1,453		833	

Employee Performance Appraisal [404-3]

All employees (100%) undertake an evaluation and performance appraisal. Performance appraisals use the Performance Appraisal and Performance Management form. The performance appraisal results are used to adjust remunerations, bonuses, career path or promotions.



Promoted Employee based on Region and Gender

Region	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Head office	433	495	406	464	348	352
Branches and regional Offices	581	1,318	748	1,566	609	1,207
Total based on gender	1,014	1,813	1,154	2,030	957	1,559
Total overall	2,827		3,184		2,516	

Employee Engagement

BCA has developed a positive work culture within its internal teams through its Team Engagement (TE) program. To understand the results of this program, we measure the level of employee engagement. In collaboration with Gallup, BCA measures employee engagement every two years through surveys of all permanent employees and Bakti interns who have worked for one year in BCA. Due to the COVID-19 pandemic, no surveys were conducted in 2020. The last survey was conducted in 2018, with a value of 4.73 on a scale of 5.

“ONE BCA: One Goal, One Soul, One Joy” as the spirit of cooperation within a team. This tagline continues to be socialized to reduce silos between work units so that all employees collaborate and work together to achieve common goals.”



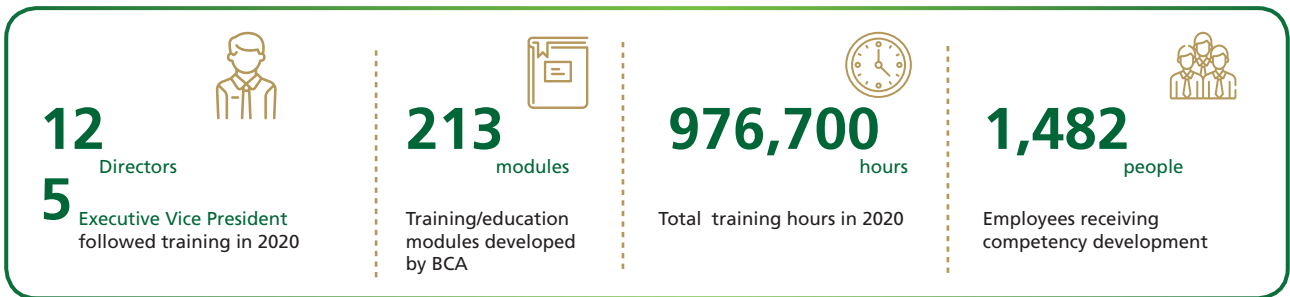
Employee Competency Development

The Learning & Development Division develops training material and tools for all employees. The training materials are delivered through video learning, video conferencing, e-learning, gamification and micro learning. HR development is not only carried out through training, but also through on the job training, tutoring, rotation, coaching, and mentoring. The materials not only cover the banking industry, but also soft skills such as leadership, personality development, and communication. [404-2]

E-learning is become one of our solution and strategy to pursue a continuous learning. In 2020, there are 311,735 e-learning user with 180 modules.

Training Realization [404-1]

Description	2020	2019	2018
Training Expenses (Rp Million)	208,954	395,659	273,279
Participants (People)	39,237	67,548	60,448
Males	14,685	25,666	23,514
Females	24,552	41,882	36,934
Total training hours per year	976,700	1,660,212	1,275,086
Males	357,582	618,064	477,422
Females	619,118	1,042,147	797,664
Average training hours per employee per year	39.7	67.0	51.1
Males	37.5	63.7	48.4
Females	41.1	69.1	52.9



Training for Employees Reaching Retirement Period [404-2]

Permanent employees who are reaching retirement age are provided for. BCA’s internal training program is given in two stages, the first stage is Ring the bell (50 years old), and the second stage is Beautiful life (54 years old). In addition to this training, BCA also provides financial assistance, especially for retired employees who wish to open their own businesses. For one year after stopping work, retirees will still receive one full year’s salary, health facilities, holiday allowances, and health facilities for themselves and their families.

Taking into account the needs of the Company in certain areas and/or during certain times, BCA also provides opportunities to retirees who want to continue working as long as there is a need in the Company. This includes representing BCA in signing loan agreements before a notary public during the customer loan process. For retirees at a certain level, they can also receive assistance, coaching, tips, and motivation. Some retirees are also rehired as expert staff to assist the Committees below the Board of Commissioners, or as Directors and/or Commissioners of BCA subsidiaries.

SUPPORT FOR HUMAN RIGHTS

BCA respects human rights aspects of all individuals, and within its business this covers all operational processes, including lending, investments and the supply chain. Currently, the Company is in the process of drafting a special policy regulating human rights for internal purposes.

Until now, BCA strives to implement real human rights practices. The practices we apply to our working partners/ vendors includes ensuring that their employees receive wages according to applicable regulations, are not below the minimum wage, and they receive social health and employment insurance. This human rights aspect is assessed through an annual vendor evaluation. In addition, our support for women’s empowerment reflects our concern for human rights and support for the Sustainable Development Goals.



Commitment to fair operations through support of employee welfare.
*Picture was taken before pandemic



Equal opportunities for all BCA employees.
*Picture was taken before pandemic

Support for Women's Empowerment

BCA supports women by providing equal opportunities so they can pursue their careers to the highest level. Of the 2,827 total employees who received promotions at BCA, 64.1% of whom are female. Currently, there are 2 female Directors, or 16.7% of the total Directors, and 613 female branch office heads, or 56.7% of the total branch office heads throughout Indonesia. The existence of females in senior positions is based on their achievements and performance, without discrimination.

Webinar "The Role of Women in the Development of Tourism Villages"

BCA, through the Bakti BCA assisted villages program, has seen the challenges businesses face in adapting to technological developments. One of the developments made in the tourism villages has been the enhanced role of women as coordinators of the tourism village management.

On November 26, 2020, BCA presents an inspiring webinar entitled: "The Role of Women in the Development of Tourism Villages". The resource persons for this webinar were Tourism Village Observer Lia Afriza, Head of Samiran Boyolali Tourism Village Dayang Nevia Afriansari, and Housewife and UMKM Coordinator of Tamansari Village, Wahyu Dwi Lestari. This inspirational webinar was viewed by 12 Bakti BCA assisted villages.

BCA's responsibility for developing Bakti BCA fostered villages continues to be realized through digital assistance. Following an appeal by the Government and the SDGs requiring female empowerment, BCA supports the involvement of women in the development of tourism villages. Through this support, BCA wants to motivate Indonesian women to continue working in any situation and anywhere.

The role of women in tourism villages can be realized through their coordinating the tourism village management, and providing innovative ideas to develop craft products. Women must rise to fight the pandemic by showing their leadership potential and creativity, and this can be honed through inspirational programs such as this webinar.

Webinar "Women's Standing in Advancing the Villages"

To commemorate Mother's Day every December 22, BCA presented a webinar entitled "Women's Standing in Advancing the Villages", followed by a cooking demonstration of Indonesian cuisine on December 21, 2020, as part of BCA's CSR program. Also attending the event was Hotel Santika Premiere Beach Resort Belitung Executive Chef Amirudin Suryana.

The role played by women, especially mothers, in the growth of tourism villages through creativity is a positive added value. It is the responsibility of BCA through the Superior Business Solution pillar to provide motivation and assistance to all tourism village administrators during these current conditions. Webinars and cooking demonstrations cover materials and topics that are relevant to women in developing their business skills in the tourism sector.



Employment Opportunities for People with Disabilities

Equality in job opportunities is also given to those with disabilities. BCA employs 13 outsourced people with disabilities who work in the Digital Service Centers. This shows BCA's concern for improving the welfare of people with disabilities and supporting Government Regulation No. 43 of 1998 concerning Efforts to Improve the Well-being People with Disabilities.

Maternity Leave [401-3]

“*BCA's attention to female can be seen in the provision of nursing rooms in almost all head offices and regional offices.*”

BCA respects human rights, and one way this is shown is through gender equality. 61.3% of our employees are female and we appreciate their contribution to the bank's business continuity. BCA's appreciation for its female employees includes providing maternity leave for a maximum of 3 months. This also applies to female employees who experience miscarriages or abortus provocatus for medical reasons, and this is covered in the 2019-2021 CLA. Due to the pandemic conditions, in 2020 the leave policy was adjusted so that pregnant female employees at a gestational age of 5 months will be directed to work from home (WFH) for up to 1.5 months after giving birth.

Maternity leave does not reduce the annual leave allowances. Male employees are entitled to three working days leave during child birth, and four working days if their wife experiences a miscarriage for. During 2020, 875 female employees took maternity leave and 398 male employees took leave for child birth.

Description	2020	2019	2018
Employees entitled to maternity leave	15,984	16,542	16,929
Female	9,667	9,817	9,871
Male	6,317	6,725	7,058
Employees who take childbirth leave	1,273	1,309	1,318
Female	875	915	935
Male	398	394	383
Employees returning after maternity leave	1,262	1,292	1,301
Female	865	899	919
Male	397	393	382
Percentage returning to work	99.14%	98.70%	98.71%
Percentage of employees retained	97.96%	96.03%	95.60%

Paying Attention to Employee Welfare [401-2]

To ensure the welfare of its employees, BCA provides remuneration and benefits in accordance with their work results, position, and employment status.

Employee Benefits based on Employment Status

Type of Allowance	Permanent Employees	Contract Employees	Trainee
1 Hari Raya allowances (THR)	√	√	√
2 Year-end allowances	√	NA	√
3 Religious Hari Raya special allowances	√	NA	√
4 Position allowances	√	NA	NA
5 Other allowances	√	√	√

Comparison of Basic Salary at the Lowest Level with Regional Minimum Wages (UMR)

The remuneration provided by BCA to employees has met the employment regulations in Indonesia. In fact, the amount of the basic salary for permanent employees, both male and female at the lowest level, is still higher than the district/city minimum wage (UMK) across all branch offices in Indonesia.

Percentage of Basic Salary for Permanent Employees in Jakarta at the Lowest Level Against the Regional Minimum Wage



Note: Comparison of employees' remuneration with the UMR for the Jakarta area.

Old Age Savings [201-3]

BCA plan for old-age savings (retirement) for all employees covers the EVP to staff level. Pension fund management is carried out by an employer pension fund institution established by BCA through a defined contribution pension plan. The defined Contribution payment scheme is mandatory for employees who have worked for more than one year. Contributions are borne jointly by the employees and the company in accordance with applicable regulations, namely 5% x fixed pay borne by the company and 3% x fixed pay borne by the employee.

Trade Union and Collective Labor Agreement (PKB) [102-41]

To guarantee freedom of expression and association, a Labor Union was formed. The organization is managed independently by the employees and facilitated by the Company. until August 2018, 18,991 employees (78.8%) were members of the Labor Union. Every two years, representatives from the Labor Union together with management review and update the Collective Labor Agreement (CLA), which forms the basis for conducive and productive industrial relations. The rights and obligations for 100% of the permanent employees is protected through this CLA.

OCCUPATIONAL SECURITY, SAFETY, AND HEALTH

Decent and Safe Work Environment [403-7]

BCA believes that a decent workplace and a conducive environment will promote a good working climate and will help increase employee productivity. The occupational health and safety (OHS) program has the support of the management and all BCA personnel. The employee protection policies are contained in the 2019-2021 CLA, including Article 42, Article 47, Article 49, Article 57 paragraph 1, Article 58 paragraph 2, and Article 59 paragraph 2, and they all refer to Law Number 13 of 2003. Article 86 paragraph 2 states "To protect the safety of employees/laborers to achieve optimal work productivity, efforts must be made to OHS".

Efforts to create work safety apply to all vendors in accordance with policy No. 114/SE/POL/2020. within the policy, BCA requires a health and safety management system (SMK3) to be implemented by vendors.

Work safety are reflected in the office space arrangements, including the completeness and feasibility of working facilities and environment, as well as security facilities. To maintain zero work accidents, as well as OHS awareness and skills, every employee receives socialization, training and undertakes drills every year. Evacuation drills for tall buildings, fires, natural disasters, and earthquakes are also conducted at regional offices and branch offices. Early warnings are also sent to employees through the Android application to make them aware and prevent accidents. [403-5]

Access to Health Facilities [403-3, 403-4]

Health facilities provided to employees include insurance, health clinics, and health education. All employees are entitled to vaccinations, hospitalization, outpatient care, childbirth, glasses, dental care, laboratory examinations, periodic medical examinations, and pap smears.

BCA also provides employees and their families with access to BPJS Kesehatan. BCA has a collective BPJS Kesehatan registration for employees with a maximum limit of five people, including the employee concerned. BCA actively promotes a healthy lifestyle (health awareness) through health seminars.




Environment




BCA has adopted a staged approach to identifying and managing climate change risks. We have started by calculating GHG emissions resulting from the electrical energy used in our buildings. BCA's Procurement and Building Management Division provides the information related to environmental data, including calculation of emissions.

Green Banking Initiative



Electrical energy

Apply AC inverter, LED lights, on/off AC and lighting schedule, Head Office building electricity monitoring. Target of achieving Energy Consumption Intensity (IKE) standards.



Water

Check water installations and taps, water conservation education, and monitoring water use in the Head Office building.



Emissions

Apply environmentally friendly technology, as well as disseminate and educate employees in the building through Agents of Change.



Plastic waste

- Encourage employees to use glass tumblers and cups.
- Avoiding the use of plastic drinking water bottles for BCA internal activities
- Cooperating with waste management organizations to recycle plastic waste.

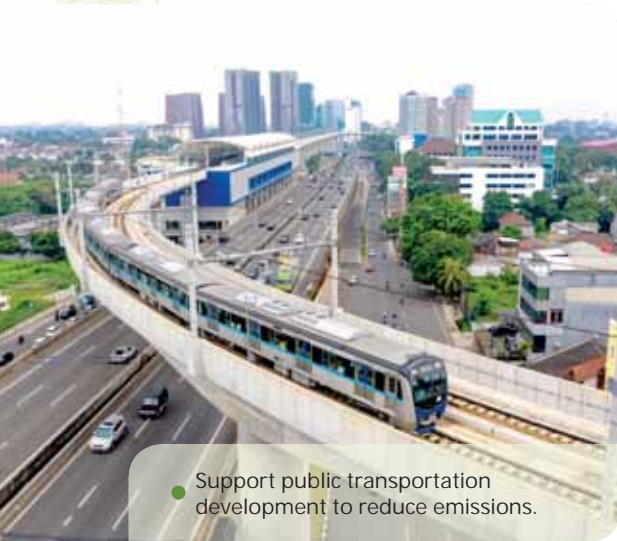
REDUCING ENERGY CONSUMPTION AND CONTRIBUTING TO REDUCING EMISSIONS

Steps taken related to climate change included:

- Developing a Climate Change Strategy roadmap
- Developing a GHG inventory for our operations using GHG Protocol Standard
- Developing climate change mitigation policies;
- Improving awareness of the impact of climate change in regards to our operations and investment portfolio
- Increasing the Bank's resilience to climate risks by monitoring climate relevant investment sectors;
- Preparing guidance to customers and businesses to transition to a low carbon economy.



”
 BCA supports the actions to address climate change. Concrete actions taken include making efficient use of electricity, clean water, and paper, all of which indirectly supports the reduction of greenhouse gas emissions.
 ”



- Support public transportation development to reduce emissions.



- Green building BCA Foresta.



Yosef Lim
G-Energy Global

"BCA has taken the appropriate steps by considering and pursuing the environmental and sustainability aspects in its business. With BCA, we have implemented the green building concept wherever possible to achieve energy efficiency. An IKE simulation calculation has shown that energy consumption intensity in the BCA Foresta building is 128 kWh/m² per year, which is about 35% more energy efficient than other buildings in Indonesia. The estimated savings from the reduction in investment cost for chiller system is Rp1.4 billion per year as a result of cooling optimization, while the savings in operational cost from chiller system estimated at Rp420 million per year (including façade work). These energy savings are why the BCA building is seen as an example of a high efficient/high performance building."

Climate Change Mitigation Strategy

BCA's approach to identifying and managing climate change risks refers to international standards, namely the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, the GHG Protocol, and we are considering participating in the Science Based Targets Initiative (SBTI). These initiatives fall under the Finance and Planning Director, who has been tasked with climate change integration as one of the main aspects of ESG within the monitoring and reporting strategy which is delivered periodically. Finance and Planning Director also responsible for monitoring risks and opportunities related to climate change that may impact the Bank's operations.

We are working to integrate climate change mitigation and adaptation into our business operations. This strategy is also implemented to support the Government of Indonesia to achieve its 29% GHG reduction goal by 2029 and to motivate businesses to transition to a low carbon economy.



Activities undertaken to implement climate change mitigation and adaptation strategies include:

- 01

Institutionalization and Capacity Building

Training and discussions have been conducted with the ESG Team together with some related subdivisions and management teams regarding climate change. In 2020, eleven discussions were held involving 30-50 participants from BCA head office. This discussion also involved the Board of Directors, the Corporate Banking Transaction & Finance Group, the Commercial & SME Business Division, the Credit Risk Analysis Group, the Logistics & Building Division, the Risk Management Unit, and the Consumer Credit Business Division.
- 02

Data Gathering and Analysis

Collecting operational data to come up with a full GHG inventory by 2023 for its operations. In 2020, analysis was undertaken for six HO buildings (Scope 1), all business travel of BCA staff, and using a car pool fleet as an example for staff travel (Scope 3). Further, data on the impact of extreme weather events was collected. Also, a first screening of the investment portfolio to ascertain the vulnerability of certain sectors to climate change impact.
- 03

Identifying Existing Climate Actions

Green building/Energy efficiency Programs. Several BCA-owned buildings, such as BCA Forestra, KCU Gading Serpong, Menara BCA Building, and Landmark in Pluit, have been managed using green building principles. Some of the measures implemented included: 1) use of LED lights; 2) applying energy efficiency via inverter technology and variable volume refrigerant systems; and 3) using solar panels.
- 04

Sustainable Finance

Through the sustainable finance action plan (SFAP), BCA has already identified several sectors related to climate change and their investment efforts. Investments made include efficiency energy projects, syndicated loans for renewable energy projects, cooperation with ICED in achieving financing targets in the renewable energy sector, financing the development of the public transportation infrastructure, and funding the wastewater treatment business sector.

Climate Change Mitigation Preparation Based on TCFD



Contribution to Climate Change - GHG Inventory

In 2020, BCA engaged independent external consultants to start gathering data for its GHG inventory. From this inventory identification, energy use calculations were made to identify efficiencies.

-
- 01

Scope 1:

Emissions from the use of diesel for generators, and refrigerant leaks that are manageable by BCA.
 - 02

Scope 2:

Emissions resulting from the consumption of electricity purchased from PLN.
 - 03

Scope 2:

Indirect GHG emissions originating from: 1) Business travel; 2) Car pooling; 3) Emissions generated by third parties i.e printer pooling use, and others.

Initial GHG inventory [305-2, 305-3]

Emisi GRK (ton CO ₂ eq)	2020	2019	2018
Scope 2			
B.1. Electricity purchased			
Head office	13,742	13,705	13,223
Head Office Data Center	16,995	14,321	13,972
Main Branches	39,465	42,160	40,845
TOTAL	70,202	70,186	68,040
Scope 3			
C.1. Business travel	480	989	N/R
C.2. Car pooling	236	N/R	N/R
C.3. Printer pooling use	128	165	190
TOTAL	844	1,154	190
Total GHG Emissions (Scope 2 + 3)	71,046	71,340	68,230

Note:

GHG emission data scope 1 will only be measured starting in 2021.

Intensity of Electrical Energy Use [302-1, 302-3]

Description	2020	2019 ^{*)}	2018 ^{*)}
Intensity of Electrical Energy Use (kWh)	80,048,325	80,073,145	77,582,416
Area (m ²)	433,492	431,557	425,229
Intensity of Energy Use (kWh/m ²)	185	186	182

^{*)} Restatement of data for 2018 and 2019, as the coverage of data calculations has increased from 3 Head Office buildings to 6 Head Office buildings, Head Office Data Center, and 115 KCU.

In 2020, electrical energy used in the 6 Head Office Buildings, 4 Head Office Data Center, and 115 KCU amounted to 80,048,325 kWh, with an electrical energy intensity of 185 kWh/m² per year. This meets the 'efficient' category based on SNI 03-6196-2000 concerning Intensity of Building Energy Consumption in Indonesia. This result was achieved due to BCA's consistency in carrying out electricity efficiency initiatives from 2017 to 2020, including:

- scheduling gradual shut down of elevators to be gradually shut down;
- turning off lights during lunch time in the back office area;
- conducting a #BCASWITCHOFF campaign on Instagram to increase raise awareness of for turning off lights and other electronic equipment when not in use;
- unplugging dispenser sockets at night.

BCA has installed solar panels at Wisma Asia II and KCU Gading Serpong using an on grid system that captures sunlight to be converted into electrical energy. By the end of 2020, the energy generated from the solar panels in the Wisma Asia II building was to 8.027.3 kWh and in the KCU Gading Serpong building 8.626.8 kWh.



WASTE MANAGEMENT

Waste Management

BCA sorts its waste by providing different colored waste bins, namely gray for residual waste and yellow for plastic waste. During 2020, BCA sorted waste in two buildings: WSA II and Wisma BCA foresta. The resulting sorted waste is sent to the Tzu Chi Foundation to be recycled, then sold, and the funds raised distributed to those in need.

Electronic waste management

Vendors collect electronic waste, then sort out anything that can still be repaired and reused (to donate to schools or orphanages). Electronic waste over five years old will be separated, between plastic waste and metal waste. This helps prevent unmanaged waste from circulating in the market and polluting the environment. Also, the sorted materials can be sold by the vendor to recyclers so that economic benefits can be obtained.

WATER USE AND WASTEWATER MANAGEMENT

The water used in BCA is purchased from the Regional Drinking Water Company (PDAM). We pay attention to the efficient use of clean water in all of our office buildings. Currently, at KCU Bintaro, Wisma BCA Foresta, and Wisma Pondok Indah, water recycling is available to treat wastewater. Processed water is used to meet non-hygiene needs, such as watering plants and flushing toilets. In other offices, BCA has implemented several initiatives, including maintenance of water installations, use of water-efficient taps, eco-washers, and conducting water-saving campaigns.

Water usage

Water Source	2020 ^{*)}	2019 ^{**)}	2018 ^{**)}
Local water company/PDAM (m ³)	67,365	55,322	45,168

Notes:

^{*)} Data for 2020 includes Gedung Menara BCA, Wisma Asia II, Wisma Pondok Indah, Graha Asia, Landmark Pluit, and WAAS (CPC).

^{**)} Data for 2019 and 2018 include Gedung Menara BCA, Wisma Asia II, Wisma Pondok Indah.

Water consumption is monitored by the Logistics and Building Division to evaluate its efficient use. Every year, BCA has increased the scope of data measurement. In 2020, water use consumption included Gedung Menara BCA, Wisma Asia II, Wisma Pondok Indah, Graha Asia, Landmark Pluit, and Wisma Asia Alam Sutera WAAS (CPC), and recorded a total of 67,365 m³.

In the Bank's operations, any domestic liquid waste generated by BCA does not have a significant impact on the Bank's operations and sustainability. This report does not include information related to waste spills, as BCA does not carry out any activities related to waste transportation, so this information is less relevant.

USE OF RECYCLED MATERIALS

BCA cannot report on the use of recycled materials, as BCA's business activities do not directly use materials. However, BCA supports all efforts to prevent environmental pollution by instigating several environmental care programs that will be discussed in other subsections.

ENVIRONMENTAL COMPLAINTS

During 2020, BCA did not receive any complaints related to the environment from its stakeholders. BCA has also not received any information pertaining to environmental complaints received by debtors, especially those with corporate loans.



INSPIRATION FOR SOCIAL VALUE CREATION

“In carrying out Corporate Social Responsibility (CSR), BCA provides regular assistance in line with its activity plans and the Bakti BCA umbrella program. The Bakti BCA program has been developed based on a concept of sustainability that creates a long-term shared value.”



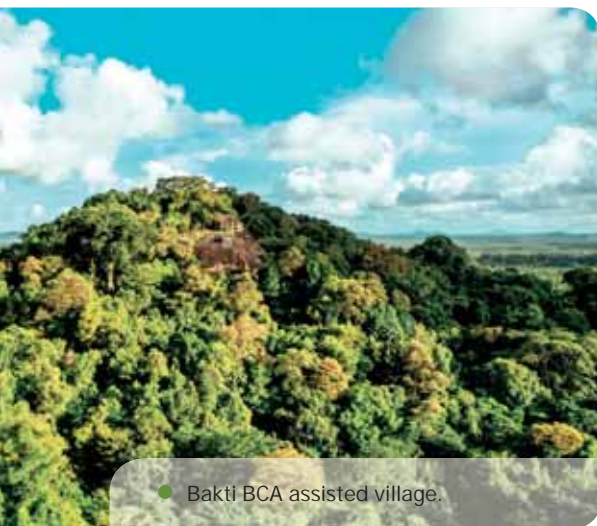


Community Engagement and Empowerment

BCA continues to create the best solutions and services for its customers and the Indonesian people despite the current challenges and uncertainties. This creative spirit could be seen at the Pesta Akbar Pengetahuan event entitled Indonesia Knowledge Forum (IKF) IX 2020 with the theme “Business Revamp: Overcoming Uncertainty through Knowledge” for more than 6,600 participants. Unlike previous forums, IKF IX 2020 was held virtually, due to existing COVID-19 pandemic health protocols, and participants were guided on how to enjoy IKF IX 2020 through ikf.co.id for one full day on October 6, 2020.

Bakti BCA Program

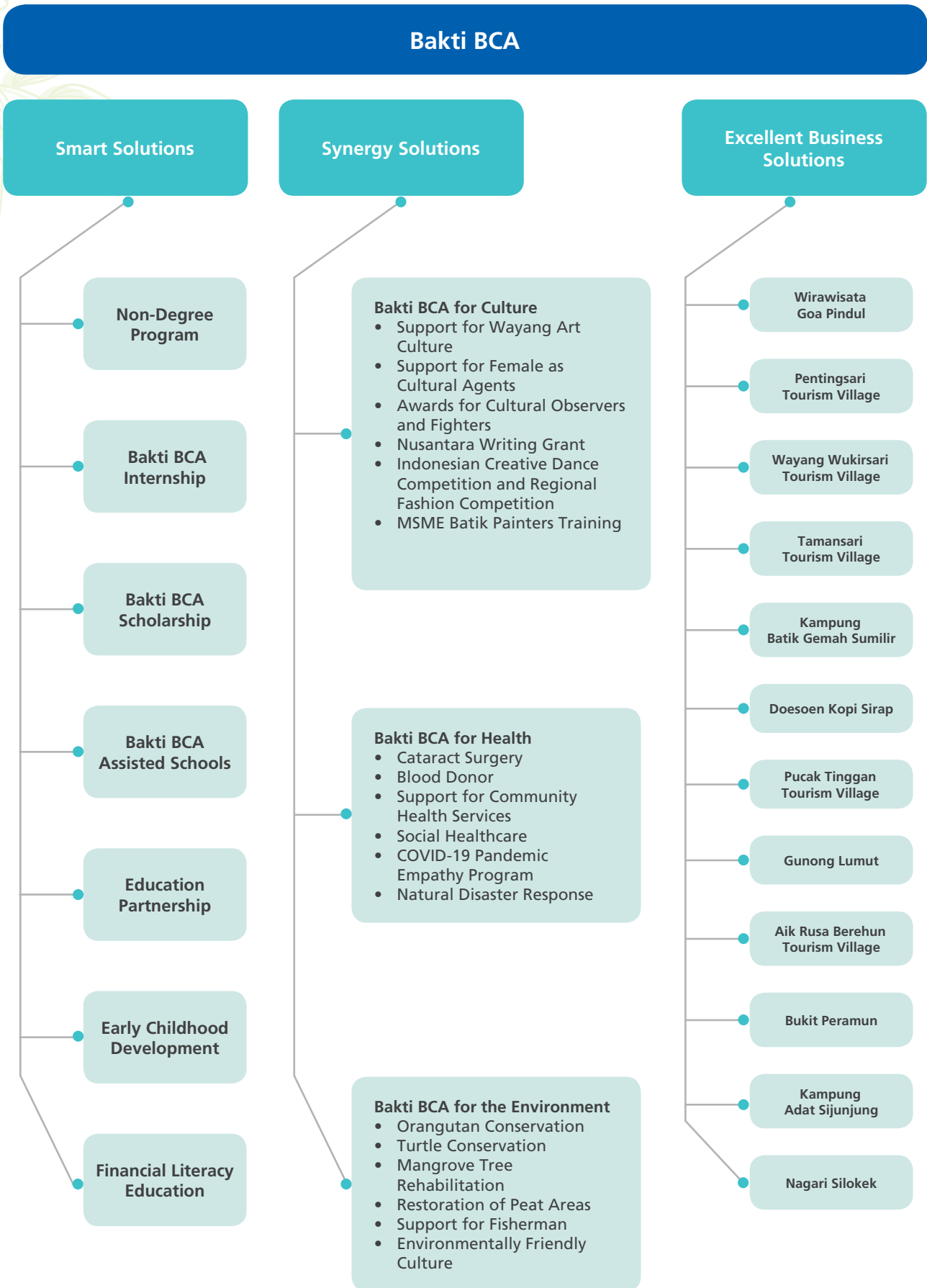
The Bakti BCA program activities are focused on community welfare and improve environmental improvements, and support the achievement of the Sustainable Development Goals (SDG). The program is delivered through three pillars, namely:



● Bakti BCA assisted village.



● Smart solutions pillar Bakti BCA assisted school.





SMART SOLUTIONS



One of implementation of educational partnerships via online throughout 2020.

Non-Degree Education Program

Activities:

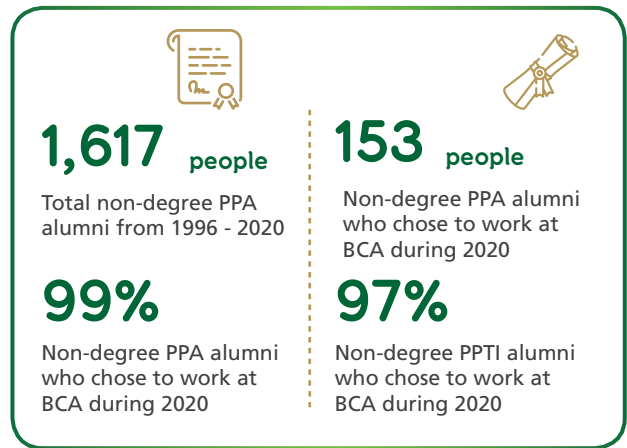
Non-degree education through the Accounting Education (PPA) and Informatics Engineering Education (PPTI) Programs. These programs last 30 months and uses a knockout system in the teaching and learning process.

Benefit recipients:

High school, vocational or equivalent graduates who excel, but have financial constraints.

2020 performance:

Total participants PPA: 396 people and PPTI: 172 people



Participants and Graduates in the Non-Degree Accounting Education Program (PPA) and Informatics Engineering Education Program (PPTI)

Non-Degree Program	2020	2019	2018
PPA			
Total Participants	396	392	376
Alumni	129	114	134
Joined BCA	128	113	133
PPTI			
Total Participants	172	147	106
Alumni	35	28	33
Joined BCA	34	26	33

Bakti BCA Internship

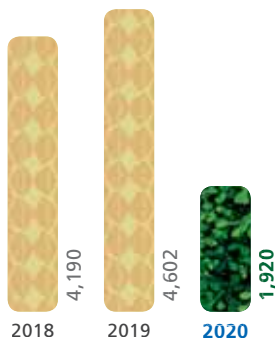
Activities:

Organized the Bakti BCA Internship Program to improve the quality of Indonesia’s human resources.

Benefit recipients:

High school and undergraduate graduates to gain experience as a Customer Service Officers (CSO) or tellers at BCA.

Number of Internship Participants for Bakti BCA



Bakti BCA Scholarship

Activities:

Providing scholarships in the form of financial assistance and training to improve soft skills. BCA also collaborates with other institutions in distributing scholarships, including Yayasan Karya Salemba Empat, Sekolah Tinggi Hukum Jentera, Beasiswa Buat Indonesia Timur, and IKOPIN.

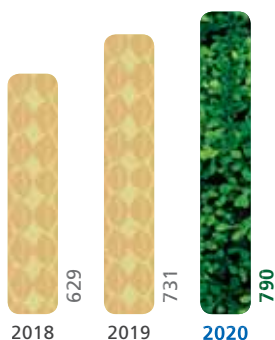
Benefit recipients:

Bachelor Degree students.

2020 performance:

In 2020, the total scholarship funds amounted to Rp5.5 billion and was distributed to 18 public universities throughout Indonesia.

Number of Bakti BCA Scholarship Recipients



Bakti BCA School Assistance

Activities:

Providing quality assistance, access and development of educational infrastructure, as well as face shields, cloth masks, and thermoguns during the COVID-19 pandemic. BCA also provided training for teachers on curriculum, soft skills and hard skills.

During 2020, the training provided included “Development of Assessment and Evaluation in XXI Century Learning” and “Becoming an Effective Blended Learning Teacher in the Age of Distance Learning.” This training was followed by a SMART Teacher Award program aimed at increasing teacher innovative and creative skills in developing learning in schools.

Currently, most of the Bakti BCA assisted schools have been accredited as “good” and “very good.”

Benefit recipients:

727 teachers and education staff, and 9,938 students.

2020 Performance:

20 Bakti BCA assisted schools located in Lampung, Serang, Yogyakarta and Banyuwangi.

Education Partnerships

Activities:

Cooperating with educational institutions through seminars and public lectures at various universities. In 2020, one of the public virtual lectures had the theme “Striving for Excellence During New Normal.” Also, on the National Teachers’ Day 2020 in December 2020, BCA held an educational webinar with the theme “Advance East Indonesian Educators.” In addition to the webinars, Bakti BCA also held a writing competition with the theme “Learning Innovations in Pandemic Times.”

Benefit recipients:

Universitas IPB, Sekolah Vokasi UGM, students who received Bakti BCA Scholarships for the 2019 - 2020 academic year in 18 state universities, 740 schools in 40 cities, and more than 5,000 teachers.

2020 performance:

The cost for this activity reached Rp128 million.



Early Childhood Development

Activities:

Partnering with the United Nations Children’s Fund (UNICEF) to provide assistance to support early childhood development, this activity has also strengthened the coordination between government agencies, and created alternative models for early childhood education based on local wisdom in accordance with the culture in Papua.

Benefit recipients:

Holistic-integrative early childhood education (PAUD HI) in Sorong and Raja Ampat districts, West Papua.

2020 performance:

BCA donated Rp500 million to UNICEF.

SYNERGY SOLUTIONS



”

Culture is at the root of a nation’s character, but is often forgotten. BCA helps in preserving the Indonesian indigenous culture. Hopefully there will be many other institutions that care more about our cultural richness.

”

Bakti BCA for Culture

We have seen that Indonesia’s local culture has started to disappear along with the development of digital services and the influence of a modern culture. BCA is striving to preserve the Indonesian culture and introduce cultural arts to the younger generations through various activities.

Support for Wayang Art Culture

Activities:

Preservation and introduction to cultural arts in a virtual manner, including:

- Swargaloka, “The Indonesia Opera Drayang Swargaloka”;
- Rumah Cinwa, “Bakar Tongkang, Tradisi dan Masa Kini Budaya Peranakan, Tionghoa di Bagansiapiapi”;
- Sahabat Pencinta Wayang Orang “Pagelaran Wayang Orang Putri”;
- Puppeteer Jose Amadeus Krisna “Wayang Geger Pecinan”;
- Wayang Tavip “Beringin Satan”.

BCA also provided basic food assistance to puppet artists affected by the COVID-19 pandemic as they were unable to perform.

Benefit recipients:

Working together with 5 puppeteer and artist associations, basic food assistance was given to 100 artists in Central Java.

BCA also supports the preservation and introduction of wayang culture through its Wayang for Students and Wayang Day Programs. These activities help bring the puppet culture to the younger people in Indonesia and helps increase the understanding, behavior, and exemplary values contained within the wayang art culture.



● Archipelago Creative Dance Competition and Regional Fashion Competition.



● Support for online cultural activities.

The Wayang for Student activities are aimed at junior high school, high school and vocational high school students, and BCA has an annual program for conducting Wayang for Students in designated schools. However, in 2020, the Wayang for Students and Wayang Day activities had to be postponed due to the COVID-19 pandemic. We hope that these programs will return to motivate others to actively participate in developing wayang as one of Indonesia's cultures.

Supporting Female as Cultural Agents

Activities:

Organizing a discussion program with the topic "Women and Indonesian Culture". In the discussion, the role of women as agents of change and cultural agents in creating and preserving Indonesian culture was discussed.

Benefit recipients:

By the end of 2020, 1,590 viewers participated in this activity via the Solusi BCA YouTube channel.

Awards for Cultural Observers and Fighters

Activities:

BCA presented awards to cultural observers and fighters who have demonstrated their struggle to preserve Indonesian culture. These awards included the Nusantara Academic Award 2020 and the Waskita Award 2020.

Benefit recipients:

Nusantara Academic Award 2020 to 2 students and Waskita Award 2020 to 2 cultural activists.

Nusantara Writing Grant

Activities:

Organizing the Nusantara Writing Grant, financial assistance (grants) for students writing their master's thesis or doctoral dissertation on the various local cultures and religions in Indonesia.

Benefit recipients:

5 Students from UGM (2 students), ITB (1 student), UIN Sunan Kalijaga (1 student), and Institut Seni Indonesia Surakarta (1 student).

Archipelago Creative Dance Competition and Regional Fashion Competition

Activities:

Conducting cultural preservation activities in collaboration with Sampan Bujana Sentra and the Ministry of Education and Culture. During 2020, activities

were held virtually in Jakarta, and reached many areas in Indonesia including Jakarta, Banten, Bandung, Blitar, Banyuwangi, Tulungagung, Kediri, Padang, Bangka Belitung, Purworejo, Wonogiri, Yogyakarta, Dumai, Kupang, Kalimantan, Bali, and many more.

Benefit recipients:

564 participants and 16 winners in the Indonesian creation dance competition, and 309 participants and 9 winners in the fashion competition.

MSME Batik Painters Training

Activities:

Preserving batik as an Indonesian culture and increasing Batik Painters' competencies and independence in support the growth of batik MSMEs.

In 2020, BCA held training for MSME Batik Painters in Lamongan Regency, East Java, with the training being followed by mentoring. However, due to the COVID-19 pandemic, assistance activities in 2020 could only be carried out twice out of the 12 meetings targeted.

Benefit recipients:

24 MSME owners, 31 MSME employees, and 16 additional people outside the MSMEs, including 8 teachers who can pass on this knowledge of batik techniques in schools.

Bakti BCA for Health

BCA realizes that the Bank plays a very important role in creating a productive society, supported by healthy, intelligent, and creative generations. One way of achieving this is by improving public health.

During the COVID-19 pandemic, BCA supported the Movement to Wear a Mask (GPM) program through educate on the proper use of masks. BCA has donated 100,000 cloth masks in East Java (50 thousand), Central Java (30 thousand) and West Java (20 thousand). Specifically in East Java, BCA also distributed aid in the form of 500 PPE (Sidoarjo) and 5,000 surgical masks for health workers, while in Central Java, BCA also handed over 1,000 APD and 10,000 surgical masks for health workers at both the Puskesmas and the Hospital. The masks that were distributed were UMKM products assisted by BCA and Bakti BCA-assisted village communities. By using masks produced by our assisted partners, it is hoped this will help increase the income for them whose businesses have been affected by the pandemic.



In an effort to help the Government reduce the spread of the corona virus, CSR BCA installed 60 washing facilities in the BCA branch offices in Jabodetabek. The locations chosen were based on the population density and closeness to public facilities. The hope is that these hand washing facilities will not only be used by BCA customers but also by the surrounding communities. In addition BCA also donated 21 washing facilities in other areas in the Jakarta area, including Pasar Jaya, mosques, Islamic boarding schools, and community health centers, etc.

Cataract Surgery

Activities:

In support of the Government program and the World Health Organization (WHO) Vision 2020, namely The Right to Sight, BCA organizes cataract surgery for people in need. BCA has collaborated with the Indonesian Eye Specialist Association (SPBK Perdami) since 2001 and the Kick Andy Foundation since 2017.

Each year BCA organizes cataract surgeries for at least 500 sufferers, in a minimum of four cities. However, the pandemic in 2020 presented a challenge so these activities had to be postponed until normal conditions return.

Benefit recipients:

Assistance to SPBK-Perdami, in the form of 4,000 surgical masks.

Blood Donor

Activities:

Organizing blood donor activities at least eight times per year, with an average of 1,500 blood bags. However, due to the pandemic in 2020, blood donor activities could only take place over two days, where 443 blood bags were collected.

Benefit recipients:

Assistance to the Indonesian Red Cross (PMI), including 443 blood bags and 6,000 surgical masks.

Support for Community Health Services

Activities:

Providing affordable quality health services for people in need, in collaboration with the Klinik Bakti Medika since 2015 and Praktik Dokter Duri Utara since 2012. BCA also covered subsidized healthcare payments for patients and special assistance to deal with the COVID-19 pandemic. A total of 75 rapid test kits and 500 surgical masks were distributed to the two clinics.

Benefit recipients:

Assistance to 4,294 patients in Klinik Bakti Medika and 12,317 patients in Praktik Dokter Duri Utara.

Social Healthcare

Activities:

Providing general health services, such as free reading glasses, blood pressure checks and simple lab tests (blood sugar levels, cholesterol, uric acid), as well as providing free vitamins.

Benefit recipients:

BCA provided subsidies in the form of Social Medicine services to 175 patients at Praktik Dokter Duri Utara and 150 patients at Klinik Bakti Medika.

COVID-19 Pandemic Empathy Program

Medical assistance activities:

Distributing medical equipment assistance in the form of COVID-19 rapid test kits, ventilators, syringe pumps and protective equipment for medical personnel in health centers and hospitals amounted to Rp18.3 billion.

Benefit recipients:

Health Centers and Hospitals and other Health Agencies.

BCA distributed 41,000 COVID-19 Rapid test kits through the Indonesian Hospital Association (PERSI) to 30 hospitals worth Rp2.6 billion

The costs incurred for partnership activities with regulators and other partners were to Rp3.2 billion

Equipment and personal protective equipment worth Rp12.5 billion



Basic food assistance during the COVID-19 Pandemic

Activities:

Basic food assistance for the welfare of people affected by the pandemic.

Benefit recipients:

Communities around the BCA branch offices in areas 1 to 12 receiving basic food assistance for a total of 21,750 family heads with food packages worth Rp2.2 billion.

Natural Disaster Response

Activities:

Providing assistance to communities affected by natural disasters. In 2020, post-disaster recovery assistance continued for victims of the Donggala and Palu earthquakes that occurred in 2018. Donations were made for rebuilding TK Anatapura Lolu School, Sigi Biromaru District, Sigi Regency, Central Sulawesi Province, Palu, and for buying teaching and learning tools in several schools, TK Kartika XXI-18, TK Kartika XXI-19, Early Childhood Education (Paud) Kartika Kodim 1306/DGL, TK Negeri Satu Atap Petobo and TK Antapura Lolu. BCA also made donations to people affected by other disasters, including the floods in Jakarta and the surrounding areas with costs amounting to Rp90 million.

Benefit recipients:

A total of Rp400 million was symbolically handed over via video conference on October 14, 2020 to the Foundation Head who is also the Principal of the TK Anatapura Lolu School, Sigi Biromaru District, Sigi Regency, Central Sulawesi Province, Palu. Other beneficiaries included TK Kartika XXI-18, TTK Kartika

XXI-19, Early Childhood Education (Paud) Kartika Kodim 1306/DGL, TK Negeri Satu Atap Petobo. The Jakarta flood donation beneficiaries included people affected by the floods in Karawang and East Jakarta.

Bakti BCA for the Environment

Indonesia has one of the highest biodiversity systems in the world. However, human activities and climate change now pose a threat to this biodiversity ecosystem. To help address this, BCA actively participates in preserving biodiversity through its social and environmental responsibility (SER) activities in the environmental sector.



Collaborating with BOSF in support orangutan conservation.

Orangutan Conservation

Activities:

Running an orangutan conservation program, for one of the endemic fauna of Kalimantan that is protected by law. Since 2012, BCA has collaborated with the Borneo Orangutan Survival Foundation (BOSF) to support their rescue, rehabilitation and release (reintroduction) efforts.

During 2020, the program was carried out by providing rehabilitation assistance, covering the provision of food, logistics, medicine, medical equipment, enrichment tools (honing orangutan skills and fighting power), and laboratory tests. To support the orangutan caregivers and administrative staff health in the orangutan conservation area, BCA provided 8,000 surgical masks to the Borneo Orangutan Survival (BOS) Foundation in Samboja Lestari and Nyaru Menteng. Total donations for orangutans and their habitat conservation in 2020 amounted to Rp450 million.



Orangutan conservation activities have had a positive environmental and social impact, by providing clean water, fresh air, and protection against soil erosion, floods and landslides, and by ensuring the necessary ecosystem functions including disaster and risk reduction and climate regulations are in place, on a local and global scale. On the social and economic life side, these activities contribute to providing people with alternative livelihoods.

Benefit recipients:

31 orangutans were rehabilitated and are waiting to be released back into their habitat.

Turtle Conservation

Activities:

Implementing a turtle conservation program in Banyuwangi, in collaboration with the Sea Turtle Foundation (BSTF). Apart from conservation, these activities also include assistance in maintaining the semi-natural hatchery nests, and raising awareness in the Banyuwangi people about the importance of the turtle ecosystem in the chain of life.

The turtle conservation activities have had a positive impact on the environment and society. Turtles can be saved from predators and the communities welfare has improved by making the turtle conservation areas tourist sites. This activity has had a direct economic impact on the communities through providing homestays and selling souvenirs. By the end of 2020, the total donation for turtle conservation activities amounted to Rp105 million.

Benefit recipients:

100 turtle egg nests were successfully relocated saving thousands of eggs. 8,909 eggs were successfully hatched and all the young turtles successfully released.

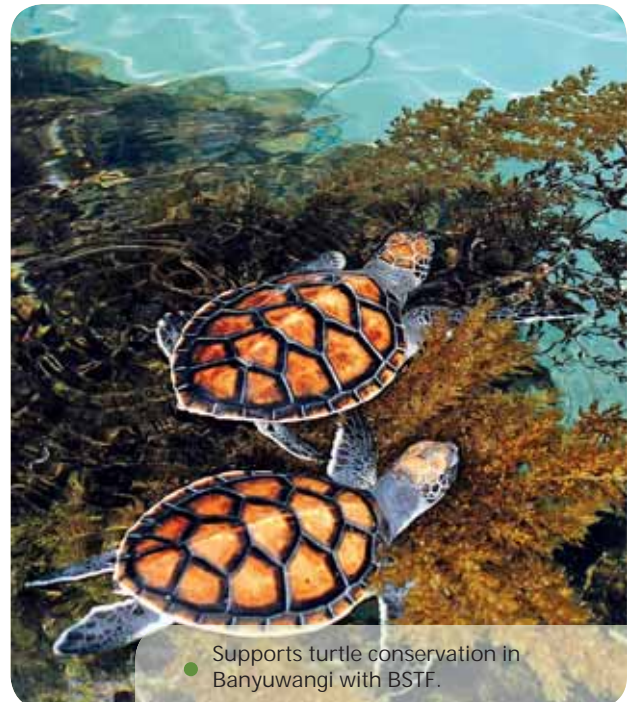
BCA's support for the Fishermen program

Activities:

Providing donations to fishermen who need it and helping them acquire new quality boats, as well as environmentally friendly fishing gear. It is hoped that this assistance will encourage the fishermen to go to sea and drive the wheels of the Indonesian economy during the COVID-19 pandemic, through the fishing industry.

Benefit recipients:

Donations of Rp280 million were disbursed through BenihBaik.com to Fishermen for 4 new ships.



Supports turtle conservation in Banyuwangi with BSTF.

Mangrove Tree Rehabilitation

Activities:

Rehabilitating mangrove trees through the NEWtrees program initiated by WWF Indonesia to help reduce abrasion along the Ujung Kulon Peninsula located in Java, where only a stretch of 1.3 km remains.

BCA is continuing to educate communities on the benefits of mangrove planting and it is hoped that this planting program will not only have a positive impact on the environment, but also create a community spirit and open up alternative source of income for the communities.

Benefit recipients:

In 2020, Mangrove tree planting reached 27,918 trees, covering an area of 12 ha. 14,700 of the trees survived, and potentially absorbing emissions of 31.7 tons of CO₂e emissions per year. 10 mangrove planting technical teams in Laban, and 20 bamboo garden owners in Ujung Jaya village, as well as groups comprising the communities and village governments are provided with the mangrove seedlings.

Restoration of Peat Areas

Activities:

BCA also provided support for the restoration of peat areas affected by forest and land fires. A total of 2,100 endemic plant seedlings were planted in a 6 ha area in the Giam Siak Kecil - Bukit Batu peat area in Sepahat Village, Bengkalis Regency, Riau. It has been estimated that this will help absorb 8.0 tons of CO₂e emissions per year.

Support for sustainable peat management to prevent fires was also given to the village, sub-district, and Bengkalis district governments.

Benefit recipients:

The peat areas affected by forest and land fires in the Giam Siak Kecil - Bukit Batu peat area in the Sepahat Village area, Bengkalis Regency, Riau. This Restoration activity also involved the Fire Care Community (MPA) group, providing them with economic, social and ecological benefits, in a balanced, inclusive, and sustainable manner for the community.

Environmentally Friendly Culture

Activities:

Socializing an environmentally friendly culture to employees by creating a green office.

Several activities have helped support an environmentally friendly culture at the Head Office and Branch Offices including:

1. Activating the Agents of Change in implementing an environmentally friendly culture. They represent the work units in head office, regional offices, branch offices throughout Indonesia, as well as in the subsidiaries. A Sharing knowledge event was held in 2020 with the theme "Becoming an Environmentally Friendly Consumer".
2. Conducting "Caring for the Earth Actions", including conserving electricity and water, reducing paper, plastic and waste, reducing the use of styrofoam, participating in Earth Hour, growing plants, and other environmental movements.
3. Calling for an environmentally friendly movement through internal communication media and corporate social media. This activity was carried out seven times with the theme of saving water, earth hour, earth day, green Ramadan, environment day, mangrove day and orangutan day.

Benefit recipients:

More than 200 BCA employee agents of change from 100 offices/work units throughout Indonesia.



Restoration of burned peat forest areas with Masyarakat Peduli Api (MPA).

EXCELLENT BUSINESS SOLUTIONS [203-2]



Through the Excellent Business Solutions Pillar, BCA supports community empowerment by increasing their economic capacity so that they can develop independently. In this program BCA collaborates with MSMEs, rural communities, and community empowerment groups. The program activities include developing the villages' potential through creative economy and synergizing MSMEs through the use of banking services. By the end of December 2020, BCA had assisted 12 villages.



”

The assisted villages faced challenges during 2020 due to the COVID-19 pandemic. Not all the villages were open to the public, because of the large-scale social regulations (PSBB). As a result, there was a decrease in income and motivation for the tourism village people. Therefore, BCA continued to motivate the assisted villagers helping them to stay afloat and to think creatively when providing tourism services during this new normal period.

”

Working side by side with the assisted villages during the pandemic, BCA provided health protocol support facilities, such as hand washing facilities and thermoguns for visitors, plus masks and face shields for guides. We also held training on human resource capacity building via webinars for all administrators, such as training on using websites and social media, finance, marketing techniques, and customer service, as well as village tourism seminars. BCA also provided basic food assistance to be distributed to all administrators, assisted in completing the facilities and infrastructure for the village secretariat offices, homestay facilities, joglo for guests, and toilets for people with special needs. BCA also provided training to improve the administrators financial capabilities and insights.

During the pandemic, BCA ran an Instagram Live Vacation From Home (LDR) Talkshow program that invited the public to see the beauty of BCA's assisted villages in various parts of Indonesia. During 2020, this program held 5 times and broadcasted live via Instagram @goodlifebca and Youtube SolusiBCA every Thursday at 19.00 - 20.00 WIB, Twitter @GoodLifeBCA. Virtual visits provided a new and different experience, no less interesting than physical tours. The commitment to present the virtual "Vacation from Home" tour has paid off with positive responses from viewers who are eagerly awaiting the next episode. Following the positive responses from the audience, this program will continue in 2021.



Infrastructure development in the Bukit Peramun, Bakti BCA assisted village.



Online Human Resource Training for Assisted Village in 2020.

Goa Pindul Tourism

Location:

Bejiharjo Village, Karangmojo, Gunung Kidul, Yogyakarta.

Potential:

Tourism potential, musical art, lesung art, natural beauty of Goa Pindul, outbound facilities, and tracking.

Activities:

Paguyuban Wirawisata Gelaran II is a community initiated by the Bejiharjo Village Youth Organization which has been managing a tourism village.

12,244 people

Number of tourists in Goa Pindul in 2020



Challenges and Follow Up:

During the pandemic, Goa Pindul faced a decrease in visitors of up to 70%. However, we continue to motivate the villagers to survive and think creatively in preparation for the new normal.

Pentingsari Tourism Village

Location:

Slopes of Mount Merapi, Cangkringan, Sleman, Yogyakarta.

Potential:

Natural, cultural and agricultural tourism.

Activities:

This village provides opportunities for tourists to live and mingle with the residents.

3,132 people

Pentingsari Tourism Village visitors in 2020



Challenges and Follow Up:

The decrease in the number of visitors coming to this village reached 90%, due to the COVID-19 pandemic. Another challenge is the large percentage of villagers who are elderly so they are vulnerable to viruses and natural risks such as the eruption of Mount Merapi. Facing these challenges, BCA continues to provide assistance through webinars so that the community and village heads can rise again to welcome the new normal conditions.



● Pentingsari Tourism Village.

Wukirsari Wayang Tourism Village

Location:

Imogiri, Yogyakarta.

Potential:

The art of tatah sungging (leather craft), shadow puppets, and other leather crafts

Activities:

One of BCA's efforts to preserving Indonesian heritage is through assistance to Wukirsari Village.

Assistance to the puppet craftsmen is directed at increasing the potential for wayang tourism so that the people of Wukirsari Village are not only adept at making and marketing wayang products, but can also provide cultural education services on preserving traditional puppets. The assistance provided also pays attention to the social and environmental aspects. From



an environmental aspect, puppet craftsmen provide education to tourist visitors on making wayang clothes from used materials such as newspaper and plastic packaging. In addition, the women are trained to serve healthy and proper food for visitors.



Challenges and Follow Up:

There was a decrease in income of up to 91% for wayang craftsmen. In response, BCA continued to play a motivating role through webinars and through assistance to support health protocols. Everything carried out was to ensure the villages remained optimistic and motivated while BCA continued to support them.



Tamansari Tourism Village

Location:

Slopes of Mount Ijen, Licin, Banyuwangi.

Potential:

Life and agricultural experiences, as well as the development of the Sendang Seruni area.

Activities:

Tamansari is a tourism village that offers rural life experiences such as farming, gardening coffee, cloves and chocolate, as well as mining sulfur. The village is also known for its Gandrung Dance.

In 2019, Tamansari Tourism Village won an award from the Ministry of Villages, Development of Disadvantaged Areas and Transmigration (Kemendes PDT) as a Tourism Village Utilizing Business Networks. The positive impact of this award increased the motivation to take advantage of market opportunities through cooperation with several tourism service application providers.



Challenges and Follow Up:

The potential for tourism villages is continuously being explored, and this includes the development of the Sendang Seruni area. Tamansari Tourism Village is one of the villages that can survive a pandemic, as evidenced by an increase in tourism village income by 9.6%. To maintain this achievement, BCA is endeavoring to increase the enthusiasm for managing tourism villages through mentoring and training.



Gemah Sumilir Batik Village

Location:

Petukangan Village, Wiradesa, Kajen, Pekalongan.

Potential:

Educational facilities and batik production.

Activities:

Kampung Gemah Sumilir has the potential to produce woven fabrics and handicrafts. Many of the works of the Gemah Sumilir Batik Community have been included in various expos, exhibitions or conferences.

Challenges and Follow Up:

During the pandemic period, the number of visitors to Kampung Batik fell to only 328 people. The pandemic condition also affected batik exhibitions that had to be postponed. To survive the pandemic, batik craftsmen developed their butterfly crafts made from leaves and painted with natural colors.

Doesoen Coffee Sirap

Location:

Slopes of Mount Kelir, Semarang, Central Java.

Potential:

Organic and environmentally friendly coffee plantations.

Activities:

Tours offered to visitors, including knowledge on cultivation, processing and serving coffee, as well as culinary tours to see organic coffee, a natural product of the village, with the theme "Fun Coffee in the Beautiful Nature of Doesoen Kopi Sirap". Visitors can choose and taste various types of coffee with different flavors and characteristics. In addition, visitors can enjoy coffee while enjoying the natural beauty of Mount Kelir.

Challenges and Follow Up:

To increase sales during the pandemic felt by the people of Doesoen Kopi Sirap, verified products and packaging improvements had to be introduced to face the competition in the coffee product market.

Pucak Tinggan Tourism Village

Location:

Pelaga Village, Petang, Badung, Bali.

Potential:

Enchantment of nature and high culture.

Activities:

Visitors can enjoy and get to know the beauty of nature, the environment, processing of agricultural and plantation products, local arts, and tracking in the Pucak Tinggan area. To complement the tourism service facilities, BCA provides assistance using information boards, signboards at each educational and tourist location, direction boards, toilets constructed along the tracking area, as well as garden tidying, and service testing.

Challenges and Follow Up:

The Pucak Tinggan Tourism Village community also felt the impact of the pandemic. Tourism activities being temporarily stopped forcing the community to return to their original activities, namely as farmers and carrying out religious activities at Pura Pucak Mangu.



One of the riches of flora is in the form of moss in Gunung Lumut.

Gunong Lumut

Location:

Limbongan Village, Gantung District, East Belitung Regency, Bangka Belitung.

Potensi:

Flora richness.

Activities:

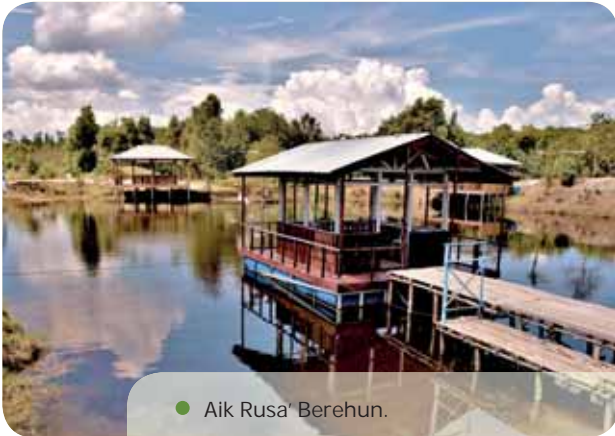
Gunong Lumut is a protected forest area with a potential richness of flora spread over 42,000 hectares. 70 meters below the peak there is an expanse of moss in various shapes and types covering the surface of the ground, rocks, and trees. Visitors can enjoy orchids



with unique types, shapes and colors. To maintain the protected forests and help the surrounding community.

Challenges and Follow Up:

The local Belitung government temporarily closed tourism access in Belitung during the pandemic forcing the community to return to their original activities as farmers and other activities.



● Aik Rusa' Berehun.

Aik Rusa' Berehun, Terong

Location:

Terong Village, Sijuk District, Belitung Regency, West Belitung.

Potential:

Nature tourism and ecotourism.

Activities:

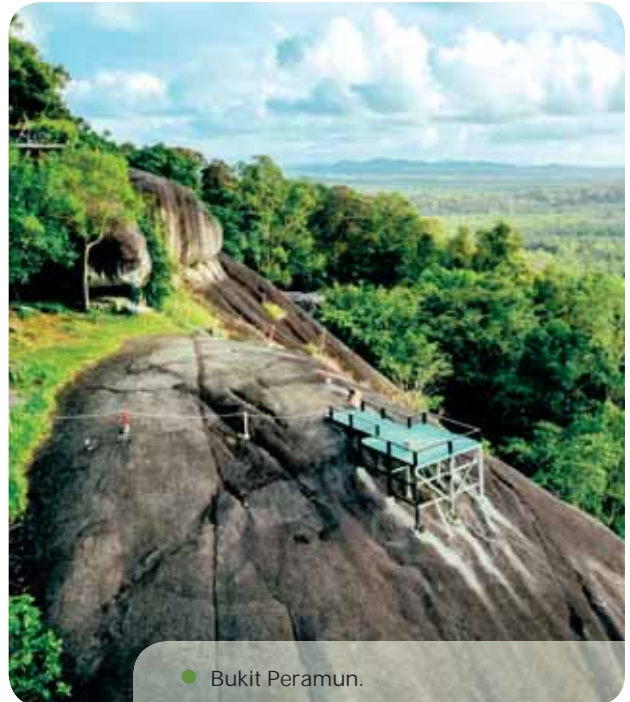
Aik Rusa Berehun Village is known as a creative village due to the success of its residents in transforming an abandoned mining excavation area into a beautiful environment.

In this village, the former mining excavation area has become a lake complete with several huts for tourism.

During 2020, BCA provided assistance to village administrators and managers, including training, services, creative selling skills, and leadership. BCA also helped build a cooking demo kitchen, selfie spots, bridges, and developed digital marketing.

Challenges and Follow Up:

The local Belitung government temporarily closed tourism access in Belitung during the pandemic forcing the community to return to their original activities as farmers and other activities.



● Bukit Peramun.

Bukit Peramun

Location:

West Belitung at an altitude of 129 masl.

Potential:

The wealth of flora and fauna, especially medicinal plants.

Activities:

Bukit Peramun tourism management using QR Code technology with information on plants so visitors can learn about the trees on Bukit Peramun.

A virtual guide in two languages was also developed, in Indonesian and English. The digital information system helps visitors find information about the uniqueness that exists in Bukit Peramun. Thanks to the successful application of technology applications, Bukit Peramun is now known as a digital-based forest. At night, visitors can see the rare Tarsius, a primate endemic to Sumatra and Kalimantan.

Challenges and Follow Up:

The local Belitung government temporarily closed tourism access in Belitung during the pandemic forcing the community to return to their original activities as farmers and other activities.



● Kampung Adat Sijunjung.

Kampung Adat Sijunjung

Location:

Sijunjung District, Sijunjung Regency, West Sumatra.

Potential:

Minangkabau cultural tourism, Rumah Gadang (traditional Minang house).

Activities:

Visitors can enjoy the Rumah Gadang (traditional Minang house) that the villagers have maintained until now.

Challenges and Follow Up:

During the pandemic, mothers felt the impact as the driving force behind the homestay visitors in the traditional villages. The decreasing number of visitors forced the entire community in the traditional villages to return to their original activities as farmers.



● Geopark area Nagari Silokek.

Nagari Silokek

Location:

National geopark area located in Sijunjung, West Sumatra.

Potential:

Very exotic panoramas, including stalactite and stalagmite caves, diversity of flora and fauna, waterfalls, white sand beaches, and steam locomotives that are historical relics of the Japanese occupation.

Activities:

Visitors can enjoy the Susur Goa tour packages, rafting, the beauty of the waterfall and the typical culinary delights in Nagari Silokek.

In 2020, BCA provided assistance for production of Silokek tourism videos and donated funds for the sepak takraw championships at the RI Kemenpora Cup in Pasir Putih, Silokek.

Challenges and Follow Up:

The pandemic was also felt by the entire community in Nagari Silokek, so they returned to farming while waiting for conditions to return to normal.



Impact of Social Activities and Public Complaint Mechanisms

Through its corporate social responsibility activities, BCA develops community social programs that have a significant positive impact on the communities’ lives. BCA also considers the potential negative impacts that may arise as the programs progress. The negative impacts include envy among the communities, and differing results received by different beneficiaries. Therefore, to reduce any negative impact, BCA continuously strives to improve the performance and quality of the program implementation teams in the field, despite the huge challenges they face.

Public Complaints Mechanism

Program recipient communities are given the opportunity to submit complaints. Currently, complaints can be submitted via e-mail to csr@bca.co.id. In 2020, no significant complaints were received from BCA Bakti program beneficiaries.

Financial Literacy and Inclusion

Financial Literacy and Building a Money Management Culture [FS16] [FN-CB-240a.4]

Not all regions in Indonesia are bankable areas. Therefore, the Government continues to encourage financial service institutions to support the people’s accessibility through financial literacy and inclusion programs. BCA’s plays an active role in supporting financial literacy through its Smart Solutions by disseminating a culture of financial management in the community. BCA’s financial literacy efforts use an interesting method, called gamification using a game board.

Financial Literacy Activities in 2020



Financial Literacy Webinar “Dare to Dream, Start Action”



On November 19, 2020, BCA organized a financial literacy webinar aimed specifically at the younger generation. An understanding of personal financial management for the younger generation is valuable knowledge needed for future financial freedom. This webinar is packaged in an attractive and modern way and divided into three talkshow sessions, each presenting an educational discussion on financial literacy. This webinar was attended by more than 1,800 participants from a variety of schools, universities, and professional backgrounds.

Through these financial literacy webinars, it is hoped that the younger generation, especially students, will be increasingly aware of the importance of understanding finance. In addition, the webinars explained how to use the digital banking services. BCA believes that increasingly easy digital access today will provide opportunities for the younger generation to find the information they need from basic financial management to discipline tips on saving and even investing.

Financial Inclusion Products [FS13] [FN-CB-240a.3]

BCA supports the financial inclusion programs and provides officeless financial services for financial inclusion (LAKU Pandai). BCA has opened up access for people in remote areas through its financial inclusion products, including LAKU BCA, DUITT. BCA also has TabunganKu, SimPel and Sakuku products. Tabunganku provides relief in terms waive monthly administration fees and transaction restrictions, SimPel targets students as customers, while Sakuku is electronic money that can be used for shopping payments, topping up mobile phone/data packages, buying game vouchers, and other banking transactions. All BCA inclusion products have the advantage of free administration fees for customers.

Financial Inclusion Activities

LAKU

2.6 thousand
Agent

152.7 thousand
Accounts

Rp23.5 billion
Total balance

⤴ **9.5%**
Total customers YoY



1.0 million
Accounts
⤴ **17.5%**
Total customers YoY



2.9 thousand
Accounts

Rp1.1 billion
Total balance

⤴ **31.3%**
Total customers YoY



1.2 million
Accounts

Rp5.7 million
Total balance

⤴ **13.9%**
Total customers YoY



● Financial literacy education with gamification method.

*Pictures taken before the pandemic



● Financial literacy education to students.

*Pictures taken before the pandemic

Positive and Negative Impact of Financial Literacy and Inclusion [FN-CB-240a.3]

We have identified the potential positive and negative impacts of launching our financial inclusion products. LAKU BCA and DUITT products have delivered a positive impact on people in areas away from the urban areas, branch offices, and BCA ATMs, as they facilitate access to banking financial transactions. LAKU BCA and DUITT agents can assist with cash and non-cash transactions using EDC devices. However, the Bank needs to improve their professionalism and ensure the LAKU BCA agents integrity. Having agents that lack integrity has the potential to open up opportunities for fraud, thereby negatively impacting the Bank, and leading to a loss of customer trust in the Bank.

Statement of Members of the Board of Commissioners and the Board of Directors regarding Responsibility for the 2020 Sustainability Report of PT Bank Central Asia Tbk

We, as the Board of Commissioners and the Board of Directors undersigned, hereby declare that all information in the Sustainability Report of PT Bank Central Asia Tbk for the year 2020 has been presented in its entirety, and that we assume full responsibility for the accuracy of the contents of this Sustainability Report in compliance with POJK No. 51/POJK.03/2017.

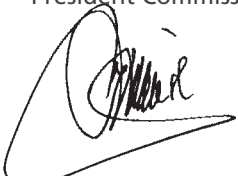
This statement is duly made in all integrity.

Jakarta, February 2021

Members of the Board of Commissioners



Djohan Emir Setijoso
President Commissioner



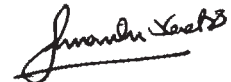
Tony Kusnadi
Commissioner



Cyrillus Harinowo
Independent Commissioner



Raden Pardede
Independent Commissioner

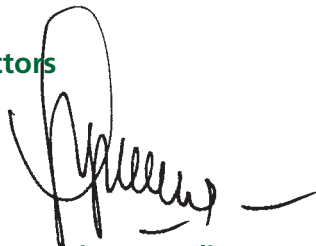


Sumantri Slamet
Independent Commissioner

Members of the Board of Directors



Jahja Setiaatmadja
President Director



Suwignyo Budiman
Deputy President Director



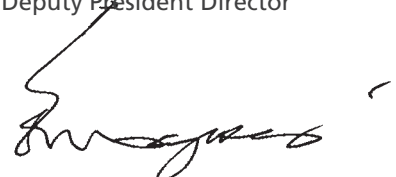
Armand Wahyudi Hartono
Deputy President Director



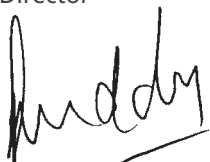
Subur Tan
Director



Henry Koenafi
Director



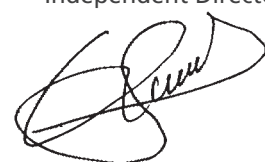
Erwan Yuris Ang
Independent Director



Rudy Susanto
Director



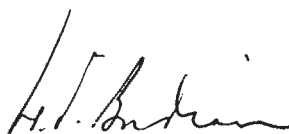
Lianawaty Suwono
Director



Santoso
Director



Vera Eve Lim
Director



Haryanto Tiara Budiman
Director



Gregory Hendra Lembong
Director



Independent Assurance Statement

The 2020 Sustainability Report of PT Bank Central Asia Tbk

Number : 002/000-174/II/2021/SR-Asia/Indonesia
 Type/Level : 1 and 2/Moderate

Dear stakeholders,

PT Bank Central Asia Tbk ("the Bank" or the "Reporting Organization") has assigned Social Responsibility Asia ("SR Asia") to assess its 2020 Sustainability Report ("the Report") for the reporting period of January 1 to December 31, 2020. The reporting organization is one of the largest commercial banks in Indonesia and is listed on the Indonesia Stock Exchange.

Intended User and Purpose

This Independent Assurance Statement ("the Statement") presents our opinion, findings, and recommendations based on particular assurance mechanisms, procedures, and scope of work on the Report to the stakeholders of the Bank. SR Asia advises all NOT to use the Statement for interpreting the Bank's overall performance or sustainability, unless for the areas covered in the scope of the assignment.

Responsibilities

Responsibilities of SR Asia and the Bank are defined in the Non-Disclosure Agreement and the Engagement Agreement documents. Following the scope of assurance, SR Asia as agreed by the Management¹ is responsible to perform an assessment, NOT an audit, on the Report content and come up with recommendations as well as the Statement. The Management is responsible for the presentation of data, figures, and information in the Report content. SR Asia only discloses the results of assurance to the Management and does NOT accept any responsibility for any other purpose or to any other person or organization. Any dependence that a third party has placed on the Report is entirely at its own risk.

Independence, Impartiality, and Competency

SR Asia assigned an Assurance Team consisting of experts in the ISO 26000, the principles and standards of AA1000 AccountAbility, the GRI Sustainability Reporting Guidelines, and the country reporting regulation. The experts also have experience in writing and reviewing sustainability reports and integrated reports of organizations from different industry sectors. SR Asia also applies a particular assurance protocol based on a professional code of conduct. Members of the Assurance Team do NOT have any relationships with the Bank that can influence their ability to provide an independent and impartial statement.

Description and Source of Disclosures

The assurance work was started with an initial review of the Report draft submitted by the Bank. SR Asia assessed the disclosures of data and information in the Report content and traced back to the evidence documents provided by the Reporting Organization. Discussions with the Management were also conducted to clarify the findings. During the assurance, SR Asia applied the methodology and approach of the analysis referring to the AA1000 Assurance Standard v3 and the SR Asia Protocol on Assurance Analysis and also using the SR Asia Great Assurance

¹ Management of the Bank



Tool digital platform. In addition, the Assurance Team reviewed public data and information online significantly related to some topics of the Report content.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content and **Type 2 assurance** specifically applied on the topics of economic performance, pension fund, and business continuity management with respect to the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. A **moderate level of assurance** procedure on the Report content and evidence, where **the risks of information and conclusions of the Report being error is reduced, but not reduced to very low, but not zero.**

Scope and Limitation of Assurance Service

1. Data and information in the Report content for the reporting period of January 1 to December 31, 2020.
2. Data and information related to the material aspects that have been identified by the Bank: **equality, occupational health, safety, and security; product portfolio; protection of customer privacy and data security; anti-fraud; training and education; financial inclusion and literacy; energy and emission; and indirect economic impacts.**
3. Under Type 2, data and information including the mechanisms, processes, and control system related to the economic performance, pension fund, and business continuity management that the Bank has implemented.
4. SR Asia assumes that the Bank, or independent parties, or other parties associated with the Bank, have verified and/or audited any data and information related to financial statements; therefore SR Asia **EXCLUDES** financial data, information, and figures in the Report content in the scope of assurance work.
5. Analysis of publicly disclosed information, system, and process of the Bank has in place to ensure adherence to the principles.
6. Adherence to the following reporting principles, guidelines, and standards;
 - a) Consolidated set of GRI Sustainability Reporting Standards 2020 ("GRI Standard") and GRI G4 Financial Services Sector Disclosure ("GRI-G4 FS") issued by the Global Reporting Initiative;
 - b) Sustainability Accounting Standard for Commercial Bank (FN-CB) issued by the Sustainability Accounting Standard Board (SASB);
 - c) Sustainable Banking Assessment (SUSBA) issued by World Wildlife Funds (WWF);
 - d) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institution, Listed, and Public Company ("POJK 51").

Exclusion

1. Financial statements and financial data and information other than those mentioned in the Report.
2. Aspects of the Report other than those mentioned under the defining materiality section and discussion on defining Report content.
3. Stakeholders' engagement, which may be involved in developing the Report.
4. Data and information outside the reporting period.
5. Data and information in the public domain not covered in the reporting period.
6. Statements and claims presenting the Bank's opinion, belief, expectation, advertisement, and future planning.

Methodology

1. Assign an Assurance Team whose members are experts in sustainability report development and assurance.
2. Pre-engagement phase was conducted to ensure the independence and impartiality of the Assurance Team.
3. Kick-off meeting and an initial analysis on the Report draft.



4. Evaluate data and information against the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), GRI Standard, GRI-G4 FS, SUSBA, SASB, and POJK 51.
5. Assess indicators data and trace back data to the sources.
6. Discuss online the results of the analysis with the Management and data contributors.
7. Under Type 2 assurance, carry out in-depth interview on financial performance, pension fund, and business continuity management topics online with the Management and the representatives of the relevant functions or units of the Bank.
8. Implement the SR Asia Protocol on Assurance Analysis and use SR Asia Great Assurance Tool digital platform.

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity – Presentation on key stakeholders and the Bank's stakeholder engagement practices in the Report content is inclusive. Different functions in the Bank collectively adequately manage stakeholder engagement and communication based on various methods and approaches. Nevertheless, the Bank is recommended to enhance the measurement of engagement effectiveness, outcomes, and impacts in the next reporting.

Materiality – Material topics in the Report content sufficiently describe the sustainability context of the Bank. Occupational health and safety as one of the material topics is related to the Bank's sustainability performance during the COVID-19 pandemic. In defining the Report content, the Bank has conducted discussions with key stakeholders as part of materiality assessment. In the future, the Bank is encouraged to strengthen the criteria and thresholds aligned with risk management in determining material topics.

Responsiveness – As per assurance work, overall, the Bank has shown its responsiveness to the stakeholders' concerns including climate change mitigation and adaptation issues. Under senior management, the Bank has access to obtain necessary competencies to develop responses related to stakeholders' concerns. However, the Report content does not specify that the Bank has assessed the relationship between the maturity, impact, and prioritization of a topic and the appropriateness of the responses through a strategic stakeholder engagement management.

Impact – To some extent, the Report content describes the Bank's efforts to recognize, manage, measure, and evaluate the actual and potential impacts of business activities and decisions on the stakeholders, especially concerning the material topics. Disclosures in the Report content regarding the bank's sustainability performance are also made in both quantitative data and qualitative information in a balanced manner. The Bank has performed customer survey but not yet conducted an impact assessment on the other stakeholders.

In "Accordance" with Core Option – Based on the assurance work taken, the Assurance Team has concluded that the Report content indicates its adherence to the **core option** of GRI Standards. At least one disclosure of each material topic is presented in the Report content and the disclosure of management approach (DMA) is disclosed adequately.

GRI Standards Principles – To some extent, the Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, accuracy, timeliness, clarity, and reliability) are moderately applied in the Report content. The Management also has submitted evidence documents adequately in a softcopy format to the Assurance Team during the assurance process.

Type 2 Assurance – The results of Type 2 assurance indicate that the Bank has implemented sufficient mechanism, process, and control system related to the economic performance, pension fund, and business



continuity management. Nevertheless, the Bank is expected to perform an external validation on its business continuity management practices based on the globally accepted standard.

Recommendations

1. To strengthen sustainability commitments with specific and clear targets and objectives that are achievable and measurable, and aligned with Sustainable Development Goals (SDGs) when applicable.
2. To perform impact assessment, i.e. social footprint assessment or human rights impact assessment, as one of the valid approaches and mechanisms to evaluate sustainability performance.
3. To conduct a more strategic and well-documented stakeholder engagement management as indicated by the AA1000 Stakeholder Engagement Standard (AA1000SES 2015).

The assurance provider,

Jakarta, 23rd of February 2021




Birendra Raturi
International Director
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POJK, GRI, SASB AND SUSBA INDICES [102-55]

POJK Number 51/POJK.03/2017

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FEEDBACK FORM

The PT Bank Central Asia Tbk (BCA) 2020 sustainability report portrays the financial performance and sustainability. Upon reading this sustainability report, we look forward to your input, criticism and suggestions by sending an e-mail or by sending this form by mail.

YOUR PROFILE

Name (if possible) :
 Institution/Company :
 E-mail :
 Phone/Mobile :

STAKEHOLDER GROUP

- Shareholders and investors
 Customers
 Employees
 Government
 Media
 Business partners
 Public and the community
 Others, please specify:

PLEASE SELECT THE APPROPRIATE ANSWERS IN RESPONSE TO THE QUESTIONS BELOW.

- | | YES | NO |
|---|--------------------------|--------------------------|
| 1. This report is easily understood. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. This report is useful for you. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. This report already portrays the Company's performance in sustainable development. | <input type="checkbox"/> | <input type="checkbox"/> |

PLEASE ASSESS THE MATERIAL ASPECTS DEEMED IMPORTANT FROM THIS REPORT

(Score 1 = Not So Important TO 5 = Very Important).

Economic performance	
Product portfolio	
Service quality and Digitalization	
Protection of Customer Privacy and Data Security	
Fraud Prevention	
Training and education	
Equality, Occupational Health, Safety and Security	
Financial Inclusion and Literacy	
Energy and Emissions	
Indirect Economic Impact	

THANK YOU FOR YOUR PARTICIPATION.

PLEASE SUBMIT AND SEND THIS RESPONSE TO THE FOLLOWING ADDRESS:

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2020 LAPORAN KEBERLANJUTAN
SUSTAINABILITY REPORT **Live to Inspire**



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